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Facsimile: (702) 796-7181

1                                   **IN THE SUPREME COURT OF THE STATE OF NEVADA**

2  
3                   **FRANCHISE TAX BOARD OF THE STATE**  
4                   **OF CALIFORNIA,**

Supreme Court Case No. 53264

5                                   Appellant,

District Court Case No.: A382999

6                                   v.

7                   **GILBERT P. HYATT,**

8                                   Respondent.

9                                   **APPEAL FROM JUDGMENT – EIGHTH JUDICIAL DISTRICT**  
10                                  **COURT STATE OF NEVADA, CLARK COUNTY**  
11                                  **HONORABLE JESSIE WALSH, DISTRICT JUDGE**

12                                  **APPENDIX OF EXHIBITS FOR RESPONDENT'S**  
13                                  **SUPPLEMENTAL ANSWERING**  
14                                  **BRIEF REGARDING COSTS**

15   **VOLUME II**

16   Mark A. Hutchison, Nevada Bar No. 4639  
17   Michael K. Wall, Nevada Bar No. 2098  
18   **HUTCHISON & STEFFEN**  
19   10080 Alta Drive, Suite 200  
20   Las Vegas, NV 89145  
21   Telephone: (702) 385-2500  
22   Facsimile: (702) 385-2086

23   Peter C. Bernhard, Nevada Bar No. 734  
24   **KAEMPFER CROWELL RENSHAW**  
25   **GRONAUER & FIORENTINO**  
26   8345 West Sunset Rd.  
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Donald J. Kula, California Bar No. 144342  
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*Attorneys for Respondent*

# CHRONO INDEX

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

RESPONDENT'S COST APPEAL APPENDIX

CHRONO INDEX

DOCUMENT	DATE	RESPONDENT'S COST APPEAL APPENDIX
Expert Report of Mari J. Frank	03/31/06	RCA000001-RCA000057
Letter from Carla Higginbotham letter to James R. Hall	02/02/09	RCA000058-RCA000059
Letter from Hutchison & Steffen letter to James R. Hall	02/02/09	RCA000060
Order Appointing Special Master	02/05/09	RCA000061-RCA000063
Motion for Remuneration of Court Appointed Special Master	02/12/09	RCA000064-RCA000083
Motion for Remuneration of Court Appointed Special Master	03/26/09	RCA000084-RCA000105
Supplement to the Motion for Remuneration of Court Appointed Special Master	04/08/09	RCA000106-RCA000126
Notice of Payment of Special Master Ashley Hall & Associate's January, 2009 Fees and Costs	04/09/09	RCA000127-RCA000129
Second Supplement to the Motion for Remuneration of Court Appointed Special Master	05/06/09	RCA000130-RCA000153
Letter from Peter C. Bernhard to James R. Adams	05/08/09	RCA000154-RCA000156
Motion for Remuneration of Court Appointed Special Master	06/04/09	RCA000157-RCA000177
Motion for Remuneration of Court Appointed Special Master	07/07/09	RCA000178-RCA000197
First Supplement to the Motion for Remuneration of Court Appointed Special Master	08/06/09	RCA000198-RCA000216
Notice of Payment of Special Master Ashley Hall & Associate's June and July, 2009 Fees and Costs	09/01/09	RCA000217-RCA000219
Motion for Remuneration of Court	09/03/09	RCA000220-RCA000242

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

RESPONDENT'S COST APPEAL APPENDIX

CHRONO INDEX

DOCUMENT	DATE	RESPONDENT'S COST APPEAL APPENDIX
Appointed Special Master		
Motion for Remuneration of Court Appointed Special Master	10/09/09	RCA000243-RCA000263
Notice of Payment of Special Master Ashley Hall & Associate's August, 2009 Fees and Costs	10/20/09	RCA000264-RCA000266
Notice of Payment of Special Master Ashley Hall & Associate's May, 2009 Fees and Costs	10/26/09	RCA000267-RCA000269
Supplement to the Motion for Remuneration of Court Appointed Special Master	11/12/09	RCA000270-RCA000288
Notice of Payment of Special Master Ashley Hall & Associate's September and October, 2009 Fees and Costs	12/04/09	RCA000289-RCA000291
Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	12/21/09	RCA000292-RCA000312
Supplemental Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	01/05/10	RCA000313-RCA000330
Notice of Payment of Special Master Ashley Hall & Associate's November, 2009, December, 2009 and January, 2010 Fees and Costs	02/12/10	RCA000331-RCA000333
Notice of Payment of Special Master Ashley Hall & Associate's February, March and April, 2009 Fees and Costs	05/28/10	RCA000334-RCA000336
Notice of Entry of Order	01/06/10	RCA000337-RCA000342



# ALPHA INDEX

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

RESPONDENT'S COST APPEAL APPENDIX

ALPHA INDEX

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Letter from Hutchison & Steffen to James R. Hall	02/02/09	RCA000060
Letter from Peter C. Bernhard to James R. Adams	05/08/09	RCA000154-RCA000156
Motion for Remuneration of Court Appointed Special Master	02/12/09	RCA000064-RCA000083
Motion for Remuneration of Court Appointed Special Master	03/26/09	RCA000084-RCA000105
Motion for Remuneration of Court Appointed Special Master	06/04/09	RCA000157-RCA000177
Motion for Remuneration of Court Appointed Special Master	07/07/09	RCA000178-RCA000197
Motion for Remuneration of Court Appointed Special Master	09/03/09	RCA000220-RCA000242
Motion for Remuneration of Court Appointed Special Master	10/09/09	RCA000243-RCA000263
Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	12/21/09	RCA000292-RCA000312
Notice of Entry of Order	01/06/10	RCA000337-RCA000342
Notice of Payment of Special Master Ashley Hall & Associate's January, 2009 Fees and Costs	04/09/09	RCA000127-RCA000129
Notice of Payment of Special Master Ashley Hall & Associate's June and July, 2009 Fees	09/01/09	RCA000217-RCA000219

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

RESPONDENT'S COST APPEAL APPENDIX

ALPHA INDEX

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Notice of Payment of Special Master Ashley Hall & Associate's February, March and April, 2009 Fees and Costs	05/28/10	RCA000334-RCA000336
Order Appointing Special Master	02/05/09	RCA000061-RCA000063
Second Supplement to the Motion for Remuneration of Court Appointed Special Master	05/06/09	RCA000130-RCA000153
Supplement to the Motion for Remuneration of Court Appointed Special Master	04/08/09	RCA000106-RCA000126
Supplement to the Motion for Remuneration of Court Appointed Special Master	11/12/09	RCA000270-RCA000288
Supplemental Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	01/05/10	RCA000313-RCA000330

1 **MOT**  
2 **ADAMS LAW GROUP, LTD.**  
3 **JAMES R. ADAMS, ESQ.**  
4 Nevada Bar No. 6874  
5 **ASSLY SAYYAR, ESQ.**  
6 Nevada Bar No.: 9178  
7 8681 W. Sahara Ave., Suite 280  
8 Las Vegas, NV 89117  
9 Tel: 702-838-7200  
10 Fax: 702-838-3636  
11 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
12 [assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
13 Attorneys for Appointed Special Master  
14 Ashley Hall of Ashley Hall & Associates  
15

16  
17 **DISTRICT COURT**  
18 **CLARK COUNTY, NEVADA**

19 **GILBERT P. HYATT,**  
20  
21 Plaintiffs,

Case No. A382999  
Dept. No. X

22 vs.

23 **FRANCHISE TAX BOARD OF THE**  
24 **STATE OF CALIFORNIA,**  
25 Defendant

Date of Hearing: 11-18-09  
Time of Hearing: IN CHAMBERS

26  
27 **MOTION FOR REMUNERATION OF COURT APPOINTED SPECIAL**  
28 **MASTER**

COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Motion for Remuneration of Court Appointed Special Master seeking recovery of September, 2009 fees and costs. This Motion is based on the memorandum of points and authorities below, the pleadings

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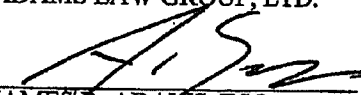
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1 and papers on file herein, the exhibits attached hereto, and any oral argument this Honorable Court  
2 may permit.

3 Dated this 5<sup>th</sup> day of October, 2009.

4  
5 ADAMS LAW GROUP, LTD.

6   
7 JAMES R. ADAMS, ESQ.  
8 Nevada Bar No. 6874  
9 ASSLY SAYYAR, ESQ.  
10 Nevada Bar No.: 9178  
11 8681 W. Sahara Ave., Suite 280  
12 Las Vegas, NV 89117  
13 Tel: 702-838-7200  
14 Fax: 702-838-3636  
15 Attorneys for Plaintiff

16 **NOTICE OF MOTION**

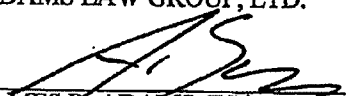
17 TO: All Parties; and

18 TO: Their Counsel.

19 YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the undersigned will  
20 bring the foregoing Motion on for hearing before the above titled Court on the 18<sup>th</sup> day of  
21 November, 2009, at the hour of In Chambers m. of said date, in  
22 Department X or as soon thereafter as Counsel can be heard.

23 Dated this 5<sup>th</sup> of October, 2009.

24 ADAMS LAW GROUP, LTD.

25   
26 JAMES R. ADAMS, ESQ.  
27 Nevada Bar No. 6874  
28 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
Tel: 702-838-7200  
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1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I.

3 STATEMENT OF FACTS

4 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of Ashley  
5 Hall & Associates as a Special Master in this case. The Order states that "the Special Master will  
6 be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket costs. Payment  
7 of these fees and costs shall be divided equally between the above captioned parties as previously  
8 determined by this Court." The Order further states that "The Special Master may employ counsel  
9 (at a rate of \$200.00 per hour) and other professionals necessary to the special mastership (at rates  
10 not exceeding \$200.00 per hour). Payment of these fees and costs shall be divided equally between  
11 the above captioned parties as previously determined by this Court."

12 This Motion requests that this Honorable Court order that the Special Master receive  
13 remuneration for its services from September 1, 2009 through September 30, 2009 in the amount  
14 of \$16,336.05, inclusive of forensic financial consultant's fees and attorney's fees.<sup>1</sup> Attached hereto  
15 as Exhibit 1 is the Special Master's Time, Activity, and expense Report for September, 2009,  
16 outlining said fees and costs equaling a total of \$6,700.00. Attached hereto as Exhibit 2 is the ASA  
17 Management Corporation Invoice for September, 2009 outlining said fees and costs equaling a total  
18 of \$3,276.00. Attached hereto as Exhibit 3 is the invoice from Adams Law Group, Ltd. to the Special  
19 Master in the amount of \$6,360.05 for work performed on behalf of the Special Master in  
20 September, 2009.

21 The Special Master has used the month of September to work on preparing a final report and  
22 recommendation to this Honorable Court. Counsel for the Special Master has used the month of  
23 September to evaluate all costs raised by the Responses submitted by both parties providing final  
24 supplementation and working on a legal memorandum supporting the Special Master's  
25 recommendations. ASA Management has used the month of September to perform final audits and  
26 review of all costs. The Special Master anticipates completing and submitting his final report and  
27

28 <sup>1</sup> The Special Master may supplement this motion with fees and costs incurred for  
October, 2009 or any months thereafter before the hearing date and time given by Master  
Calendar on this motion.

1 recommendation to this Honorable Court during the month of October, 2009 and is currently  
2 finalizing the same along with Adams Law Group, Ltd. and ASA Management.

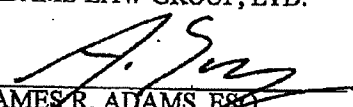
3  
4 **II.**

5 **ARGUMENT**

6 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
7 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
8 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,  
9 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009). The  
10 Special Master requests an Order authorizing payment to the Receiver for a total sum as outlined in  
11 the attached Exhibits 1, 2, and 3 of \$16,336.05. The Special Master requests the fees and costs be  
12 paid within 10 days of the date of notice of entry of the order. If said fees are not so paid, the Special  
13 Master requests the order be reduced to judgement, incur interest thereon at the statutory rate, and  
14 be payable and collectible on a 50/50 basis between the above captioned parties pursuant to the  
15 Order appointing the Special Master.

16 Dated this 5<sup>th</sup> of October, 2009.

17 ADAMS LAW GROUP, LTD.

18   
19 JAMES R. ADAMS, ESQ.  
20 Nevada Bar No. 6874  
21 ASSLY SAYYAR, ESQ.  
22 Nevada Bar No.: 9178  
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24 Las Vegas, NV 89117  
25 Tel: 702-838-7200  
26 Fax: 702-838-3636  
27  
28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and  
3 that on this date, I served the following **MOTION FOR REMUNERATION OF COURT**  
4 **APPOINTED SPECIAL MASTER** upon all parties to this action by:

5

6 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
7	Hand Delivery
	Facsimile
	Overnight Delivery
8	Certified Mail, Return Receipt Requested.

9 addressed as follows:

10 Mark A. Hutchison, Esq.  
11 Hutchison & Steffen  
12 10080 Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Attorney for Plaintiff

13 Peter C. Bernhard  
14 Kaempfer Crowell Renshaw  
15 Gronauer & Fiorentino  
3800 Howard Hughes Parkway, 7<sup>th</sup> floor  
Las Vegas, NV 89169  
Attorney for Plaintiff

16 James A. Bradshaw, Esq.  
17 McDonald Carano Wilson LLP  
18 100 West Liberty Street, 10<sup>th</sup> Floor  
Reno, Nevada 89501  
Attorney for Defendant

19 Jeffrey Silvestri, Esq.  
20 McDonald Carano Wilson, LLP  
21 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

22 Robert L. Eisenberg, Esq.  
23 Lemons, Grundy & Eisenberg  
24 6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

25 Dated the 5<sup>th</sup> day of October, 2009.

26   
27 An employee of ADAMS LAW GROUP, LTD.  
28



---

# EXHIBIT 1

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
AshleyHall1@cox.net

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 10.2.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special  
Mastership for September 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the month of September 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**September 2009**

**9.1.09 1.5 HRS**

The Special Master conferenced with Mr. Adams and Mr. Lentes regarding the final review of the Legal Brief conducted by Mr. Adams; the anticipated Audit adjustments based on the Legal Review and the anticipated time frame to complete the Special Mastership and make the necessary Recommendations to the Court. (30 min)

The Special Master reviewed his notes for August, finalized his Time, Activity & Expense Report and continued to work on the August Status Report for the Case. (1 hr)

**9.2.09 1.5 HRS**

The Special Master drafted out the Status Report for the Case and forwarded it to Mr. Adams and Mr. Lentes for their review and feedback, prior to submission to the Court and to the Parties. (1 hr)

The Special Master conferenced with Mr. Lentes and with Legal Counsel regarding the scheduling of Special Mastership's workshop in an attempt to finalize the Case and make the needed Recommendations to the Court, as set forth in the Order Appointing Special Master. (30 min)

**9.3.09 1 HR**

The Special Master met with Mr. Adams, Ms. Sayyar and Mr. Lentes to review the details of the legal brief being finalized by Mr. Adams and to determine the adjustments that may be required in setting forth the Recommendations to the Court in the Analytical Matrix used to review, evaluate and recommend the issues within the Memorandum of Costs. (1 hr)

**9.4.09 1.5 HRS**

The Special Master received and reviewed a memo from Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff, informing the Special Master that it is his feelings that the Special Master should hold an additional Working Conference (informational conference) because the Special Master had indicated he was willing, "should there be a need." At the present time in both the substantive issues as part of the Analytical Matrix being utilized by the Special Mastership to help the Special Mastership Team identify, assess, evaluate and then determine those Recommendations the Special Master concludes can be supported both by following NRS 18, prior Supreme Court rulings and additional Case Law, along with the timeline under which the Special Master has imposed on himself in order to make his Recommendations to the Court in a timely manner. The Special Master communicated with Mr. Adams and Ms. Sayyar informing them that at the present time, and under the present circumstances, the Special Master does not "see a need!" (1.5 hrs)

**9.5.09 1 HR**

The Special Master received a memo from Mr. Adams outlining his legal review of certain expenses, to which the Special Master designated a meeting to review all of this material on Tuesday, September 8, 2009 at 2:00 p.m. at the offices of Mr. Adams. (1 hr)

**9.6.09 0 HRS**

**9.7.09 0 HRS**

9.8.09 2 HRS

The Special Master conferenced with Mr. Adams, Mr. Lentes and Ms. Sayyar regarding the final legal review of the Costs/Category issues related to the Case. The Special Master directed Mr. Adams to develop a comprehensive legal assessment of the Special Master's findings and recommendations to be a part of the Special Master's final Recommendation to the Court. (1.5 hrs)

The Special Master had received a memo from Mr. Bernhard recommending that the Special Master consider hosting an additional Working Conference with the Parties, prior to his finalization of his duties and responsibilities. After careful consideration of Mr. Bernhard's request, the Special Master directed Counsel to inform the Parties that he does not see a need for any additional Working Conferences. (30 min)

9.9.09 0 HRS

9.10.09 0 HRS

9.11.09 .5 HRS

The Special Master conferenced with Mr. Lentes to review the progress being made in finalizing the categorization contained in the final legal reviews provided by Mr. Adams. (30 min)

9.12.09 1.5 HRS

The Special Master began his review and draft of the final assessments and evaluations for the purpose of making his recommendations to the Court, including a communication with Mr. Adams regarding aspects of his final legal brief. (1.5 hrs)

9.13.09 0 HRS

9.14.09 2.5 HRS

The Special Master reviewed his electronic and hard file as he prepared to continue drafting out his Draft Final Report & Recommendations to the Court. (1 hr)

The Special Master began to outline a Draft of his Final Report and began the process of drafting the contents of the Final Report and Recommendations. (1.5 hrs)

9.15.09 1.5 HRS

The Special Master conferenced with Mr. Adams and Mr. Lentes regarding the spreadsheets for the Final Report and Recommendations to the Court. (1.5 hrs)

9.16.09 1.5 HRS

The Special Master continued his review of the categorization as referred by legal counsel and to research, review and draft the Final Report. (1.5 hrs)

9.17.09 1 HR

The Special Master finalized his initial draft of his Final Report and Recommendations to the Court. (1 hr)

9.18.09 1.5 HRS

The Special Master conference with Mr. Lentes regarding the timing for finalization of the Audit and Spreadsheet preparation that is being prepared for the Special Master's Final Report & Recommendation. (30 min)

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The Special Master provided a cover memo to Mr. Adams, Ms. Sayyar and Mr. Lentes and forwarded his draft of the Final Report & Recommendations for their review and feedback, in anticipation of wrapping up the final aspects of the Case sometime in early October, and submitting the Final Report and Recommendations to the Court. (1 hr)

9.19.09 0 HRS

9.20.09 0 HRS

9.21.09 1.5 HRS

The Special Master met with Mr. Adams regarding the issue of timing for his final legal brief on the Case. (1.5 hrs)

9.22.09 2 HRS

The Special Master reviewed his DRAFT Final Report and with Mr. Adams, Ms. Sayyar and Mr. Lentes regarding feedback he had received. The Special Master also discussed with Mr. Lentes the finalization of both the Audit & Spreadsheets. (1 hr)

The Special Master conference with Mr. Adams and Mr. Lentes regarding the Draft Final Report and Recommendations on the Case and the timing for submitting the Final Report, with appropriate accompaniments. (1 hr)

9.23.09 3 HRS

The Special Master received additional feedback from Legal Counsel regarding appropriate relevant issues that needed to be addressed as part of the Special Master's Final Report & Recommendations, and/or could be addressed in his Legal Brief. Following review of Legal Counsel's comments, the Special Master informed Mr. Adams to address each of the subject issues in his legal brief. (1.5 hrs)

The Special Master revised his initial Draft of the Final Report to include the additional relevant issues within the context of his Final Report & Recommendations. (1.5 hrs)

9.24.09 2 HRS

The Special Master received the updated Hyatt spreadsheets for category 17 for review and comments. The Special Master reviewed each of the category 17 assessments and recommendations. (1.5 hrs)

The Special Master reviewed the Category 17 assessments and recommendations by Mr. Adams. (30 min)

The Special Master set a working conference with the Special Mastership Team for Friday, September 25, 2009 at 10:30 a.m. to review all of the full categorization processes. (30 min)

9.25.09 2.5 HRS

The Special Master reviewed and revised his initial Draft of the Final Report and Recommendations, including several of the comments and issues raised by legal counsel. Once the Special Master completed his Revision of the Final Draft, he forwarded it to Mr. Lentes, Ms. Sayyar and Mr. Lentes for their review and comment. (1.5 hrs)

The Special Master conferenced with Mr. Adams, Ms. Sayyar and Mr. Lentes to review the precise status of the Legal Brief and the finalization of the Audited Spreadsheets conducted under the Analytical Matrix used by the Special Mastership. (1 hr)

9.26.09 HRS

9.27.09 HRS

9.28.09 2 HRS

The Special Master conferenced with Mr. Lentes for the purpose of reviewing the progress being made regarding the final disposition of categories, along with the resulting spreadsheets that is part of the Analytical Matrix process, and as forwarded by Legal Counsel. (1 hr)

The Special Master continued is review and draft of the Final Report following the initial feedback from Mr. Adams and Mr. Lentes. (1 hr)

9.29.09 1.5 HRS

The Special Master conferenced with Mr. Lentes at his office for the purpose of reviewing the detailed information that is being finalized as part of the Audit, Evaluation and Recommendation pertaining to Categories. (1.5 hrs)

9.30.09 .5 HRS

The Special Master communicated with Mr. Adams, Mr. Lentes and Ms. Sayyar regarding both the Legal Brief to accompany the Special Master' Final Report, but also the Analytical Matrix & Spreadsheets that will also accompany the Final Report and Recommendations. (30 min)

**INVOICED AMOUNT FOR  
HYATT vs. FTB SPECIAL MASTERSHIP  
SEPTEMBER 2009**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	10.2.09	33.5 X \$200	=	<u>\$6,700.00</u>
<b>TOTAL</b>				<b>\$6,700.00</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT vs. FTB SPECIAL MASTERSHIP

---

# EXHIBIT 2

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE: 09/30/09  
INVOICING PERIOD: 2009/09-107

MONTH OF SEPTEMBER, 2009

Phone (702) 256-6657  
Fax (702) 256-4393  
Cell (702) 498-1170

## BILL TO

ASHLEY HALL & ASSOCIATES, INC.  
ATTN: ASHLEY HALL, SPECIAL MASTER  
4651 WHITE ROCK DRIVE  
LAS VEGAS, NV 89121

FISCAL YEAR - 2009

## RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## PROFESSIONAL SERVICES BILLING SUMMARY

DESCRIPTION	DATE	HOURS	RATE/HR	TOTAL \$	REMARKS
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
TOTAL ACCOUNTING SERVICES		19.75	\$ 75.00	\$ 1,481.25	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
TOTAL CONSULTING SERVICES		19.00	\$ 75.00	\$ 1,425.00	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
TOTAL GENERAL SERVICES		4.05	\$ 75.00	\$ 303.75	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
TOTAL TAX SERVICES		0.00	\$ 75.00	\$ -	

TOTAL PROFESSIONAL SERVICES 42.80 \$ 3,210.00

TOTAL REIMBURSABLE EXPENSES \$ 66.00

TOTAL INVOICE ADJUSTMENTS 0.00 \$ -

**TOTAL INVOICE AMOUNT DUE \$ 3,276.00**

SIGNATURE

DAVID E. LENTES

PLEASE MAKE CHECK PAYABLE TO

ASA MANAGEMENT CORP



# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

MEMO TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE INVOICE NO.

09/30/09

2009/09-107

MONTH OF SEPTEMBER, 2009

WORKSHEET

#1

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

### ACCOUNTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	G/L	A/R	A/R	P/R
CODE / POST SP MASTER A/P-A/R TO AHA QB - 08/2009	09/01/09		0.25	0.25	
CODE / POST A/R CHECK TO AHA QB - 05/2009	09/01/09			0.25	
PREPARE / PRINT EXHIBIT 6 REPORT FOR MEETING	09/03/09	0.50			
PREPARE / PRINT EXHIBIT 1-15 REPORT FOR MEETING	09/03/09	0.50			
CODE / RECLASS CATEGORIES / COSTS (EXHIBIT 7)	09/20/09		6.00		
CODE / RECLASS CATEGORIES / COSTS (EXHIBIT 7)	09/21/09		4.50		
CODE / RECLASS CATEGORIES / COSTS (EXHIBIT 7)	09/22/09		3.75		
CODE / RECLASS CATEGORIES / COSTS (EXHIBIT 9)	09/22/09		0.75		
CODE / RECLASS CATEGORIES / COSTS (EXHIBIT 7)	09/23/09		1.00		
CODE / RECLASS CATEGORIES / COSTS (EXHIBIT 7)	09/24/09		1.50		
PREPARE / PRINT EXHIBIT 6/9 REPORTS FOR MEETING	09/25/09	0.50			
TOTAL ACCOUNTING SERVICES BY CATEGORY		1.50	17.75	0.50	0.00

TOTAL ACCOUNTING SERVICES HOURS

19.75

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL TAX SERVICES

INVOICE TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

09/30/09

INVOICE MONTH

2009/09-107

MONTH OF SEPTEMBER, 2009

WORKSHEET

#2

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## CONSULTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
PREPARE T&A REPORT FOR SPC MASTER - 08/2009	09/01/09		0.25		
REVIEW / FILE T&A FROM SPC MASTER - 08/2009	09/01/09		0.25		
CONFERENCE WITH SPC MASTER / ADAMS - STATUS	09/01/09			0.50	
CONFERENCE WITH SPC MASTER / ADAMS - STATUS	09/02/09			0.50	
MEETING WITH SPC MASTER / ADAMS - LEGAL BRIEF	09/03/09			1.00	
CONFERENCE WITH SPC MASTER / ADAMS - STATUS	09/08/09			1.50	1.00
CONFERENCE WITH SPC MASTER - STATUS UPDATE	09/11/09			0.50	
CONFERENCE WITH SPC MASTER / ADAMS - STATUS	09/15/09			1.50	
CONFERENCE WITH SPC MASTER - AUDIT STATUS	09/18/09			0.50	
REVIEW DATA FILES - EXHIBIT 7	09/19/09		1.50		
REVIEW WITH SPC MASTER - DRAFT REPORT	09/22/09			1.00	
CONFERENCE WITH SPC MASTER / ADAMS - REPORT	09/22/09			1.00	
REVIEW DATA FILES - EXHIBIT 6	09/23/09		0.50		
REVIEW DATA FILES - EXHIBIT 9	09/23/09		0.25		
REVIEW DATA FILES - EXHIBIT 7	09/23/09		3.50		
WORKING CONFERENCE WITH SPC MASTER / ADAMS	09/25/09			1.00	
CONFERENCE WITH SPC MASTER - CATEGORIZATION	09/28/09			1.00	
CONFERENCE WITH SPC MASTER - AUDIT DETAIL	09/29/09			1.50	
COMMUNICATION WITH SPC MASTER - FINAL REPORT	09/30/09	0.25			
TOTAL CONSULTING SERVICES BY CATEGORY		0.25	6.25	11.50	1.00

TOTAL CONSULTING SERVICES HOURS

19.00

**ASA MANAGEMENT CORPORATION**

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE**

INVOICE DATE INVOICE PERIOD

09/30/09

2009/09-107

MONTH OF SEPTEMBER, 2009

WORKSHEET

#3

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**GENERAL SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	EMAIL	ORG	REV	ETC
SEND EMAIL TO SPC MASTER - ASA T&A - 08/2009	09/01/09	0.25			
SEND EMAIL TO SPC MASTER - PAYMENT DISTRIBUTION	09/01/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	09/03/09	0.10			
SEND EMAIL TO SAYYAR - CONFIRMATION OF MOTION	09/03/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	09/03/09	0.10			
SEND EMAIL TO SPC MASTER - PAYMENT DISTRIBUTION	09/03/09	0.10			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	09/03/09		0.10	0.10	
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	09/05/09		0.10	0.10	
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	09/07/09	0.10			
SEND EMAIL TO ADAMS - SPECIAL MEETING	09/07/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	09/07/09	0.10			
DOWNLOAD EMAIL ATTACHMENTS - EXHIBIT 7	09/19/09	0.25			
SEND EMAIL TO SAYYAR - EXHIBIT 7 DOC REQUEST	09/20/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	09/21/09	0.10			
SEND EMAIL TO SAYYAR - EXHIBIT 7 DOC REQUEST	09/21/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	09/22/09	0.35			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	09/22/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	09/23/09	0.40			
SEND EMAIL TO ADAMS - FFA STATUS UPDATE	09/23/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	09/23/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	09/24/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	09/30/09		0.10	0.40	
TOTAL GENERAL SERVICES BY CATEGORY		3.15	0.30	0.60	0.00

**TOTAL GENERAL SERVICES HOURS****4.05**

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

PERMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

09/30/09

INVOICE NO.

2009/09-107

MONTH OF SEPTEMBER, 2009

WORKSHEET

#5

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## REIMBURSABLE EXPENSES BILLING DETAIL

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	09/03/09			\$ 22.00	
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	09/08/09			\$ 22.00	
OFFICE SUPPLIES (TONER / PAPER / MISC)	09/30/09	\$ 22.00			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 22.00	\$ -	\$ 44.00	\$ -

TOTAL REIMBURSABLE EXPENSES

\$ 66.00

---

# EXHIBIT 3

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of September 30, 2009

Statement No. 20819

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
9/1/2009	JRA	Conference with Ashley and Dave L regarding legal brief and audit adjustments	0.50	200.00	100.00
9/1/2009	AS	Review reports and billing summaries from all professionals for remuneration requirements and recognizing time	0.10	200.00	20.00
9/3/2009	JRA	Strategize and analysis with AS, Hall, and Lentes status of all remuneration motions, categories and final approval and disapproval of costs in categories 1-5 and Exhibit 6	0.30	200.00	60.00
9/3/2009	AS	Strategize and analysis with JRA, Hall, and Lentes status of all remuneration motions, categories and final approval and disapproval of costs in categories 1-5 and Exhibit 6	0.80	200.00	160.00
9/3/2009	AS	Draft motion for remuneration for August 2009 fees	0.70	200.00	140.00
9/7/2009	JRA	Continue Phase III review of Hyatt costs. Reviewing and determining legal basis for recoverability or not on subcategory 17 of the statute with AS	4.00	200.00	800.00
9/7/2009	AS	Continue Phase III review of Hyatt costs. Reviewing and determining legal basis for recoverability or not on subcategory 17 of the statute with JRA	4.00	200.00	800.00
9/8/2009	AS	Draft email to all counsel regarding procedure and steps remaining in Phase III of report	0.20	200.00	40.00
9/8/2009	AS	Review and analysis of status and final approval and recommendation of costs with Hall and Lentes	0.20	200.00	40.00
9/8/2009	AS	Review documents with Lentes and Hall in continuation of Phase III approval or retaxing of costs	1.30	200.00	260.00
9/15/2009	JRA	Conference with Ashley	0.75	200.00	150.00
9/18/2009	AS	Continue review and evaluation of legal sufficiency of documents provided for subsection 17 to determine final legal recommendation for Hall to make on costs	4.10	200.00	820.00
9/21/2009	JRA	Meeting with Ashley regarding status of special mastership and contents of brief	1.40	200.00	280.00
9/21/2009	AS	Send and receive multiple e-correspondence with David Lentes regarding locating documents for Subsection 17 to confirm recoverability or not	0.20	200.00	40.00
9/22/2009	JRA	Begin revision of Subsection 17 to finalize remaining	1.80	200.00	360.00

		recoverable or not recoverable costs. Meeting with Ashley regarding same and regarding draft report			
9/22/2009	AS	Review and analysis of Hall's draft final briefing. Draft email to Hall regarding other procedural issues raised during Phases I-III that may want to be included to provide an accurate record	0.30	200.00	60.00
9/22/2009	AS	Begin revision of Subsection 17 to finalize remaining recoverable or not recoverable costs with JRA	1.30	200.00	260.00
9/23/2009	AS	Begin drafting final legal memorandum to court	3.90	200.00	780.00
9/24/2009	AS	Review and analysis of revised final report provided by Mr. Hall with additional legal and factual issues addressed	0.30	200.00	60.00
9/25/2009	JRA	Strategy and analysis of case status with AS, Lentes and Hall regarding status of cost evaluation, organization and response in legal brief, final reconciliation of subcategory 17, ensuring uniformity in reasons for non recoverability, procedure submitting final report to the judge, and remaining legal issues and briefing issues	0.50	200.00	100.00
9/25/2009	AS	Complete drafting first draft of legal memorandum and brief for Phase III	1.70	200.00	340.00
9/25/2009	AS	Strategy and analysis of case status with JRA, Lentes and Hall regarding status of cost evaluation, organization and response in legal brief, final reconciliation of subcategory 17, ensuring uniformity in reasons for non recoverability, procedure submitting final report to the judge, and remaining legal issues and briefing issues	0.50	200.00	100.00
9/28/2009	AS	Edit and revise first draft of legal memorandum and brief for Phase III	0.60	200.00	120.00
9/30/2009	JRA	Conference with Ashley regarding final report and section 17	0.45	200.00	90.00
Sub-total Fees:					5,980.00

#### Costs

	Monthly administrative expen	239.20
8/31/2009	Postage	1.80
8/31/2009	Postage	4.40
Sub-total Costs:		245.40

#### Payments

9/3/2009	Payment	Payment from Client for May 09	1,670.45
9/9/2009	Payment	Payment from Client Check #1370	2,939.52
Sub-total Payments:			4,609.97

---

This Month Amount Due:	6,360.05
Previous Balance Due:	13,919.36
Interest on Previous Balance Due:	134.65
Less Payments / Credits:	4,609.97

**Total Now Due: 15,669.44**

**THANK YOU FOR USING ADAMS LAW GROUP. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month.  
Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*



FUS

FILED

OCT 20 2009

*John A. Johnson*  
CLERK OF COURT

1 NTC  
Mark A. Hutchison (4639)  
2 Hutchison & Steffen  
10080 Alta Drive, Suite 200  
3 Las Vegas, NV 89145  
(702) 385-2500

4 Peter C. Bernhard (734)  
5 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
3800 Howard Hughes Parkway, Seventh Floor  
6 Las Vegas, Nevada 89169  
Telephone: (702) 792-7000

7 *Attorneys for Plaintiff Gilbert P. Hyatt*  
8

9 DISTRICT COURT  
10 CLARK COUNTY, NEVADA

11 GILBERT P. HYATT,

12 Plaintiffs,

13 v.

14 FRANCHISE TAX BOARD OF THE STATE  
15 OF CALIFORNIA, and DOES 1-100 inclusive,

16 Defendants.

Case No.: A382999

Dept. No.: X

NOTICE OF PAYMENT OF SPECIAL  
MASTER ASHLEY HALL & ASSOCIATE'S  
AUGUST, 2009 FEES AND COSTS

17 Pursuant to this Court's Order entered after the hearing on October 7, 2009, Plaintiff  
18 Gilbert P. Hyatt ("Hyatt"), has submitted payment in the amount of \$6,541.39 to the Special  
19 Master. This payment is one-half of the amounts due for Special Master Ashley Hall's August,  
20 2009 fees and costs. The total due is \$13,082.78.

21 DATED this 20 day of October, 2009  
22

23 KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO

24 *Peter C. Bernhard*  
25 Peter C. Bernhard, Esq. (734)  
3800 Howard Hughes Pkwy., Seventh Floor  
26 Las Vegas, Nevada 89169  
(702) 792-7000  
27 *Attorneys for Plaintiff Gilbert P. Hyatt*  
28

Bullivant/Houser/Bailey PC  
3883 Howard Hughes Pkwy., Ste. 550  
Las Vegas, NV 89169  
Telephone: (702) 669-3600  
Facsimile: (702) 650-2995

CERTIFICATE OF SERVICE

I certify that I am an employee of KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO and that on this 20<sup>th</sup> day of October, 2009, I caused the  
above and foregoing document to be served as follows:

NOTICE OF PAYMENT OF SPECIAL MASTER ASHLEY HALL &  
ASSOCIATE'S AUGUST, 2009 FEES AND COSTS

☒ by placing same to be deposited for mailing in the United States, in a sealed  
envelope upon which postage was prepaid in Las Vegas Nevada; and/or

☐ by delivering same to a commercial carrier for delivery within 3 calendar days;  
and/or

☐ to be hand-delivered;

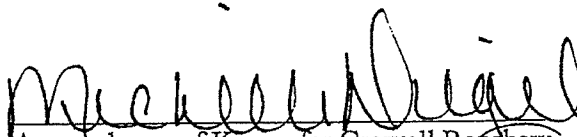
to the attorney(s) listed below at the address and/or facsimile number indicated below:

James A. Bradshaw, Esq.  
Patricia Lundvall, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street, 10<sup>th</sup> Floor  
Reno NV 89501

Jeffrey Silvestri, Esq.  
McDonald Carano Wilson LLP  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102

Robert L. Eisenberg  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, NV 89509

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Avenue, Suite 280  
Las Vegas, NV 89117

  
An employee of Kaempfer Crowell Renshaw  
Gronauer & Fiorentino

# KUMMER KAEMPFER BONNER RENSHAW & FERRARIO

74492

VENDOR: A0735 Ashley Hall and Associates

CHECK NO: 74492

OUR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
126008	003299	10/19/2009	6,541.39	6,541.39	
	Special Master Fees, 15793.1				

Check Total

\$6,541.39

74492

**KUMMER KAEMPFER  
BONNER RENSHAW & FERRARIO**

ATTORNEYS AT LAW  
SEVENTH FLOOR  
3800 HOWARD HUGHES PARKWAY  
LAS VEGAS, NV 89169  
TEL. (702) 792-7000

WELLS FARGO BANK, N.A.  
LAS VEGAS, NV 89101  
94-7074-3212

PAY

Six thousand five hundred forty-one and thirty-nine/100

\$6,541.39

CHECK AMOUNT

CHECK NO. 74492 CHECK DATE 10/19/2009 VENDOR NO. A0735

TWO SIGNATURES REQUIRED OVER \$10,000.00

TO THE  
ORDER  
OF

Ashley Hall and Associates

AUTHORIZED SIGNATURE

⑈004492⑈ ⑆321270742⑆0035101088⑈

KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO  
3800 Howard Hughes Pkwy., Seventh Floor  
Las Vegas, Nevada 89169  
Telephone: (702) 792-7000

1 NTC  
Mark A. Hutchison (4639)  
2 Hutchison & Steffen  
10080 Alta Drive, Suite 200  
3 Las Vegas, NV 89145  
(702) 385-2500

4 Peter C. Bernhard (734)  
5 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
3800 Howard Hughes Parkway, Seventh Floor  
6 Las Vegas, Nevada 89169  
Telephone: (702) 792-7000

7 *Attorneys for Plaintiff Gilbert P. Hyatt*

**FILED**

OCT 26 2009

*Debra L. Quinn*  
CLERK OF COURT

8  
9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 GILBERT P. HYATT,

12 Plaintiffs,

13 v.

14 FRANCHISE TAX BOARD OF THE STATE  
15 OF CALIFORNIA, and DOES 1-100 inclusive,

16 Defendants.

Case No.: A382999


Dept. No.: X

**NOTICE OF PAYMENT OF SPECIAL  
MASTER ASHLEY HALL & ASSOCIATE'S  
MAY 2009 FEES AND COSTS**

17 Pursuant to this Court's Order entered after the hearing on July 8, 2009, Plaintiff Gilbert  
18 P. Hyatt ("Hyatt"), has submitted payment in the amount of \$8,893.52 to the Special Master.  
19 This payment is one-half of the amounts due for Special Master Ashley Hall's May, 2009 fees  
20 and costs. The total due is \$17,787.04.

21 DATED this 26 day of October, 2009

22  
23 KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO

24   
25 Peter C. Bernhard, Esq. (734)  
26 3800 Howard Hughes Pkwy., Seventh Floor  
27 Las Vegas, Nevada 89169  
(702) 792-7000

28 *Attorneys for Plaintiff Gilbert P. Hyatt*

KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO  
3800 Howard Hughes Pkwy., Seventh Floor  
Las Vegas, Nevada 89169  
Telephone: (702) 792-7000

CERTIFICATE OF SERVICE

I certify that I am an employee of KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO and that on this 26 day of October, 2009, I caused the  
above and foregoing document to be served as follows:

**NOTICE OF PAYMENT OF SPECIAL MASTER ASHLEY HALL &  
ASSOCIATE'S MAY, 2009 FEES AND COSTS**

- ☒ by placing same to be deposited for mailing in the United States, in a sealed  
envelope upon which postage was prepaid in Las Vegas Nevada; and/or
- ☐ by delivering same to a commercial carrier for delivery within 3 calendar days;  
and/or
- ☐ to be hand-delivered;

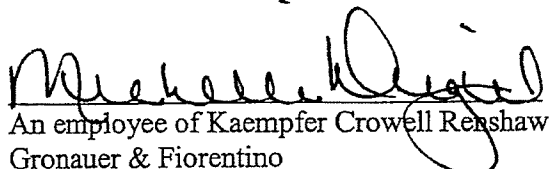
to the attorney(s) listed below at the address and/or facsimile number indicated below:

James A. Bradshaw, Esq.  
Patricia Lundvall, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street, 10<sup>th</sup> Floor  
Reno NV 89501

Jeffrey Silvestri, Esq.  
McDonald Carano Wilson LLP  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102

Robert L. Eisenberg  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, NV 89509


James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Avenue, Suite 280  
Las Vegas, NV 89117

  
An employee of Kaempfer Crowell Renshaw  
Gronauer & Fiorentino

# KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO

ENDOR: H02341 Special Master Ashley		CHECK NO: 74545				
JR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	A	JNT PAID	DISCOUNT TAKEN
26159	020797 Special Master Fees - 15793.1	10/26/2009	8,893.52		8,893.52	

Check Total \$8,893.52

<b>KAEMPFER CROWELL RENSHAW GRONAUER &amp; FIORENTINO</b> ATTORNEYS AT LAW 8345 WEST SUNSET ROAD, SUITE 250 LAS VEGAS, NEVADA 89113-2092 (702) 792-7000		Wells Fargo Bank, N.A. Las Vegas, NV 89101		74545
94-7074-3212 CHECK NO. 74545		CHECK DATE 10/26/2009		VENDOR NO. H02341
CHECK AMOUNT \$8,893.52				Security features. Details on back.
PAY Eight thousand eight hundred ninety-three and fifty-two/100				
TWO SIGNATURES REQUIRED OVER \$10,000  AUTHORIZED SIGNATURE				
TO THE ORDER OF Special Master Ashley Hall				

⑈074545⑈ ⑆321270742⑆0035101088⑈

# KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO

74545

VENDOR: H02341 Special Master Ashley Hall		CHECK NO: 74545			
OUR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
126159	020797 Special Master Fees - 15793.1	10/26/2009	8,893.52	8,893.52	

Check Total \$8,893.52

1 **SUPP**  
ADAMS LAW GROUP, LTD.  
2 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
3 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
4 8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
5 Tel: 702-838-7200  
Fax: 702-838-3636  
6 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
[assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
7 *Attorneys for Appointed Special Master*  
*Ashley Hall of Ashley Hall & Associates*

8  
9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 GILBERT P. HYATT,  
12 Plaintiffs,

13 vs.

14 FRANCHISE TAX BOARD OF THE  
STATE OF CALIFORNIA,  
15 Defendant

Case No. A382999  
Dept. No. X

Date of Hearing: November 18, 2009  
Time of Hearing: In Chambers

16  
17 **SUPPLEMENT TO THE MOTION FOR REMUNERATION OF COURT APPOINTED**  
**SPECIAL MASTER**

18 COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through its  
19 attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Supplement to the  
20 Motion for Remuneration of Court Appointed Special Master seeking recovery of October, 2009 fees  
21 in addition to the September, 2009 fees and costs. This Supplement is based on the memorandum  
22 of points and authorities below, the pleadings

23 ///

24 ///

25 ///

26 ///

27 ///

28

1 and papers on file herein, the exhibits attached hereto, and any oral argument this Honorable Court  
2 may permit.

3 Dated this \_\_\_\_ day of November, 2009.

ADAMS LAW GROUP, LTD.

4  
5  
6 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
7 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
8 8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
9 Tel: 702-838-7200  
Fax: 702-838-3636  
Attorneys for Plaintiff

10 **MEMORANDUM OF POINTS AND AUTHORITIES**

11 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of Ashley  
12 Hall & Associates as a Special Master in this case. The Order states that "the Special Master will  
13 be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket costs. Payment  
14 of these fees and costs shall be divided equally between the above captioned parties as previously  
15 determined by this Court." The Order further states that "The Special Master may employ counsel  
16 (at a rate of \$200.00 per hour) and other professionals necessary to the special mastership (at rates  
17 not exceeding \$200.00 per hour). Payment of these fees and costs shall be divided equally between  
18 the above captioned parties as previously determined by this Court."

19 This Motion requests that this Honorable Court order that the Special Master receive  
20 remuneration for its services from September 1, 2009 through September 30, 2009 in the amount  
21 of \$16,336.05, inclusive of forensic financial consultant's fees and attorney's fees. This Supplement  
22 now requests remuneration for the Special Master's services from October 1, 2009 through October  
23 31, 2009 totaling \$10,247.28.

24 Attached hereto as Exhibit 1 is the Special Master's Time, Activity, and expense Report for  
25 October, 2009, outlining said fees and costs equaling a total of \$5,000.00. Attached hereto as  
26 Exhibit 2 is the ASA Management Corporation Invoice for October, 2009 outlining said fees and  
27 costs equaling a total of \$3,716.00. Attached hereto as Exhibit 3 is the invoice from Adams Law  
28 Group, Ltd. to the Special Master in the amount of \$1,531.28 for work performed on behalf of the

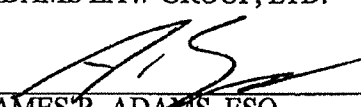


1 Special Master in October, 2009. A status update report prepared by the Special Master is attached  
2 hereto as Exhibit 4.

3 The Special Master requests an Order authorizing payment to the Receiver for a total sum  
4 \$26,583.33. The Special Master requests the fees and costs be paid within 10 days of the date of  
5 notice of entry of the order. If said fees are not so paid, the Special Master requests the order be  
6 reduced to judgement, incur interest thereon at the statutory rate, and be payable and collectible on  
7 a 50/50 basis between the above captioned parties pursuant to the Order appointing the Special  
8 Master.

9 Dated this 11<sup>th</sup> of November, 2009.

10 ADAMS LAW GROUP, LTD.

11   
12 JAMES R. ADAMS, ESQ.  
13 Nevada Bar No. 6874  
14 ASSLY SAYYAR, ESQ.  
15 Nevada Bar No.: 9178  
16 8681 W. Sahara Ave., Suite 280  
17 Las Vegas, NV 89117  
18 Tel: 702-838-7200  
19 Fax: 702-838-3636  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and  
3 that on this date, I served the following **SUPPLEMENT TO THE MOTION FOR**  
4 **REMUNERATION OF COURT APPOINTED SPECIAL MASTER** upon all parties to this  
5 action by:

6

7 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
8	Hand Delivery
8	Facsimile
9	Overnight Delivery
9	Certified Mail, Return Receipt Requested.

10 addressed as follows:

11 Mark A. Hutchison, Esq.  
12 Hutchison & Steffen  
12 10080 Alta Drive, Suite 200  
13 Las Vegas, Nevada 89145  
13 Attorney for Plaintiff

14 Peter C. Bernhard  
15 Kaempfer Crowell  
15 8345 West Sunset Road, Suite 250  
16 Las Vegas, NV 89113-2092  
16 Attorney for Plaintiff

17 James A. Bradshaw, Esq.  
18 McDonald Carano Wilson LLP  
18 100 West Liberty Street, 10<sup>th</sup> Floor  
19 Reno, Nevada 89501  
19 Attorney for Defendant

20 Jeffrey Silvestri, Esq.  
21 McDonald Carano Wilson, LLP  
21 2300 West Sahara Ave, Suite 100  
22 Las Vegas, Nevada 89102  
22 Attorney for Defendant

23 Robert L. Eisenberg, Esq.  
24 Lemons, Grundy & Eisenberg  
24 6005 Plumas Street, Suite 300  
25 Reno, Nevada 89509  
25 Attorney for Defendant

26 Dated the 12<sup>th</sup> day of November, 2009.

27   
28 An employee of ADAMS LAW GROUP, LTD.

---

# EXHIBIT 1

---

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

---

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 11.2.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special Mastership for October 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the month of October 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

---

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**October 2009**

10.1.09 1.5 HRS

The Special Master reviewed his notes, drafted out his Time, Activity & Expense Report for the Special Mastership, and forwarded it to Mr. Adams and Mr. Lentes for their review and feedback. (1.5 hrs)

10.2.09 1.5 HRS

The Special Master reviewed the additional feedback received regarding the Special Master's Final Report & Recommendations on the Case. He forwarded his additionally revised Final Report & Recommendation to Mr. Adams and Mr. Lentes for the final increction of the Legal Brief and the resulting Spreadsheets containing the Special Master's Final Recommendation on the Memorandum of Costs. (1.5 hrs)

10.3.09 0 HRS

10.4.09 0 HRS

10.5.09 1 HR

The Special Master received and reviewed several memos related to the Case from the Adams Law Group and from Mr. Lentes, directing Mr. Adams and Mr. Lentes to attempt to finalize the quantative materials remaining in the Case for finalization. (1 hr)

10.6.09 0 HRS

10.7.09 0 HRS

10.8.09 0 HRS

10.9.09 0 HRS

10.10.09 0 HRS

10.11.09 0 HRS

10.12.09 1 HR

The Special Master received, reviewed and conferenced with Mr. Lentes regarding the final elements that make up the Analytical Matrix, directing him to review very carefully all of the elements used, in conjunction with Mr. Adams' legal brief. (1 hr)

10.13.09 0 HRS

10.14.09 0 HRS

10.15.09 0 HRS

---

10.16.09 1 HR

The Special Master conferenced with the ALG & Mr. Lentes to discuss the progress on Category 17 issues that are in the process of final determination. The Special Master provided specific directions to finalize the Categorization Process as quickly as possible, and to determine the most economical means of submitting the Final Report & Attachments regarding his recommendation to the Court for a final determination. (1 hr)

10.17.09 HRS

10.18.09 HRS

10.19.09 1 HR

The Special Master met with Mr. Lentes and conferenced with Mr. Adams regarding both the meeting agenda for the Special Mastership, as well as the detailed Analytical Matrix that will be in use during the course of the Special Mastership by AHA. (1 hr)

10.20.09 .5 HRS

The Special Master conferenced with Mr. Adams and Mr. Sayyar to discuss the recommendation of the final categories in the Case, based on the legal brief by the ALG. (30 min)

10.21.09 1 HR

The Special Master met with Mr. Adams and Ms. Sayyar regarding the status of the final legal brief on the Case, and the need to revise and update the Special Master's Final Report & Recommendation. (1 hr)

10.22.09 1.5 HRS

The Special Master began his review, revision and update his Final Report, as per him meeting with Mr. Adams and Ms. Sayyar, and his discussion with Mr. Lentes, met with Mr. Adams to review the final list of Categories to be utilized in the Special Master's Recommendations. (1.5 hrs)

10.23.09 1 HR

The Special Master conferenced with Mr. Lentes to discuss the status of his final review and categorization of all costs sought by the Plaintiff in the Case. (1 hr)

10.24.09 0 HRS

10.25.09 0 HRS

10.26.09 2.5 HRS

The Special Master received, reviewed and responded to the initial Legal Brief compiled by Mr. Adams, with a recommendation that a working meeting with the members of the Special Mastership be conducted on Tuesday or Wednesday to commence the Special Master's final review. (2.5 hrs)

10.27.09 2 HRS

The Special Master conferenced with Mr. Adams and Ms. Sayyar, along with Mr. Lentes, to discuss the final disposition of the Analytical Matrix Spreadsheets containing the Categorization of the Costs for reimbursement being sought by the Plaintiff, along with the recommendation of the Special Master as to the methods and means used to determine the recommended items for reimbursement. (2 hrs)

10.28.09 1.5 HRS

The Special Master reviewed the edited Legal Brief drafted by Mr. Adams and provided both edit and additional input for the final draft. (1.5 hrs)

10.29.09 3.5 HRS

The Special Master received, reviewed and provided follow-up materials to Mr. Lentes and Mr. Adams regarding the Hyatt Cost Breakdown Analysis/Reconciliation which encompasses all of the Exhibits that were an integral part of the Memorandum of Costs with detail cost breakdown under NRS 18; i.e. The sub-parts of the analysis and reconciliation are:

- Tab 1 - Summary of the Memorandum of Costs for all Exhibits
- Tab 2 - Exhibit 1 - Hutchinson & Steffen, LLC
- Tab 3 - Exhibit 2a - Bullivant, Houser, and Bailey, PC
- Tab 4 - Exhibit 2b - Bernard, Bradley & Johnson
- Tab 5 - Exhibit 3 - Perkins, Bingham, Riordan
- Tab 6 - Exhibit 4 - Thomas Bourke
- Tab 7 - Exhibit 5 - Gilbert P. Hyatt
- Tab 8 - Exhibit 6 - Reporter's Fees / Depositions
- Tab 9 - Exhibit 7 - Experts / Other
- Tab 10 - Exhibit 9 - Court Fees (2.5 hrs)

The Special Master continued his final assessment, evaluation and recommendations regarding the scope of work of the Special Mastership that has resulted from Analytical Matrix developed by the Special Mastership to process its work. (1 hr)

10.30.09 3.5 HRS

The Special Master received, reviewed and noted the final Cost Categorization of the Memorandum of Costs for the Hyatt Case, including the following Spreadsheets:

- ALL - Cost Categorization (Summary Analysis) [All Exhibits - All NRS Codes]
- ALL - Cost Categorization (Summary Analysis) [All Exhibits - NRS Code 1-15]
- ALL - Cost Categorization (Summary Analysis) [All Exhibits - NRS Code 17]
- ALL - Cost Categorization (Detail Analysis) [All Exhibits - NRS Code 1-15]
- ALL - Cost Categorization (Detail Analysis) [All Exhibits - NRS Code 17] (3.5 hrs)

10.31.09 1 HR

The Special Master reviewed and compiled his notes for preparation of the Time & Activity Report for October. (1 hr)

**INVOICED AMOUNT FOR  
HYATT vs. FTB SPECIAL MASTERSHIP  
October 2009**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	11.2.09	25 X \$200	=	<u>\$5,000.00</u>
<b>TOTAL</b>				<b>\$5,000.00</b>

---

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lenten, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*

Ashley J. Hall, Special Master  
HYATT vs. FTB SPECIAL MASTERSHIP



---

# EXHIBIT 2

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE INVOICE NO

10/31/09

2009/10-107

MONTH OF OCTOBER, 2009

Phone (702) 256-6657  
Fax (702) 256-4393  
Cell (702) 498-1170

BILL TO

ASHLEY HALL & ASSOCIATES, INC.  
ATTN: ASHLEY HALL, SPECIAL MASTER  
4651 WHITE ROCK DRIVE  
LAS VEGAS, NV 89121

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## PROFESSIONAL SERVICES BILLING SUMMARY

DESCRIPTION	DATE	HOURS	RATE / HR	TOTAL	BALANCE
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
TOTAL ACCOUNTING SERVICES		34.25	\$ 75.00	\$ 2,568.75	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
TOTAL CONSULTING SERVICES		9.00	\$ 75.00	\$ 675.00	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
TOTAL GENERAL SERVICES		5.70	\$ 75.00	\$ 427.50	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
TOTAL TAX SERVICES		0.00	\$ 75.00	\$ -	

TOTAL PROFESSIONAL SERVICES 48.95 \$ 3,671.25

TOTAL REIMBURSABLE EXPENSES \$ 44.75

TOTAL INVOICE ADJUSTMENTS 0.00 \$ -

**TOTAL INVOICE AMOUNT DUE \$ 3,716.00**

SIGNATURE

DAVID E. LENTES

PLEASE MAKE CHECK PAYABLE TO

ASA MANAGEMENT CORP

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE INVOICE NO

10/31/09

2009/10-107

MONTH OF OCTOBER, 2009

### WORKSHEET

#1

FISCAL YEAR - 2009

### RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## ACCOUNTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	G/L	R/P	A/R	B/R
CODE / POST AHA T&A ACTIVITY TO G/L - 09/2009	10/02/09		0.25	0.25	
CODE / RECLASS CATEGORIES / COSTS (NRS CODE 17)	10/12/09	4.25			
CODE / RECLASS CATEGORIES / COSTS (NRS CODE 17)	10/13/09	1.00			
CODE / RECLASS CATEGORIES / COSTS (NRS CODE 17)	10/19/09	4.00			
CODE / RECLASS CATEGORIES / COSTS (NRS CODE 17)	10/20/09	1.50			
RECONCILIATION SPREADSHEET - EXHIBIT 6	10/20/09	1.25			
RECONCILIATION SPREADSHEET - EXHIBIT 9	10/20/09	1.00			
RECONCILIATION SPREADSHEET - EXHIBIT 7	10/21/09	1.25			
REVISE EXHIBIT 6 FINAL REPORT	10/21/09	0.50			
REVISE EXHIBIT 9 FINAL REPORT	10/21/09	0.50			
CODE / RECLASS CATEGORIES / COSTS - EXHIBIT 7	10/21/09	3.00			
PREPARE DETAIL / SUMMARY REPORTS - EXHIBIT 7	10/21/09	0.50			
PREPARE DETAIL / SUMMARY REPTS (NRS CODE 1-15)	10/21/09	1.50			
BILLING / PAYMENT RECONCILIATION - 05/2009	10/22/09			0.50	
CODE / POST AHA BILLING / PAYMENTS TO G/L	10/22/09			0.25	
PREPARE DETAIL / SUMMARY REPORTS (NRS CODE 17)	10/23/09	1.50			
PREPARE DETAIL / SUMMARY REPORTS (ALL NRS CDS)	10/23/09	1.00			
PREPARE DETAIL / SUMMARY REPORTS - EXHIBIT 1	10/25/09	0.50			
PREPARE DETAIL / SUMMARY REPORTS - EXHIBIT 2(a,b)	10/25/09	0.50			
PREPARE DETAIL / SUMMARY REPORTS - EXHIBIT 3	10/25/09	0.50			
PREPARE DETAIL / SUMMARY REPORTS - EXHIBIT 4	10/25/09	0.50			
PREPARE DETAIL / SUMMARY REPORTS - EXHIBIT 5	10/25/09	0.50			
RECONCILIATION SPREADSHEET - EXHIBIT 3	10/26/09	1.00			
RECONCILIATION SPREADSHEET - EXHIBIT 4	10/26/09	0.50			
RECONCILIATION SPREADSHEET - EXHIBIT 5	10/26/09	0.50			
RECONCILIATION SPREADSHEET - EXHIBIT 5	10/28/09	0.50			
RECONCILIATION SPREADSHEET - EXHIBIT 2A	10/28/09	1.75			
RECONCILIATION SPREADSHEET - EXHIBIT 2B	10/28/09	0.50			
RECONCILIATION SPREADSHEET - EXHIBIT 1	10/28/09	1.25			
RECONCILIATION SPREADHSEET - SUMMARY	10/28/09	1.25			
CODE / POST AHA - A/P & A/R TO G/L - 10/2009	10/29/09		0.25	0.25	
TOTAL ACCOUNTING SERVICES BY CATEGORY		32.50	0.50	1.25	0.00

TOTAL ACCOUNTING SERVICES HOURS

34.25

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE INVOICE NO

10/31/09

2009/10-107

MONTH OF OCTOBER, 2009

### WORKSHEET

#2

FISCAL YEAR - 2009

### RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## CONSULTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
CONFORM AHA T&A - 09/2009 - FROM SPC MASTER	10/01/09		0.25		
PREPARE ASA T&A - 09/2009 - TO SPC MASTER	10/02/09		0.25		
CONFERENCE WITH SPC MASTER - MATRIX ELEMENTS	10/12/09			1.00	
CONFERENCE WITH SAYYAR - DISCUSS CODE 17 ISSUES	10/16/09			1.00	1.00
MEETING WITH SPC MASTER - DISCUSS CODE 17	10/19/09			1.00	
PHONE DISCUSSION WITH SPC MASTER - REPORTS	10/22/09	0.25			
CONFERENCE WITH SPC MASTER - FINAL REVIEW	10/23/09			1.00	
REVIEW INITIAL LEGAL BRIEF FROM ADAMS	10/26/09		1.00		
CONFERENCE WITH SPC MASTER - FINAL REVIEW	10/27/09			2.00	
PHONE DISCUSSION WITH SPC MASTER - REPORTS	10/29/09	0.25			
TOTAL CONSULTING SERVICES BY CATEGORY		0.50	1.50	6.00	1.00

TOTAL CONSULTING SERVICES HOURS

9.00

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE INVOICE END

10/31/09

2009/10-107

MONTH OF OCTOBER, 2009

### WORKSHEET

#3

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## GENERAL SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	EMAIL	ORG	COPY	FAX
SEND EMAIL TO SPC MASTER - ASA T&A - 09/2009	10/02/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	10/02/09		0.20	0.30	
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	10/05/09	0.10			
SEND EMAIL TO SAYYAR - GENERAL	10/05/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	10/05/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	10/12/09	0.10			
SEND EMAIL TO SAYYAR - MEETING SCHEDULE	10/12/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	10/13/09	0.10			
SEND EMAIL TO SAYYAR - CONFIRM FRIDAY MEETING	10/13/09	0.10			
SEND EMAIL TO SPC MASTER - A/R ANALYSIS	10/21/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	10/22/09	0.10			
SEND EMAIL TO ADAMS - MATRIX CLASS CODES	10/22/09	0.10			
SEND EMAIL TO SPC MASTER - BILLING / PAY RECON	10/22/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	10/23/09		0.20	0.20	
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	10/24/09	0.10			
SEND EMAIL TO SPC MASTER - A/R ANALYSIS	10/25/09	0.25			
SEND EMAIL TO SAYYAR - A/R ISSUE	10/26/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	10/26/09	0.50			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	10/26/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM BERNHARD	10/26/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	10/27/09	0.10			
SEND EMAIL TO SPC MASTER - PAYMENT BREAKDOWN	10/27/09	0.10			
SEND EMAIL TO SPC MASTER - COST ANALYSIS/RECON	10/29/09	0.25			
SEND EMAIL TO SPC MASTER - DETAIL / SUMM RPTS	10/29/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	10/29/09		0.10	0.10	
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	10/31/09		0.25	0.75	
TOTAL GENERAL SERVICES BY CATEGORY		3.60	0.75	1.35	0.00

TOTAL GENERAL SERVICES HOURS

5.70

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## INVOICE

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

INVOICE DATE INVOICE NO

10/31/09

2009/10-107

MONTH OF OCTOBER, 2009

WORKSHEET

#5

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## REIMBURSABLE EXPENSES BILLING DETAIL

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	10/16/09			\$ 22.00	
OFFICE SUPPLIES (TONER / PAPER / MISC)	10/31/09	\$ 22.75			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 22.75	\$ -	\$ 22.00	\$ -

TOTAL REIMBURSABLE EXPENSES

\$ 44.75

---

# EXHIBIT 3

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of October 31, 2009

Statement No. 21019

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

**Professional Fees**

			Hours	Rate	Amount
10/5/2009	AS	Draft order granting unopposed motion for remuneration to be heard later in the week	0.20	200.00	40.00
10/5/2009	AS	Draft motion for remuneration for September 2009 fees	0.70	200.00	140.00
10/8/2009	tph	Prepare for review by attorney Notice of Entry of Order	0.10	0.00	0.00
10/16/2009	AS	Final hunt and audit of certain misc. costs under 17 to verify and reconcile with final spreadsheet as recoverable or not recoverable with Lentex	1.00	200.00	200.00
10/21/2009	JRA	Strategy and analysis of status of spreadsheets and legal memos to complete duties as Special Master with Ashley Hall and AS	0.10	200.00	20.00
10/21/2009	AS	Strategy and analysis of status of spreadsheets and legal memos to complete duties as Special Master with Ashley Hall and JRA	0.10	200.00	20.00
10/22/2009	JRA	Final Review, revise and supplement of legal memo	3.00	200.00	600.00
10/26/2009	JRA	Edit and finalize legal basis for final recommendation in Legal brief with AS	0.60	200.00	120.00
10/26/2009	AS	Edit and finalize legal basis for final recommendation in Legal brief with JRA	0.60	200.00	120.00
10/27/2009	JRA	Discuss Hall edits to legal memo and final spreadsheets	0.20	200.00	40.00
10/27/2009	AS	Discuss Hall edits to legal memo and final spreadsheets	0.20	200.00	40.00
10/28/2009	AS	Make edits to final legal report based on Ashley Hall's edits and revisions	0.10	200.00	20.00
<b>Sub-total Fees:</b>					<b>1,360.00</b>

**Costs**

Monthly administrative expen

	54.40
<b>Sub-total Costs:</b>	<b>54.40</b>

**Payments**

10/22/2009	Payment	Payment from client	4,837.78
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10/27/2009

Payment

Payment from Client for may 09,1/2

2,939.52

**Sub-total Payments:** 7,777.30

This Month Amount Due: 1,531.28

Previous Balance Due: 15,669.44

Interest on Previous Balance Due: 116.88

Less Payments / Credits: 7,777.30

**Total Now Due:** 9,423.42

**THANK YOU FOR USING ADAMS LAW GROUP. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month.  
Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

FILED

DEC 04 2009

*Alma L. L...*  
CLERK OF COURT

1 NTC  
2 Mark A. Hutchison (4639)  
3 Hutchison & Steffen  
4 10080 Alta Drive, Suite 200  
5 Las Vegas, NV 89145  
6 (702) 385-2500

7 Peter C. Bernhard (734)  
8 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
9 8345 West Sunset Rd.  
10 Suite 250  
11 Las Vegas, Nevada 89113  
12 (702) 792-7000

13 *Attorneys for Plaintiff Gilbert P. Hyatt*

14 DISTRICT COURT  
15 CLARK COUNTY, NEVADA

16 GILBERT P. HYATT,

17 Plaintiffs,

18 v.

19 FRANCHISE TAX BOARD OF THE STATE  
20 OF CALIFORNIA, and DOES 1-100 inclusive,

21 Defendants.

Case No.: A382999

Dept. No.: X

NOTICE OF PAYMENT OF SPECIAL  
MASTER ASHLEY HALL & ASSOCIATE'S  
SEPTEMBER AND OCTOBER, 2009 FEES  
AND COSTS

22 Pursuant to this Court's Order entered after the hearing on November 18, 2009, Plaintiff  
23 Gilbert P. Hyatt ("Hyatt"), has submitted payment in the amount of \$13,291.67 to the Special  
24 Master. This payment is one-half of the amounts due for Special Master Ashley Hall's  
25 September and October, 2009 fees and costs. The total due is \$26,583.33.

26 DATED this 4 day of December, 2009

27 KAEMPFER CROWELL RENSHAW  
28 GRONAUER & FIORENTINO

*Peter C. Bernhard* for  
Peter C. Bernhard, Esq. (734)  
8345 West Sunset Rd.  
Suite 250  
Las Vegas, Nevada 89113  
(702) 792-7000

*Attorneys for Plaintiff Gilbert P. Hyatt*

KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO

8345 West Sunset Rd., Suite 250  
Las Vegas, Nevada 89113  
Telephone: (702) 792-7000

CERTIFICATE OF SERVICE

I certify that I am an employee of KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO and that on this 4<sup>th</sup> day of December, 2009, I caused the  
above and foregoing document to be served as follows:

**NOTICE OF PAYMENT OF SPECIAL MASTER ASHLEY HALL &  
ASSOCIATE'S SEPTEMBER AND OCTOBER, 2009 FEES AND COSTS**

- ☒ by placing same to be deposited for mailing in the United States, in a sealed  
envelope upon which postage was prepaid in Las Vegas Nevada; and/or
- ☐ by delivering same to a commercial carrier for delivery within 3 calendar days;  
and/or
- ☐ to be hand-delivered;

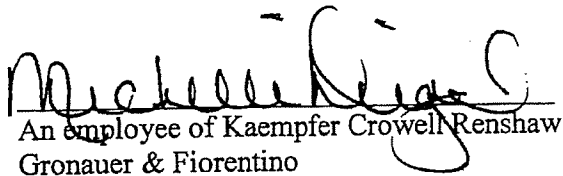
to the attorney(s) listed below at the address and/or facsimile number indicated below:

James A. Bradshaw, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street, 10<sup>th</sup> Floor  
Reno NV 89501

Patrica Lundvall, Esq.  
McDonald Carano Wilson LLP  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102

Robert L. Eisenberg  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, NV 89519

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Avenue, Suite 280  
Las Vegas, NV 89117

  
An employee of Kaempfer Crowell Renshaw  
Gronauer & Fiorentino

74778

**KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO**

VENDOR: H02341 Special Master Ashley Hall

CHECK NO: 74778

OUR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
126649	003652 Special Master Fees	12/04/2009	13,291.67	13,291.67	

Check Total

\$13,291.67

74778

**KAEMPFER CROWELL  
RENSHAW GRONAUER & FIORENTINO**ATTORNEYS AT LAW  
8345 WEST SUNSET ROAD, SUITE 250  
LAS VEGAS, NEVADA 89113-2092  
(702) 792-7000Wells Fargo Bank, N.A.  
Las Vegas, NV 89101

94-7074-3212

CHECK NO.

CHECK DATE

VENDOR NO.

74778

12/04/2009

H02341

PAY

CHECK AMOUNT

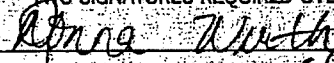
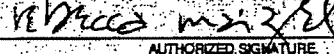
Thirteen thousand two hundred ninety-one and sixty-seven/100

\$13,291.67

TO THE  
ORDER  
OF

Special Master Ashley Hall

TWO SIGNATURES REQUIRED OVER \$10,000

AUTHORIZED SIGNATURE

⑈074778⑈ ⑆321270742⑆0035101088⑈

RCA000291

1 **MOT**  
ADAMS LAW GROUP, LTD.  
2 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
3 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
4 8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
5 Tel: 702-838-7200  
Fax: 702-838-3636  
6 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
[assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
7 *Attorneys for Appointed Special Master*  
*Ashley Hall of Ashley Hall & Associates*

8  
9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 GILBERT P. HYATT,  
12 Plaintiffs,

13 vs.

14 FRANCHISE TAX BOARD OF THE  
STATE OF CALIFORNIA,  
15 Defendant

Case No. A382999  
Dept. No. X

Date of Hearing: 1.27.2010  
Time of Hearing: IN CHAMBERS

16  
17 **MOTION TO TERMINATE SPECIAL MASTERSHIP AND FOR REMUNERATION OF**  
18 **COURT APPOINTED SPECIAL MASTER**

19 COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through its  
20 attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Motion to Terminate  
21 Special Mastership and for Remuneration of Court Appointed Special Master seeking recovery of  
22 November, 2009 and December, 2009 fees and costs. This Motion is based on the memorandum of  
23 points and authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

24 ///

25 ///

26 ///


27 ///

28 ///

1 and any oral argument this Honorable Court may permit.

2 Dated this 21<sup>st</sup> day of December, 2009.

3  
4 ADAMS LAW GROUP, LTD.

5   
6 JAMES R. ADAMS, ESQ.  
7 Nevada Bar No. 6874  
8 ASSLY SAYYAR, ESQ.  
9 Nevada Bar No.: 9178  
10 8681 W. Sahara Ave., Suite 280  
11 Las Vegas, NV 89117  
12 Tel: 702-838-7200  
13 Fax: 702-838-3636  
14 Attorneys for Plaintiff

15 **NOTICE OF MOTION**

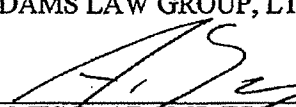
16 TO: All Parties; and

17 TO: Their Counsel.

18 YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the undersigned will  
19 bring the foregoing Motion on for hearing before the above titled Court on the 27<sup>th</sup> day of  
20 January, 2010, at the hour of 11 Chambers m. of said date, in Department  
21 X or as soon thereafter as Counsel can be heard.

22 Dated this 21<sup>st</sup> of December, 2009.

23 ADAMS LAW GROUP, LTD.

24   
25 JAMES R. ADAMS, ESQ.  
26 Nevada Bar No. 6874  
27 ASSLY SAYYAR, ESQ.  
28 Nevada Bar No.: 9178  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
Tel: 702-838-7200  
Fax: 702-838-3636

29 ///

30 ///

31 ///

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **STATEMENT OF FACTS**

4 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of Ashley  
5 Hall & Associates as a Special Master in this case. The Order states that "the Special Master will  
6 be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket costs. Payment  
7 of these fees and costs shall be divided equally between the above captioned parties as previously  
8 determined by this Court." The Order further states that "The Special Master may employ counsel  
9 (at a rate of \$200.00 per hour) and other professionals necessary to the special mastership (at rates  
10 not exceeding \$200.00 per hour). Payment of these fees and costs shall be divided equally between  
11 the above captioned parties as previously determined by this Court." The Order also sets forth the  
12 duties of the Special Master. The Special Master has completed its three Phase process and  
13 submitted its Final Report and Recommendation to this Honorable Court and all counsel.

14 This Motion requests that this Honorable Court terminate the Special Mastership as the  
15 Special Master has completed the scope of its work set forth in the order.

16 This Motion also requests that order that the Special Master receive remuneration for its  
17 services for November 2009 in the amount of \$14,844.00. The Special Master will supplement  
18 shortly his fees incurred in December, 2009 through the termination date.

19 Attached hereto as Exhibit 1 is the Special Master's Time, Activity, and expense Report for  
20 November, 2009, outlining said fees and costs equaling a total of \$8,300.00. Attached hereto as  
21 Exhibit 2 is the ASA Management Corporation Invoice for November, 2009 outlining said fees and  
22 costs equaling a total of \$2,670.00. Attached hereto as Exhibit 3 is the invoice from Adams Law  
23 Group, Ltd. to the Special Master in the amount of \$3,874.00 for work performed on behalf of the  
24 Special Master in November, 2009.

25 **II.**

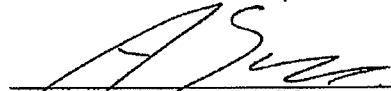
26 **ARGUMENT**

27 As the Special Master has completed all tasks sets forth in the Order appointing the Special  
28 Master, the Special Mastership should be terminated. If this Honorable Court believes there is some  
need for further services by the Special Master under the Order, please let the Special Master know.

1 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
2 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
3 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,  
4 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009). The  
5 Special Master requests an Order authorizing payment to the Receiver for a total sum as outlined in  
6 the attached Exhibits of \$14,844.00. The Special Master will supplement shortly his fees incurred  
7 in December, 2009 through the termination date. The Special Master requests the fees and costs be  
8 paid within 10 days of the date of notice of entry of the order. If said fees are not so paid, the Special  
9 Master requests the order be reduced to judgement, incur interest thereon at the statutory rate, and  
10 be payable and collectible on a 50/50 basis between the above captioned parties pursuant to the  
11 Order appointing the Special Master.

12 Dated this 21<sup>st</sup> of December, 2009.

13 ADAMS LAW GROUP, LTD.

14 

15 JAMES R. ADAMS, ESQ.

16 Nevada Bar No. 6874

17 ASSLY SAYYAR, ESQ.

18 Nevada Bar No.: 9178

19 8681 W. Sahara Ave., Suite 280

20 Las Vegas, NV 89117

21 Tel: 702-838-7200

22 Fax: 702-838-3636



1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and  
3 that on this date, I served the following **MOTION TO TERMINATE SPECIAL MASTERSHIP**  
4 **AND FOR REMUNERATION OF COURT APPOINTED SPECIAL MASTER** upon all  
5 parties to this action by:

6

7 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
8	Hand Delivery
9	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

10 addressed as follows:

11 Mark A. Hutchison, Esq.  
12 Hutchison & Steffen  
10080 Alta Drive, Suite 200  
13 Las Vegas, Nevada 89145  
Attorney for Plaintiff

14 Peter C. Bernhard  
15 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
8345 West Sunset Rd., Suite 250  
16 Las Vegas, NV 89113  
Attorney for Plaintiff

17 James A. Bradshaw, Esq.  
18 McDonald Carano Wilson LLP  
100 West Liberty Street, 10<sup>th</sup> Floor  
19 Reno, Nevada 89501  
Attorney for Defendant

20 Jeffrey Silvestri, Esq.  
21 McDonald Carano Wilson, LLP  
2300 West Sahara Ave, Suite 100  
22 Las Vegas, Nevada 89102  
Attorney for Defendant

23 Robert L. Eisenberg, Esq.  
24 Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
25 Reno, Nevada 89509  
Attorney for Defendant

26 Dated the 21<sup>st</sup> day of December, 2009.

27   
28 An employee of ADAMS LAW GROUP, LTD

---

# EXHIBIT 1

---

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

---

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant

FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999

DT: 12.2.09

SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special  
Mastership for November 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the  
HYATT vs. FTB Special Mastership, Case Number A382999 for the month of November 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal  
Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The  
Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense  
Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**November 2009**

**11.1.09 1 HR**

The Special Master reviewed his October Activity Notes, prepared his Time & Activity Report and submitted it to Mr. Adams and Mr. Lentes, for the ADAMS LAW GROUP to submit the October T&A Report(s) for the Special Mastership to the Court for its review and approval for payment. (1 hr)

**11.2. 09 0 HRS**

**11.3. 09 .5 HRS**

The Special Master conferenced with Mr. Adams, Ms. Sayyar and Mr. Lentes to set a meeting date for Thursday, November 5<sup>th</sup> whereby the Special Mastership would review all of the materials generated as per the Analytical Matrix, including each of the categories and the associated spreadsheets. (30 min)

**11.4.09 1.5 HRS**

The Special Master conferenced with Mr. Adams and Mr. Lentes to schedule a working meeting with them on finalizing the Findings, Conclusions and Recommendations of the Special Master regarding the Motion to Re-Tax, including the Special Master's Final Report in relation to the Final Legal Brief and Final Spreadsheets detailing the Analytical Process. Following several communications between the members of the Special Mastership, a 9:00 a.m. meeting was scheduled for a Complete Review of the Special Mastership work. (1 hr)

The Special Master reviewed his Final Report, made copies for review by Mr. Adams and Mr. Lentes at Thursday's working meeting and downloaded all of the Spreadsheets and Legal Brief. (30 min)

**11.5. 09 4 HRS**

The Special Master met with Mr. Adams and Mr. Lentes and conducted a detailed review of all of the Special Mastership work products to make certain that the details associated with the Special Master's Recommendations to the Court were factual, objective and reasonable. The Special Master directed both Mr. Adams and Mr. Lentes review one specific category for a final recommendation by the Special Master. The Special Master directed that the Work Products associated with the Special Mastership be finalized and prepared for submission to the Court by November 10<sup>th</sup>, if at all possible once the final adjustments to the Final Legal Brief & Spreadsheets are made, reviewed and approved by the Special Master. (4 hrs)

**11.6.09 1.5 HRS**

The Special Master forwarded a revised copy of the Final Report to Mr. Adams and Mr. Lentes following the results of the working conference with Mr. Adams and Mr. Lentes on Thursday, November 5<sup>th</sup>. (1.5 hrs)

**11.7.09 1.5 HRS**

The Special Master reviewed and re-edited his Final Report based on additional details discussed with Mr. Adams and Mr. Lentes over the past several days. The Special Master forwarded a copy of the Revised Draft Final Report to Mr. Adams and Mr. Lentes for additional feedback, as needed.

Once finalized by the Special Master, once he receives feedback from Mr. Adams regarding his final Legal Brief, the Special Master's Final Report will act as the Status Report for the Hyatt vs. FTB Special Mastership Case. (1.5 hrs)

11.8.09 0 HRS

11.9.09 2 HRS

The Special Master reviewed his entire Case File to make certain that all of the information contained in the Final Report, including the final draft of the Legal Brief and the inclusions of the Spreadsheets contained all of the information that is necessary, under the duties and responsibilities outlined in the Order Appointing Special Master. (2 hr)

11.10.09 3.5 HRS

The Special Master received, downloaded and reviewed the final draft of the Spreadsheets prepared by Mr. Lentz that are to accompany the Special Master's Final Report. (1 hr)

The Special Master met with Mr. Adams, Ms. Sayyar and Mr. Lentz in a working conference for the purpose of finalizing all of the support information to accompany the Special Master's Final Report; i.e. the Legal Brief from Mr. Adams and the accompanying Spreadsheets that contain the Analytical Assessment, Evaluation and Recommendation to the Court, based on the criteria outlined in NRS 18, Supreme Court Rulings, Case Law and those costs determined by the Special Master to be Reasonable. (2.5 hrs)

11.11.09 1.5 HRS

The Special Master received a final draft copy of the Legal Brief, as amended with all of the financial numbers for his review and comment. The Special Master began his review of the final draft of the Legal Brief. (1.5 hrs)

11.12.09 1.5 HRS

The Special Master continued his review and assessment of the final draft of the Legal Brief from Mr. Adams and Ms. Sayyar, prepared notes and questions for feedback to legal for their consideration. (1.5 hrs)

11.13.09 1.5 HRS

The Special Master finalized his review and assessment of the final draft of the Legal Brief, provided a communication to Mr. Adams and Ms. Sayyar regarding clarity of some of the items. (1.5 hrs)

11.14.09 0 HRS

11.15.09 1 HR

The Special Master reviewed the final details of the Final Report and Recommendation, the Legal Brief and the Spreadsheets for submission to the Court and to the Parties, following a final review of the Final Report & Attachments on Monday. (1 hr)

11.16.09 2.5 HRS

The Special Master conferenced with Mr. Adams, Ms. Sayyar and Mr. Lentz for a final review of both the format and details of the Final Report & Recommendations, including the final legal brief and the accompanying spreadsheets. (2.5 hrs)

11.17.09 1.5 HRS

The Special Master reviewed and outlined the Final Report, Legal Brief and Spreadsheets for providing the Court with a briefing, at the request of Judge Walsh. (1.5 hrs)

11.18.09 3.5 HRS

The Special Master conferenced with Mr. Adams & Mr. Lentes prior to a working meeting with the Special Master to organize his presentation on the three major components of the Special Mastership; i.e. Special Master's Final Report, Mr. Adams Legal Brief and Mr. Lentes Spreadsheets. (1 hr)

The Special Masters met with Mr. Adams, Mr. Lentes and Ms. Sayyar for the purpose of finalizing the Special Master's Final Report and Recommendations, including all of the accompaniments that will accompany the Final Report & Recommendation. The Special Master directed each member of the Special Mastership to study the issues regarding expert witnesses, categorization and formatting for the anticipated presentation to be made to the Court. (2.5 hrs)

11.19.09 1 HR

The Special Master reviewed his notes from the working conference with Mr. Adams, Ms. Sayyar and Mr. Lentes regarding the issue of expert witnesses, categorization and formatting. (1 hr)

11.20.09 1.5 HRS

The Special Master received, reviewed and edited the revised information regarding the issues of special witnesses, categorization and formatting in an effort to provide a Revised Final Report to be forwarded to Mr. Adams, Ms. Sayyar and Mr. Lentes. (1.5 hrs)

11.21.09 1.5 HRS

The Special Master reviewed, revised and forwarded the Final Report to Mr. Adams, Ms. Sayyar and Mr. Lentes for their review. (1.5 hrs)

11.22.09 0 HRS

11.23.09 2.5 HRS

The Special Master reviewed the final edited Legal Brief from Mr. Adams, including a detailed review with Mr. Lentes, wherein several items were found to be either vacant in terms of numbers or the numbers were transposed in a different sequence; therefore, the revisions provided to Mr. Adams and Ms. Sayyar required additional adjustments to the final Legal Brief. (1.5 hrs)

The Special Master received, reviewed and approved the final revision of Costs Categorizations:

1. ALL - Cost Categorization (Summary Analysis) [All Exhibits - All NRS Codes]
2. ALL - Cost Categorization (Summary Analysis) [All Exhibits - NRS Code 1-15]
3. ALL - Cost Categorization (Summary Analysis) [All Exhibits - NRS Code 17]
4. ALL - Cost Categorization (Detail Analysis) [All Exhibits - NRS Code 1-15]
5. ALL - Cost Categorization (Detail Analysis) [All Exhibits - NRS Code 17] (1 hr)

11.24.09 1.5 HRS

The Special Master received from Mr. Lentes the additional condensed financial numbers that were used to revise his Final Report to reflect the corrected numerical information provided by Mr. Lentes earlier in the Special Mastership's final review process. (1.5 hrs)

11.25.09 1.5 HRS

The Special Master received, reviewed and re-edited the Final Legal Brief by Mr. Adams, forwarding Mr. Adams, Ms. Sayyar and Mr. Lentes the Special Master's edited comments in the Final Legal Brief. The Special Master communicated with Mr. Lentes, Ms. Sayyar and Mr. Adams regarding the changes the Special Master had inserted into the Final Edited copy. (1.5 hrs)

11.26.09 0 HRS

11.27.09 1.5 HRS

The Special Master commenced the preparation of his Final Report Presentation file format to be presented to the Court and to the Parties. (1.5 hrs)

11.28.09 1 HR

The Special Master finalized his preparation for the presentation for the Final Report to the Court. (1hr)

11.29.09 0 HRS

11.30.09 1 HR

The Special Master reviewed his notes and drafted his Time, Activity & Expense Report for the month of November 2009 to be submitted to Mr. Adams to accompany the Motion for Remuneration to be submitted to the Court for payment of the November 2009 Special Mastership. (1 hr)

**INVOICED AMOUNT FOR  
HYATT vs. FTB SPECIAL MASTERSHIP  
November 2009**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	12.2.09	41.5 X \$200	=	<u>\$8,300.00</u>
<b>TOTAL</b>				<b>\$8,300.00</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT vs. FTB SPECIAL MASTERSHIP

---

# EXHIBIT 2



**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

Phone (702) 256-6657  
Fax (702) 256-4393  
Cell (702) 498-1170

**FISCAL YEAR - 2009****INVOICE**

INVOICE DATE	INVOICE NO
11/30/09	2009/11-107
MONTH OF NOVEMBER, 2009	

**BILL TO**

ASHLEY HALL & ASSOCIATES, INC.  
ATTN: ASHLEY HALL, SPECIAL MASTER  
4651 WHITE ROCK DRIVE  
LAS VEGAS, NV 89121

**RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD.  
(FTB) SPECIAL MASTERSHIP

**PROFESSIONAL SERVICES BILLING SUMMARY**

DESCRIPTION	DATE	HOURS	RATE/HR	TOTAL	BALANCE
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
TOTAL ACCOUNTING SERVICES		1.25	\$ 75.00	\$ 93.75	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
TOTAL CONSULTING SERVICES		26.25	\$ 75.00	\$ 1,968.75	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
TOTAL GENERAL SERVICES		6.75	\$ 75.00	\$ 506.25	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
TOTAL TAX SERVICES		0.00	\$ 75.00	\$ -	

TOTAL PROFESSIONAL SERVICES	34.25	\$ 2,568.75
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TOTAL REIMBURSABLE EXPENSES	\$ 101.25
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TOTAL INVOICE ADJUSTMENTS	0.00	\$ -
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TOTAL INVOICE AMOUNT DUE	\$ 2,670.00
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**SIGNATURE****DAVID E. LENTES****PLEASE MAKE CHECK PAYABLE TO****ASA MANAGEMENT CORP**

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE INVOICE NO

11/30/09

2009/11-107

MONTH OF NOVEMBER, 2009

## WORKSHEET

#1

FISCAL YEAR - 2009

## RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## ACCOUNTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	G/L	A/R	A/R5	B/R
CODE / POST AHA T&A ACTIVITY TO G/L - 10/2009	11/03/09		0.25	0.25	
CODE / POST AHA - A/P & A/R TO G/L - 10/2009	11/05/09		0.25	0.25	
CODE / POST AHA BILLING / PAYMENTS TO G/L	11/06/09			0.25	
TOTAL ACCOUNTING SERVICES BY CATEGORY		0.00	0.50	0.75	0.00

TOTAL ACCOUNTING SERVICES HOURS

1.25

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO****ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052****INVOICE****INVOICE DATE****11/30/09****INVOICE NO.****2009/11-107****MONTH OF NOVEMBER, 2009****WORKSHEET****#2****FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP****HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP****CONSULTING SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
CONFORM AHA T&A - 10/2009 - FROM SPC MASTER	11/03/09		0.25		
PREPARE ASA T&A - 10/2009 - TO SPC MASTER	11/03/09		0.25		
CONFERENCE WITH SPC MASTER - MEETING	11/03/09	0.25			
CONFERENCE WITH SPC MASTER - MEETING	11/04/09	0.25			
MEETING WITH SPC MASTER / ADAMS - FINAL RPT	11/05/09			3.00	1.00
REVIEW SM FINAL DRAFT REPORT / ADDRESS ITEM #11	11/07/09		0.75		
REVIEW SM FINAL REVISED DRAFT REPORT	11/07/09		0.50		
REFORMAT SUMMARY COST ANALYSIS REPORT	11/10/09		0.50		
MEETING WITH SPC MASTER / ADAMS - FINAL RPT	11/10/09			1.50	1.00
REVISE REPORT SPREADSHEET PER MEETING	11/10/09		0.50		
REVIEW FINAL LEGAL MEMORANDUM	11/11/09		0.50		
CONFERENCE WITH SPC MASTER / ADAMS - FINAL RPT	11/16/09			1.50	1.00
REVISE FINAL REPORT SPREADSHEET PER MEETING	11/16/09		0.75		
CONFERENCE WITH SPC MASTER / ADAMS	11/18/09			0.75	1.00
MEETING WITH SPC MASTER / ADAMS / SAYYAR	11/18/09			2.50	
CONFERENCE WITH SPC MASTER / ADAMS / SAYYAR	11/19/09			1.00	
REVISE EXHIBIT 7 DETAIL / SUMMARY REPORTS	11/22/09		3.00		
REVISE CONDENSED SUMMARY REPORT	11/22/09		0.75		
REVISE NRS 17 DETAIL / SUMMARY REPORT	11/22/09		1.50		
REVISE NRS - ALL EXHIBITS / CODES REPORT	11/23/09		1.00		
REVIEW WITH SPC MASTER - FINAL REPORT REVISIONS	11/23/09			1.00	
COMMUNICATION WITH SPC MASTER - FINAL REPORT	11/25/09	0.25			
<b>TOTAL CONSULTING SERVICES BY CATEGORY</b>		<b>0.75</b>	<b>10.25</b>	<b>11.25</b>	<b>4.00</b>

**TOTAL CONSULTING SERVICES HOURS****26.25**

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE****INVOICE DATE****11/30/09****INVOICE NO****2009/11-107****MONTH OF NOVEMBER, 2009****WORKSHEET****#3****FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**GENERAL SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	EMAIL	ORC	COPY	FAX
SEND EMAIL TO SPC MASTER - ASA T&A - 10/2009	11/03/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	11/03/09		0.20	0.30	
RETRIEVE / REVIEW / PRINT / FILE EMAILS FROM ALG	11/04/09	0.40			
RETRIEVE / REVIEW / PRINT / FILE EMAILS FROM SM	11/07/09	0.20			
SEND EMAIL TO SPC MASTER - FINAL DRAFT REPORT	11/07/09	0.20			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	11/07/09		0.30	0.30	
SEND EMAIL TO SPC MASTER - REFORMATED REPORT	11/10/09	0.20			
SEND EMAIL TO SPC MASTER - REVISED REPORT	11/10/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	11/11/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	11/12/09	0.20			
SEND EMAIL TO SPC MASTER - FINAL REVISED REPT	11/16/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS - RPT	11/16/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	11/20/09	0.50			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	11/23/09	0.20			
SEND EMAIL TO SAYYAR - CONDENSED SUMMARY	11/23/09	0.25			
SEND EMAIL TO SAYYAR - DETAIL / SUMMARY REPTS	11/23/09	0.25			
SEND EMAIL TO SAYYAR - LEGAL BRIEF CHANGES	11/23/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	11/24/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	11/25/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	11/25/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	11/30/09		0.20	1.00	
<b>TOTAL GENERAL SERVICES BY CATEGORY</b>		<b>4.45</b>	<b>0.70</b>	<b>1.60</b>	<b>0.00</b>

**TOTAL GENERAL SERVICES HOURS****6.75**

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE****INVOICE DATE****11/30/09****INVOICE NO****2009/11-107****MONTH OF NOVEMBER, 2009****WORKSHEET****#5****FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**REIMBURSABLE EXPENSES BILLING DETAIL**

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	11/10/09			\$ 22.00	
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	11/16/09			\$ 22.00	
TRAVEL TO / FROM JUDGES OFFICE (40 Miles @ \$.55)	11/18/09			\$ 22.00	
OFFICE SUPPLIES (TONER / PAPER / MISC)	11/30/09	\$ 35.25			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 35.25	\$ -	\$ 66.00	\$ -

**TOTAL REIMBURSABLE EXPENSES****\$ 101.25**

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# EXHIBIT 3

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
(702) 838-7200

Statement as of November 30, 2009  
Statement No. 21691

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
11/5/2009	JRA	Meeting with Dave and Ashley to finalize memo, all spreadsheets and receivers report	2.50	200.00	500.00
11/6/2009	AS	Draft supplement to motion for remuneration with October fees	0.60	200.00	120.00
11/10/2009	JRA	Strategy and analysis of final numbers from Lentes and procedure of providing report to court with AS, AH, and Lentes	0.30	200.00	60.00
11/10/2009	AS	Strategy and analysis of final numbers from Lentes and procedure of providing report to court with JRA, AH, and Lentes	0.30	200.00	60.00
11/11/2009	AS	Edit and finalize motion to supplement with Oct. 2009 fees	0.20	200.00	40.00
11/11/2009	AS	Finalize legal memorandum for judge with final numbers and totals from spreadsheets	1.00	200.00	200.00
11/16/2009	JRA	Strategy and analysis of potential appeal issues and final legal review of numbers with AH, AS and David Lentes before submission to the judge. Review, revise and supplement and complete final report	3.70	200.00	740.00
11/16/2009	AS	Strategy and analysis of potential appeal issues and final legal review of numbers with AH, JRA and David Lentes before submission to the judge	0.70	200.00	140.00
11/17/2009	AS	Draft order granting remuneration for Sept and Oct	0.20	200.00	40.00
11/18/2009	JRA	Attend meeting with Judge with Special Master to go over Final Report and recommendations and take questions from the judge before formally submitting the same. (travel time included)	2.60	200.00	520.00
11/18/2009	AS	Prepare for meeting with the Special Master and the judge to preliminarily explain and present the recommendations of the special master	0.40	200.00	80.00
11/18/2009	AS	Attend meeting with Judge with Special Master to go over Final Report and Recommendations and take questions from the judge before formally submitting the same. (travel time included)	2.60	200.00	520.00

**Adams Law Group, Ltd.**

Page: 2

11/20/2009	AS	Make changes to expert fee recovery after meeting with judge and special master at their direction. Edit and revise legal brief accordingly and spreadsheets accordingly	0.80	200.00	160.00
11/20/2009	AS	Draft proposed order for judge on motion to retax. Draft notice of continued motion hearing	0.40	200.00	80.00
11/24/2009	AS	Finalize packet of documents for filing with corrections to spreadsheets and additions requested by the judge	0.60	200.00	120.00
11/25/2009	AS	Final clean up and edits to legal report and Special Master report based on comments by Special Master	0.70	200.00	140.00
11/25/2009	AS	Edit and revise notice of motion into order and edit and continue to draft proposed order. Draft cover sheet for submission of reports of Special Master	0.60	200.00	120.00
11/25/2009	AS	Telephone call with law clerk of Dept 10 regarding order setting hearing	0.10	200.00	20.00
11/30/2009	AS	Telephone call with Jerri in Dept 10 regarding in chambers date for Judge to enter decision	0.10	200.00	20.00

Sub-total Fees: 3,680.00**Rate Summary**

James R. Adams	9.10 hours at \$200.00/hr	1,820.00
Assly Sayyar	9.30 hours at \$200.00/hr	1,860.00
Total hours:	<u>18.40</u>	

**Costs**

	Monthly administrative expen	147.20
11/12/2009	Postage	6.10
	Sub-total Costs:	<u>153.30</u>

**Disbursements**

11/18/2009	Check issued to Assly Sayyar	20.70
11/25/2009	Check issued to Xpedient Runner Service, Inc	20.00
	Sub-total Disbursements:	<u>40.70</u>

**Payments**

12/7/2009	Payment	Payment through October 09	7,891.34
		Sub-total Payments:	<u>7,891.34</u>



**Adams Law Group, Ltd.**

Page: 3

Previous Balance Due Before Payments:	9,423.42
Payments / Credits:	7,891.34
Previous Balance Due After Payments:	1,532.08
Interest:	21.74
Total Current Billing:	<u>3,895.74</u>
Total Now Due:	<u>5,427.82</u>

1 **SUPP**  
2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 6874  
5 ASSLY SAYYAR, ESQ.  
6 Nevada Bar No.: 9178  
7 8681 W. Sahara Ave., Suite 280  
8 Las Vegas, NV 89117  
9 Tel: 702-838-7200  
10 Fax: 702-838-3636  
11 james@adamslawnevada.com  
12 assly@adamslawnevada.com  
13 *Attorneys for Appointed Special Master*  
14 *Ashley Hall of Ashley Hall & Associates*

15  
16  
17 **DISTRICT COURT**  
18  
19 **CLARK COUNTY, NEVADA**

20 GILBERT P. HYATT,  
21  
22 Plaintiffs,

23 vs.

24 FRANCHISE TAX BOARD OF THE  
25 STATE OF CALIFORNIA,  
26 Defendant

Case No. A382999  
Dept. No. X

Date of Hearing: January 27, 2010  
Time of Hearing: In Chambers

27 **SUPPLEMENTAL MOTION TO TERMINATE SPECIAL MASTERSHIP AND FOR**  
28 **REMUNERATION OF COURT APPOINTED SPECIAL MASTER**

COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Supplemental Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master seeking recovery of December, 2009 fees and costs. This Supplement is based on the memorandum of points and authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

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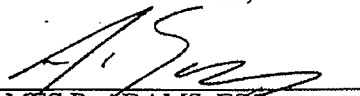
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1 and any oral argument this Honorable Court may permit.

2 Dated this 5<sup>th</sup> day of January, 2010.

3  
4 ADAMS LAW GROUP, LTD.

5   
6 JAMES R. ADAMS, ESQ.  
7 Nevada Bar No. 6874  
8 ASSLY SAYYAR, ESQ.  
9 Nevada Bar No.: 9178  
10 8681 W. Sahara Ave., Suite 280  
11 Las Vegas, NV 89117  
12 Tel: 702-838-7200  
13 Fax: 702-838-3636  
14 Attorneys for Plaintiff

15 **MEMORANDUM OF POINTS AND AUTHORITIES**

16 **I.**

17 **STATEMENT OF FACTS**

18 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of Ashley  
19 Hall & Associates as a Special Master in this case. The Order states that "the Special Master will  
20 be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket costs. Payment  
21 of these fees and costs shall be divided equally between the above captioned parties as previously  
22 determined by this Court." The Order further states that "The Special Master may employ counsel  
23 (at a rate of \$200.00 per hour) and other professionals necessary to the special mastership (at rates  
24 not exceeding \$200.00 per hour). Payment of these fees and costs shall be divided equally between  
25 the above captioned parties as previously determined by this Court." The Order also sets forth the  
26 duties of the Special Master. The Special Master has completed its three Phase process and  
27 submitted its Final Report and Recommendation to this Honorable Court and all counsel.

28 The underlying Motion requests that this Honorable Court terminate the Special Mastership  
as the Special Master has completed the scope of its work set forth in the order. The underlying  
Motion also requests that the Special Master receive remuneration for its services for November  
2009 in the amount of \$14,844.00. This Supplement requests that this Honorable Court award  
\$3,807.20 in December, 2009 fees and costs incurred and an estimated \$250.00 in fees and costs  
that Adams Law Group, Ltd. expects and estimates to spend drafting this supplement, drafting the

1 order from the pending hearing and noticing the same in January, 2010 up through the date of  
2 termination.

3 Attached hereto as Exhibit 1 is the Special Master's Time, Activity, and expense Report for  
4 December, 2009, outlining said fees and costs equaling a total of \$2,400.00. Attached hereto as  
5 Exhibit 2 is the ASA Management Corporation Invoice for December, 2009 outlining said fees and  
6 costs equaling a total of \$700.00. Attached hereto as Exhibit 3 is the invoice from Adams Law  
7 Group, Ltd. to the Special Master in the amount of \$707.20 for work performed on behalf of the  
8 Special Master in December, 2009. Adams Law Group anticipates in January, 2010 incurring  
9 approximately another \$250.00 in fees for drafting this supplement, drafting the order from the  
10 January 27, 2010 hearing and noticing the same.

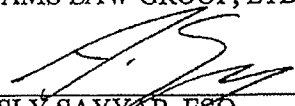
11 II.

12 ARGUMENT

13 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
14 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
15 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,  
16 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009). The  
17 Special Master requests an Order authorizing payment to the Receiver for a total sum from  
18 November 1, 2009 through January 27, 2010 of \$18,901.20. The Special Master requests the fees  
19 and costs be paid within 10 days of the date of notice of entry of the order. If said fees are not so  
20 paid, the Special Master requests the order be reduced to judgement, incur interest thereon at the  
21 statutory rate, and be payable and collectible on a 50/50 basis between the above captioned parties  
22 pursuant to the Order appointing the Special Master.

23 Dated this 5<sup>th</sup> of January, 2010.

24 ADAMS LAW GROUP, LTD.

25   
26 ASSLY SAYYAR, ESQ.  
27 Nevada Bar No.: 9178  
28 8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
Tel: 702-838-7200  
Fax: 702-838-3636

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and  
3 that on this date, I served the following **SUPPLEMENTAL MOTION TO TERMINATE**  
4 **SPECIAL MASTERSHIP AND FOR REMUNERATION OF COURT APPOINTED**  
5 **SPECIAL MASTER** upon all parties to this action by:

6

7 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
8	Hand Delivery
9	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

10 addressed as follows:

11 Mark A. Hutchison, Esq.  
12 Hutchison & Steffen  
13 10080 Alta Drive, Suite 200  
14 Las Vegas, Nevada 89145  
15 Attorney for Plaintiff

16 Peter C. Bernhard  
17 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
18 8345 West Sunset Rd., Suite 250  
19 Las Vegas, NV 89113  
20 Attorney for Plaintiff

21 James A. Bradshaw, Esq.  
22 McDonald Carano Wilson LLP  
23 100 West Liberty Street, 10<sup>th</sup> Floor  
24 Reno, Nevada 89501  
25 Attorney for Defendant

26 Jeffrey Silvestri, Esq.  
27 McDonald Carano Wilson, LLP  
28 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

Robert L. Eisenberg, Esq.  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

Dated the 5<sup>th</sup> day of January, 2010.

  
An employee of ADAMS LAW GROUP, LTD

# EXHIBIT 1

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 1.3.10  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special  
Mastership for December 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the month of December 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc: Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**December 2009**

**12.1.09 2 HRS**

The Special Master received a Draft Order on Retax that he reviewed, commented and forwarded to Mr. Adams, Mr. Lentes and Ms. Sayyar for inclusion into the Final Draft of the Order & Judgment on the Case that is to be submitted with the Special Masters Final Report & Recommendation. (2 hrs)

**12.2.09 1 HR**

The Special Master reviewed, finalized his Reports and forwarded the T&A and his Final Report and Recommendations to Mr. Adams for submission to the Court as part of the Special Master's Motion for Remuneration for the month of November 2009. (1 hr)

**12.3.09 0 HRS**

**12.4.09 .5 HRS**

The Special Master reviewed and approved each of the Time & Activity Reports from Mr. Lentes and Mr. Adams. (30 min)

**12.5.09 1 HR**

The Special Master received a copy of the Notice of Entry of Order regarding the Hyatt vs. FTB Re-Tax Case, noticing all Legal Counsel's, informing them that the Special Master had completed his duties and had submitted his Recommendations and Conclusions to the Court and that a Hearing is set for December 16<sup>th</sup> at 9:00 a.m. in Department X. (30 min)

The Special Master communicated with Mr. Adams regarding the Motion the procedures that are anticipated by the Court regarding the disposition of the Case. (30 min)

**12.6.09 0 HRS**

**12.7.09 1 HR**

The Special Master conferenced with Mr. Adams, Ms. Sayyar and Mr. Lentes to discuss the pending Hearing on December 16<sup>th</sup> and if there was any anticipation that the Court may request that the Special Master review his findings to the Court and to the Parties. (1 hr)

**12.8.09 0 HRS**

**12.9.09 0 HRS**

**12.10.09 1.5 HRS**

The Special Master conferenced with Mr. Lentes regarding the detailed spreadsheets contained in the Special Master's Final Report and Recommendations in anticipation of the up-coming Court Appearance in Department 10 regarding the Special Master Findings & Recommendations. (1.5 hrs)



12.11.09 1 HR

The Special Master met with Mr. Adams and Ms. Sayyar regarding the "In Chambers" approval scheduled by Judge Walsh of the Special Master's Motion to accept the Final Report and Recommendations. (1 hr)

12.12.09 0 HRS

12.13.09 0 HRS

12.14.09 .5 HRS

The Special Master conferenced with Mr. Adams and Ms. Sayyar regarding the anticipated actions resulting from the Court receiving, reviewing and approving the Special Master's Motion to approve his Final Report and Recommendation. (30 min)

12.15.09 0 HRS

12.16.09 1.5 HRS

The Special Master conferenced with Judge Walsh and Legal Counsel to make certain that the Court had all of the information that had been submitted by the Special Mastership, to review the Defendants recent memo objection and to review the Rules pertaining to Special Mastership's and their final dispositions. (1 hr)

The Special Master conferenced with Mr. Adams regarding submission of the final time and activity report for the Special Mastership to the Court for review and approval. (30 min)

12.17.09 1.5 HRS

The Special Master received a copy of "FTB's NOTICE OF OBJECTION TO THE COURT'S ORDER DATED DECEMBER 4, 2009 – RE: PROHIBITING OBJECTIONS TO THE SPECIAL MASTER'S REPORT." The Special Master reviewed the Notice and conferenced with Legal Counsel. (1.5 hrs)

12.18.09 .5 HRS

The Special Master conferenced with Legal Counsel to inform the Court that he is willing to stand-by for any further direction of the Court, if required, otherwise, the termination of the Special Master would be appropriate at this time. (30 min)

12.19.09 0 HRS

12.20.09 0 HRS

12.21.09 0 HRS

12.22.09 0 HRS

12.23.09 0 HRS

12.24.09 0 HRS

12.25.09 0 HRS

12.26.09 0 HRS

12.27.09 0 HRS

12.28.09 0 HRS

12.29.09 0 HRS

12.30.09 0 HRS

12.31.09 0 HRS

**INVOICED AMOUNT FOR  
HYATT vs. FTB SPECIAL MASTERSHIP  
December 2009**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	1.3.10	12 X \$200	=	<u>\$2,400.00</u>
<b>TOTAL</b>				<b>\$2,400.00</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT vs. FTB SPECIAL MASTERSHIP

# EXHIBIT 2

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

**ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052**

**Phone (702) 256-6657  
Fax (702) 256-4393  
Cell (702) 498-1170**

**FISCAL YEAR - 2009****INVOICE****INVOICE DATE****12/31/09****INVOICE NO****2009/12-107****MONTH OF DECEMBER, 2009****BILL TO**

**ASHLEY HALL & ASSOCIATES, INC.  
ATTN: ASHLEY HALL, SPECIAL MASTER  
4651 WHITE ROCK DRIVE  
LAS VEGAS, NV 89121**

**RECEIVERSHIP / SPECIAL MASTERSHIP**

**HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP**

**PROFESSIONAL SERVICES BILLING SUMMARY**

DESCRIPTION	DATE	HOURS	RATE / HR	TOTAL	BALANCE
<b>ACCOUNTING SERVICES</b>					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
<b>TOTAL ACCOUNTING SERVICES</b>		1.75	\$ 75.00	\$ 131.25	
<b>CONSULTING SERVICES</b>					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
<b>TOTAL CONSULTING SERVICES</b>		3.00	\$ 75.00	\$ 225.00	
<b>GENERAL SERVICES</b>					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
<b>TOTAL GENERAL SERVICES</b>		4.15	\$ 75.00	\$ 311.25	
<b>TAX SERVICES</b>					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
<b>TOTAL TAX SERVICES</b>		0.00	\$ 75.00	\$ -	

**TOTAL PROFESSIONAL SERVICES****8.90****\$ 667.50****TOTAL REIMBURSABLE EXPENSES****\$ 32.50****TOTAL INVOICE ADJUSTMENTS****0.00****\$ -****TOTAL INVOICE AMOUNT DUE****\$ 700.00****SIGNATURE****DAVID E. LENTES****PLEASE MAKE CHECK PAYABLE TO****ASA MANAGEMENT CORP**

**ASA MANAGEMENT CORPORATION**  
PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

**REMIT TO**  
**ASA MANAGEMENT CORPORATION**  
**C/O DAVID E. LENTES, ACCOUNTANT**  
**2559 BEECHWOOD VILLAGE CT**  
**HENDERSON, NV 89052**

# INVOICE

INVOICE DATE	INVOICE NO
12/31/09	2009/12-107
MONTH OF DECEMBER, 2009	

**2009/12-107**

MONTH OF DECEMBER, 2009

# WORKSHEET #1 FISCAL YEAR - 2009

**FISCAL YEAR - 2009**

RECEIVERSHIP/SPECIAL MASTERSHIP  
HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

### ACCOUNTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	G/L	A/P	A/R	P/R
CODE / POST AHA T&A ACTIVITY TO G/L - 11/2009	12/03/09		0.25	0.25	
CODE / POST AHA - A/P & A/R TO G/L - 11/2009	12/09/09		0.25	0.25	
CODE / POST AHA BILLING / PAYMENTS TO G/L	12/07/09			0.25	
CODE / POST CLIENT PAYMENTS - 2009/09 - 2009/10	12/11/09		0.25	0.25	
TOTAL ACCOUNTING SERVICES BY CATEGORY		0.00	0.75	1.00	0.00

<b>TOTAL ACCOUNTING SERVICES HOURS</b>	<b>1.75</b>
--	-------------

1.75

## PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

# INVOICE

**MONTH OF DECEMBER, 2009**

**HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP**

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
CONFORM AHA T&A - 11/2009 - FROM SPC MASTER	12/03/09		0.25		
PREPARE ASA T&A - 11/2009 - TO SPC MASTER	12/03/09		0.25		
CONFERENCE WITH ADAMS / SAYYAR / SM - HEARING	12/07/09			1.00	
CONFERENCE WITH SM - SPREADSHEETS - FIN RPT	12/10/09			1.50	
TOTAL CONSULTING SERVICES BY CATEGORY		0.00	0.50	2.50	0.00

3.00

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE**

INVOICE DATE

12/31/09

INVOICE NO

2009/12-107

MONTH OF DECEMBER, 2009

**WORKSHEET**

#3

FISCAL YEAR - 2009

**RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**GENERAL SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	EMAIL	ORG	COPY	FAX
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	12/01/09	0.25			
SEND EMAIL TO SPC MASTER - ASA T&A - 11/2009	12/03/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	12/04/09	0.10			
SEND EMAIL TO SAYYAR - PAYMENT DATA	12/04/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	12/04/09	0.10			
SEND EMAIL TO SPC MASTER - DISTRIBUTION PAYOUT	12/05/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS - T&A	12/06/09		0.10	0.15	
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	12/07/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS - MISC	12/07/09		0.10	0.40	
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	12/08/09	0.25			
SEND EMAIL TO SPC MASTER - CHECK COPY	12/09/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	12/09/09	0.10			
SEND EMAIL TO SPC MASTER - CHECK COPY	12/09/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	12/11/09	0.10			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS - ORDERS	12/13/09		0.25	0.75	
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	12/16/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	12/16/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SAYYAR	12/17/09	0.10			
TOTAL GENERAL SERVICES BY CATEGORY		2.40	0.45	1.30	0.00

**TOTAL GENERAL SERVICES HOURS****4.15**

**ASA MANAGEMENT CORPORATION**

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

**REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE**

INVOICE DATE

12/31/09

INVOICE NO

2009/12-107

MONTH OF DECEMBER, 2009

WORKSHEET

#5

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**REIMBURSABLE EXPENSES BILLING DETAIL**

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
OFFICE SUPPLIES (TONER / PAPER / MISC)	12/31/09	\$ 32.50			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 32.50	\$ -	\$ -	\$ -

**TOTAL REIMBURSABLE EXPENSES****\$ 32.50**



# EXHIBIT 3

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
(702) 838-7200

Statement as of December 31, 2009  
Statement No. 21857

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
12/1/2009	AS	Review and analysis of status of case and remuneration and prepare status update to AH, JRA, and Lenten. Determine final remuneration and termination	0.20	200.00	40.00
12/1/2009	AS	Draft email to all counsel regarding status and recent filings in case	0.20	200.00	40.00
12/1/2009	AS	Edit and finalize order and submit to AH and JRA for final edits and review	0.20	200.00	40.00
12/10/2009	AS	Draft motion to terminate special mastership and for final remuneration	0.90	200.00	180.00
12/16/2009	AS	Brief conference with Judge regarding status of report and objection filed	0.10	200.00	20.00
12/16/2009	AS	Review and analysis of objection to order allegedly prohibiting objections. Review and analysis of proposed objection itself. Strategy and analysis of the same with JRA. Draft email to Judge providing Special Master's input and recommendations regarding the same	0.60	200.00	120.00
12/22/2009	AS	Telephone call with Jerri of Dept 10 regarding order on motion to retax and information from the special master	0.10	200.00	20.00
12/22/2009	AS	Send and receive e-correspondence with Jerri regarding Judge's order on motion to retax. Provide proposed and recommended edits to the judge's draft order	0.50	200.00	100.00
12/23/2009	AS	Draft order based on minute order regarding Motion to Retax	0.60	200.00	120.00
Sub-total Fees:					<u>680.00</u>

**Rate Summary**

Assly Sayyar	3.40 hours at \$200.00/hr	680.00
Total hours:	<u>3.40</u>	

**Costs**

Monthly administrative expen	27.20
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RCA000329

Adams Law Group, Ltd.

Page: 2

Sub-total Costs: 27.20

Previous Balance Due Before Payments: 5,427.82

Payments / Credits: 0.00

Previous Balance Due After Payments: 5,427.82

Interest: 79.85

Total Current Billing: 787.05

Total Now Due: 6,214.87

RCA000330

1 NTC  
Mark A. Hutchison (4639)  
2 Hutchison & Steffen  
10080 Alta Drive, Suite 200  
3 Las Vegas, NV 89145  
(702) 385-2500

4 Peter C. Bernhard (734)  
5 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
8345 West Sunset Rd., Suite 250  
6 Las Vegas, Nevada 89113  
Telephone: (702) 792-7000

7 *Attorneys for Plaintiff Gilbert P. Hyatt*

8 **DISTRICT COURT**  
9 **CLARK COUNTY, NEVADA**

10 GILBERT P. HYATT,

11 Plaintiffs,

12 v.

13 FRANCHISE TAX BOARD OF THE STATE  
14 OF CALIFORNIA, and DOES 1-100 inclusive,

15 Defendants.

Case No.: A382999


Dept. No.: X

**NOTICE OF PAYMENT OF SPECIAL  
MASTER ASHLEY HALL & ASSOCIATE'S  
NOVEMBER, 2009, DECEMBER, 2009 AND  
JANUARY, 2010 FEES AND COSTS**

16 Pursuant to this Court's Order entered after the hearing on February 4, 2010, Plaintiff  
17 Gilbert P. Hyatt ("Hyatt"), has submitted payment in the amount of \$9,450.60 to the Special  
18 Master. This payment is one-half of the amounts due for Special Master Ashley Hall's  
19 November, 2009, December, 2009 and January, 2010 fees and costs. The total due is  
20 \$18,901.20.

21 DATED this 11 day of February, 2010

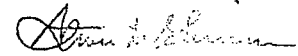
23 KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO

24   
25 Peter C. Bernhard, Esq. (734)  
8345 West Sunset Rd., Suite 250  
26 Las Vegas, Nevada 89113  
(702) 792-7000

27 *Attorneys for Plaintiff Gilbert P. Hyatt*  
28

**FILED**

FEB 12 12 04 PM '10

  
CLERK OF THE COURT

CERTIFICATE OF SERVICE

I certify that I am an employee of KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO and that on this 11<sup>th</sup> day of February, 2010, I caused the  
above and foregoing document to be served as follows:

**NOTICE OF PAYMENT OF SPECIAL MASTER ASHLEY HALL &  
ASSOCIATE'S NOVEMBER 2009, DECEMBER 2009 AND  
JANUARY 2010 FEES AND COSTS**

- ☒ by placing same to be deposited for mailing in the United States, in a sealed  
envelope upon which postage was prepaid in Las Vegas Nevada; and/or
- ☐ by delivering same to a commercial carrier for delivery within 3 calendar days;  
and/or
- ☐ to be hand-delivered;

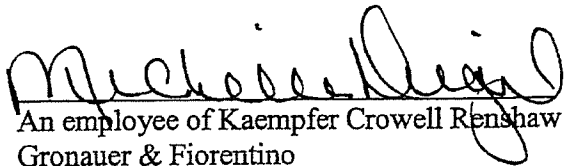
to the attorney(s) listed below at the address and/or facsimile number indicated below:

James A. Bradshaw, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street, 10<sup>th</sup> Floor  
Reno NV 89501

Patricia Lundvall, Esq.  
McDonald Carano Wilson LLP  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102

Robert L. Eisenberg  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, NV 89519

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Avenue, Suite 280  
Las Vegas, NV 89117

  
An employee of Kaempfer Crowell Renshaw  
Gronauer & Fiorentino

# KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO

75276

VENDOR: H02341 Special Master Ashley Hall

CHECK NO: 75276

OUR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
--------------	---------------------	--------------	----------------	-------------	----------------

127816	004380	02/11/2010	9,450.60	9,450.60	
	Special Master Fees				

Check Total \$9,450.60

## KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO

ATTORNEYS AT LAW  
8345 WEST SUNSET ROAD, SUITE 250  
LAS VEGAS, NEVADA 89113-2092  
(702) 792-7000

Wells Fargo Bank, N.A.  
Las Vegas, NV 89101

75276

PAY

Nine thousand four hundred fifty and sixty/100.

TO THE  
ORDER  
OF  
Special Master Ashley Hall

TWO SIGNATURES REQUIRED OVER \$10,000

*ASMA* *Walt*

AUTHORIZED SIGNATURE

CHECK AMOUNT

\$9,450.60

94-7074-3212 CHECK NO.

75276

CHECK DATE

02/11/2010

VENDOR NO.

H02341

⑈075276⑈ ⑆321270762⑆0035101088⑈



Security features. Details on back.

BullivantHouserBailey PC  
3883 Howard Hughes Pkwy., Ste. 550  
Las Vegas, NV 89169  
Telephone: (702) 669-3600  
Facsimile: (702) 650-2995

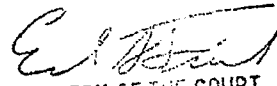
1 NTC  
2 Mark A. Hutchison (4639)  
3 Hutchison & Steffen  
4 10080 Alta Drive, Suite 200  
5 Las Vegas, NV 89145  
6 (702) 385-2500

7 Peter C. Bernhard (734)  
8 Bullivant Houser Bailey PC  
9 3883 Howard Hughes Pkwy., Ste. 550  
10 Las Vegas, NV 89169  
11 Telephone: (702) 669-3600

12 *Attorneys for Plaintiff Gilbert P. Hyatt*

FILED

MAY 28 10 11 AM '09

  
CLERK OF THE COURT

DISTRICT COURT  
CLARK COUNTY, NEVADA

GILBERT P. HYATT,

Plaintiffs,

v.

FRANCHISE TAX BOARD OF THE STATE  
OF CALIFORNIA, and DOES 1-100 inclusive,

Defendants.

Case No.: A382999

Dept. No.: X

NOTICE OF PAYMENT OF SPECIAL  
MASTER ASHLEY HALL & ASSOCIATE'S  
FEBRUARY, MARCH AND APRIL, 2009  
FEES AND COSTS

Pursuant to this Court's Order filed May 15, 2009, Plaintiff Gilbert P. Hyatt ("Hyatt"),  
has submitted payment in the amount of \$28,877.75 to the Special Master. This payment is one-  
half of the amounts due for Special Master Ashley Hall's February, March and April, 2009 fees  
and costs. The total due is \$57,755.49.

DATED this 27 day of May, 2009

BULLIVANT HOUSER BAILEY PC



Peter C. Bernhard, Esq. (734)  
3883 Howard Hughes Pkwy., Suite 550  
Las Vegas, Nevada 89109  
(702) 669-3600  
*Attorneys for Plaintiff Gilbert P. Hyatt*

CERTIFICATE OF SERVICE

I certify that I am an employee of BULLIVANT HOUSER BAILEY PC and that on this <sup>4</sup>27 day of May, 2009, I caused the above and foregoing document to be served as follows:

NOTICE OF PAYMENT OF SPECIAL MASTER ASHLEY HALL & ASSOCIATE'S FEBRUARY, MARCH AND APRIL, 2009 FEES AND COSTS

☒ by placing same to be deposited for mailing in the United States, in a sealed envelope upon which postage was prepaid in Las Vegas Nevada; and/or

☐ by delivering same to a commercial carrier for delivery within 3 calendar days; and/or

☐ to be hand-delivered;

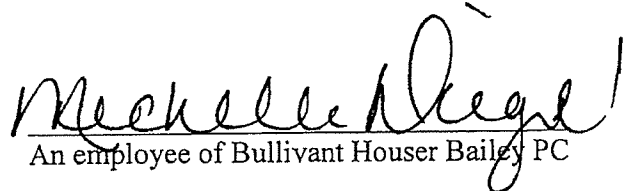
to the attorney(s) listed below at the address and/or facsimile number indicated below:

James A. Bradshaw, Esq.  
Patricia Lundvall, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street  
10<sup>th</sup> Floor  
Reno NV 89501

Jeffrey Silvestri, Esq.  
McDonald Carano Wilson LLP  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102

Robert L. Eisenberg  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, NV 89509

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Avenue  
Suite 280  
Las Vegas, NV 89117

  
An employee of Bullivant Houser Bailey PC

BullivantHouserBailey PC  
3883 Howard Hughes Pkwy., Ste. 550  
Las Vegas, NV 89169  
Telephone: (702) 669-3600  
Facsimile: (702) 650-2995



BULLIVANT, HOUSER, BAILEY, P.C.

189963

VENDOR: 48177 SPECIAL MASTER ASHLEY HALL

CONTROL NO: 189963  
DATE: 05-21-09

INV. DATE	VOUCHER NUMBER	INVOICE NUMBER	DESCRIPTION	NET AMOUNT
05/20/09	638933	24670-01 052009		28,877.75
TOTAL				\$28,877.75

189963

**Bullivant|Houser|Bailey** PC  
Attorneys at Law  
General Account  
300 Pioneer Tower  
888 SW Fifth Avenue  
Portland, OR 97204-2089

BANK OF THE WEST  
90-78-1211

PAY: \*\*\*TWENTY-EIGHT THOUSAND EIGHT HUNDRED SEVENTY-SEVEN AND 75/100  
TO THE ORDER OF SPECIAL MASTER ASHLEY HALL  
LAS VEGAS, NV

DATE 05-21-09 AMOUNT \$28,877.75

VOID AFTER 90 DAYS

Carol O. Connell  
Marilyn P. Hall

AUTHORIZED SIGNATURE

⑈189963⑈ ⑆121100782⑆ 144006616⑈

BULLIVANT, HOUSER, BAILEY, P.C.

189963

RCA000336

1 **NEO**  
ADAMS LAW GROUP, LTD.  
2 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
3 ASSLY SAYYAR, ESQ.  
Nevada Bar No. 9178  
4 8681 W. Sahara Ave., Suite 280  
Las Vegas, Nevada 89117  
5 702-838-7200  
702-838-3636 Fax  
6 Attorneys for Plaintiff

7 **DISTRICT COURT**  
8 **CLARK COUNTY, NEVADA**

9  
10 GILBERT P. HYATT,  
11 Plaintiff,  
12 vs.

Case No. A382999

Dept. No. X

12 FRANCHISE TAX BOARD OF THE  
13 STATE OF CALIFORNIA

Date of Hearing:  
Time of Hearing:


14 Defendants.

15 **NOTICE OF ENTRY OF ORDER**

16 PLEASE TAKE NOTICE that an Order was entered on 4<sup>th</sup> day of January, 2010, in the  
17 above entitled matter, a copy of which is attached hereto.

18 Dated this 6<sup>th</sup> day of January, 2010.

19 ADAMS LAW GROUP, LTD

20  
21   
22 ASSLY SAYYAR, ESQ.  
Nevada Bar No. 9178  
23 8681 W. Sahara Ave., Suite 280  
Las Vegas, Nevada 89117  
24 702-838-7200  
702-838-3636 Fax  
25 Attorneys for Plaintiff  
26  
27  
28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to JRCp 5(b), I certify that I am an employee of the Adams Law Group, Ltd.,  
3 and that on this date, I served the following **NOTICE OF ENTRY OF ORDER** upon all parties  
4 to this action by:

5

6 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
7	Hand Delivery
8	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

9 addressed as follows:

10 Mark A. Hutchison, Esq.  
11 Hutchison & Steffen  
12 10080 Alta Drive, Suite 200  
13 Las Vegas, Nevada 89145  
14 Attorney for Plaintiff

15 Peter C. Bernhard  
16 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
17 8345 West Sunset Rd., Suite 250  
18 Las Vegas, NV 89113 Vegas, NV 89169  
19 Attorney for Plaintiff

20 James A. Bradshaw, Esq.  
21 McDonald Carano Wilson LLP  
22 100 West Liberty Street, 10<sup>th</sup> Floor  
23 Reno, Nevada 89501  
24 Attorney for Defendant

25 Jeffrey Silvestri, Esq.  
26 McDonald Carano Wilson, LLP  
27 2300 West Sahara Ave, Suite 100  
28 Las Vegas, Nevada 89102  
Attorney for Defendant

Robert L. Eisenberg, Esq.  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

Dated the 6<sup>th</sup> day of January, 2010.

  
An employee of ADAMS LAW GROUP, LTD

1 **ORD**

ADAMS LAW GROUP, LTD.

2 JAMES R. ADAMS, ESQ.

Nevada Bar No. 6874

3 ASSLY SAYYAR, ESQ.

Nevada Bar No.: 9178

4 8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

5 Tel: 702-838-7200

Fax: 702-838-3636

6 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)

[assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)

7 *Attorneys for Appointed Special Master*

*Ashley Hall of Ashley Hall & Associates*

**FILED**

JAN 04 2010

*John L. Johnson*  
CLERK OF COURT

8 **DISTRICT COURT**

9 **CLARK COUNTY, NEVADA**

10 GILBERT P. HYATT,

11 Plaintiffs,

12 vs.

13 FRANCHISE TAX BOARD OF THE  
14 STATE OF CALIFORNIA,

15 Defendant

Case No. A382999

Dept. No. X

16 **ORDER**

17 This matter came before the Court on December 16, 2009 in chambers upon Defendant  
18 Franchise Tax Board (hereinafter "FTB") of the State of California's Motion to Re-tax Costs. The  
19 Honorable Court, being fully apprised of the Memorandum of Costs, the Motion, the Opposition,  
20 the Reply, all supplements thereto, all errata filed thereto, the submission of the Special Master's  
21 Final Report and Recommendations, the oral argument heard on the Motion during the original  
22 hearing date of January 29, 2009, the Notice of Objections to The Court's Order Dated December  
23 4, 2009 Re: Prohibiting Objections to the Special Master's Report, and for good cause appearing:

24 **HEREBY ORDERS** that FTB's Motion to Re-tax costs is **GRANTED IN PART**.

25 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that \$2,539,068.65 in costs  
26 sought by Plaintiff Gilbert P. Hyatt are recoverable pursuant to NRS 18.110 and all other statutes and  
27 applicable case law. \$788,253.47 in costs sought by Plaintiff Gilbert P. Hyatt is retaxed and not  
28

1 recoverable pursuant to NRS 18.110 and all other statutes and applicable case law.

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court adopts the  
3 Special Masters Final Report and Recommendation in its entirety as the ruling and findings of this  
4 Honorable Court on the Motion to Retax Costs and makes the following additional findings and legal  
5 rulings:

- 6 1. The Court notes that the Order Appointing Special Master was filed on or about  
7 February 10, 2009 after a hearing on January 29, 2009 with all parties present;
- 8 2. The language in the order gave the Special Master broad discretion "to review all  
9 documentation and records relating to all costs, as defined in Chapter 18 of the  
10 Nevada Revised Statutes, which are claimed by Plaintiff in the above captioned  
11 action. The Special Master is authorized to gather any and all information, facts, and  
12 data as deemed necessary by the Special Master in order to make reports and  
13 recommendations to the Court as to the various costs incurred by Plaintiff related to  
14 the above captioned action and the propriety and allowance of such cost under  
15 Chapter 18 of the Nevada Revised Statutes";
- 16 3. The Special Master has been diligently working on this assignment for almost a year,  
17 during which time he has met with both sides on numerous occasions as he has  
18 carefully sifted through every scrap of paper;
- 19 4. FTB has further argued that Plaintiff Gilbert P. Hyatt should not have been permitted  
20 to supplement his documentation. However, FTB was similarly entitled to respond  
21 to any supplemental documentation;
- 22 5. During the past 11 months FTB has never challenged the Special Master's  
23 procedures by way of a motion before this court. The original order appointing the  
24 Special Master states on page 3: "The Special Master and the parties to this case may  
25 at any time apply to this Court for further instructions or orders and for further  
26 powers necessary to enable the Special Master to perform his duties properly as  
27 herein described." Additionally, pursuant to *Village Builders 96, L.P. v. U.S.*  
28 *Laboratories, Inc.*, 121 Nev. 261, 276, 112 P.3d 1082, 1092 (2005), the time limit  
of submitting a memorandum of costs and supporting documentation under NRS

1 18.11(1) is a non jurisdictional time limit and this Court can and does exercise its  
2 discretion in this area in allowing supplementation as requested by this Court and the  
3 Special Master, overruling any objection made by FTB to the requested and permitted  
4 supplementation of Hyatt's Memorandum of Costs.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that FTB's "Notice of  
6 Objections to The Court's Order Dated December 4, 2009 Re: Prohibiting Objections to the Special  
7 Master's Report" with its attached Draft Objection to the Special Master's Final Report and  
8 Recommendation is NOTED.

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the "Notice of Objections  
10 to The Court's Order Dated December 4, 2009 Re: Prohibiting Objections to the Special Master's  
11 Report" alleges that the Court's Order of December 4, 2009 precludes the right to object to the  
12 Special Master's Final Report and Recommendation. However, the December 4, 2009 Order did not  
13 preclude or prohibit the filing of objections but stated in pertinent part that "Parties will note that no  
14 further supplementation or briefing is requested or permitted by the Honorable Court on this Motion"  
15 referring and referencing to the Motion to Retax only. Thus, the December 4, 2009 Order only  
16 precluded the parties from filing any additional supplemental oppositions or replies to the Motion  
17 To Re-Tax Costs only. FTB's Objection to the Court's December 4, 2009 Order is OVERRULED.

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Court further notes that  
19 FTB cites NRCP 53(e)(2) to support its argument that it is entitled to a ten day period to file its  
20 objections. However, NRCP 53(e)(2) is inapplicable as it applies to non-jury actions. This is a post  
21 jury trial motion to re-tax costs. The correct subsection is NRCP 53(e)(3) which does not contain  
22 any provision for a ten day period in which parties may file objections. Therefore it is the Court's  
23 finding and ruling that there is no right to file an objection to the Special Master's Final Report and  
24 Recommendation in this instance pursuant to NRCP 53(e)(2) and any properly and timely filed  
25 objection to the Special Master's Final Report and Recommendations is OVERRULED.

26 ///

27 ///

28 ///

1 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that FTB's demand for a  
2 separate and/or an additional hearing or supplementation on the Motion to Retax and/or the Special  
3 Master's Final Report and Recommendation is DENIED.

4 IT IS SO ORDERED


5 DATED this 4 day of Jan, 2010.

6  
7 **JESSIE WALSH**

8 DISTRICT COURT JUDGE

9 Respectfully Submitted by:

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1                                   **IN THE SUPREME COURT OF THE STATE OF NEVADA**

2  
3                   **FRANCHISE TAX BOARD OF THE STATE**  
4                   **OF CALIFORNIA,**

5                                   Appellant,

6                                   v.

7                   **GILBERT P. HYATT,**

8                                   Respondent.

Supreme Court Case No. 53264

District Court Case No.: A382999

9                                   **APPEAL FROM JUDGMENT – EIGHTH JUDICIAL DISTRICT**  
10                                  **COURT STATE OF NEVADA, CLARK COUNTY**  
11                                  **HONORABLE JESSIE WALSH, DISTRICT JUDGE**

12                                   **APPENDIX OF EXHIBITS FOR RESPONDENT'S**  
13                                   **SUPPLEMENTAL ANSWERING**  
14                                   **BRIEF REGARDING COSTS**

15                                   **VOLUME I**

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*Attorneys for Respondent*



# CHRONO INDEX

## FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

## RESPONDENT'S COST APPEAL APPENDIX

## CHRONO INDEX

<b>DOCUMENT</b>	<b>DATE</b>	<b>RESPONDENT'S COST APPEAL APPENDIX</b>
Expert Report of Mari J. Frank	03/31/06	RCA000001-RCA000057
Letter from Carla Higginbotham letter to James R. Hall	02/02/09	RCA000058-RCA000059
Letter from Hutchison & Steffen letter to James R. Hall	02/02/09	RCA000060
Order Appointing Special Master	02/05/09	RCA000061-RCA000063
Motion for Remuneration of Court Appointed Special Master	02/12/09	RCA000064-RCA000083
Motion for Remuneration of Court Appointed Special Master	03/26/09	RCA000084-RCA000105
Supplement to the Motion for Remuneration of Court Appointed Special Master	04/08/09	RCA000106-RCA000126
Notice of Payment of Special Master Ashley Hall & Associate's January, 2009 Fees and Costs	04/09/09	RCA000127-RCA000129
Second Supplement to the Motion for Remuneration of Court Appointed Special Master	05/06/09	RCA000130-RCA000153
Letter from Peter C. Bernhard to James R. Adams	05/08/09	RCA000154-RCA000156
Motion for Remuneration of Court Appointed Special Master	06/04/09	RCA000157-RCA000177
Motion for Remuneration of Court Appointed Special Master	07/07/09	RCA000178-RCA000197
First Supplement to the Motion for Remuneration of Court Appointed Special Master	08/06/09	RCA000198-RCA000216
Notice of Payment of Special Master Ashley Hall & Associate's June and July, 2009 Fees and Costs	09/01/09	RCA000217-RCA000219
Motion for Remuneration of Court	09/03/09	RCA000220-RCA000242

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

RESPONDENT'S COST APPEAL APPENDIX

CHRONO INDEX

DOCUMENT	DATE	RESPONDENT'S COST APPEAL APPENDIX
Appointed Special Master		
Motion for Remuneration of Court Appointed Special Master	10/09/09	RCA000243-RCA000263
Notice of Payment of Special Master Ashley Hall & Associate's August, 2009 Fees and Costs	10/20/09	RCA000264-RCA000266
Notice of Payment of Special Master Ashley Hall & Associate's May, 2009 Fees and Costs	10/26/09	RCA000267-RCA000269
Supplement to the Motion for Remuneration of Court Appointed Special Master	11/12/09	RCA000270-RCA000288
Notice of Payment of Special Master Ashley Hall & Associate's September and October, 2009 Fees and Costs	12/04/09	RCA000289-RCA000291
Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	12/21/09	RCA000292-RCA000312
Supplemental Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	01/05/10	RCA000313-RCA000330
Notice of Payment of Special Master Ashley Hall & Associate's November, 2009, December, 2009 and January, 2010 Fees and Costs	02/12/10	RCA000331-RCA000333
Notice of Payment of Special Master Ashley Hall & Associate's February, March and April, 2009 Fees and Costs	05/28/10	RCA000334-RCA000336
Notice of Entry of Order	01/06/10	RCA000337-RCA000342

# ALPHA INDEX

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

RESPONDENT'S COST APPEAL APPENDIX

ALPHA INDEX

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Motion for Remuneration of Court Appointed Special Master	06/04/09	RCA000157-RCA000177
Motion for Remuneration of Court Appointed Special Master	07/07/09	RCA000178-RCA000197
Motion for Remuneration of Court Appointed Special Master	09/03/09	RCA000220-RCA000242
Motion for Remuneration of Court Appointed Special Master	10/09/09	RCA000243-RCA000263
Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	12/21/09	RCA000292-RCA000312
Notice of Entry of Order	01/06/10	RCA000337-RCA000342
Notice of Payment of Special Master Ashley Hall & Associate's January, 2009 Fees and Costs	04/09/09	RCA000127-RCA000129
Notice of Payment of Special Master Ashley Hall & Associate's June and July, 2009 Fees	09/01/09	RCA000217-RCA000219

FRANCHISE TAX BOARD OF THE STATE OF CALIFORNIA, Appellant

v.

GILBERT P. HYATT, Respondent

Supreme Court Case No. 53264

RESPONDENT'S COST APPEAL APPENDIX

ALPHA INDEX

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Notice of Payment of Special Master Ashley Hall & Associate's February, March and April, 2009 Fees and Costs	05/28/10	RCA000334-RCA000336
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Supplement to the Motion for Remuneration of Court Appointed Special Master	04/08/09	RCA000106-RCA000126
Supplement to the Motion for Remuneration of Court Appointed Special Master	11/12/09	RCA000270-RCA000288
Supplemental Motion to Terminate Special Mastership and for Remuneration of Court Appointed Special Master	01/05/10	RCA000313-RCA000330

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Mari J. Frank, Esq.  
Expert Witness  
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(949) 364-1511

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

GILBERT P. HYATT,	)	Case No.: No. A382999
Plaintiff,	)	
vs.	)	EXPERT OPINION REPORT OF MARI J.
FRANCHISE TAX BOARD OF THE STATE OF	)	FRANK, ESQ. PRIVACY CONSULTANT
CALIFORNIA, AND DOES 1-100, INCLUSIVE,	)	
Defendant	)	
	)	
	)	

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EXPERT OPINION REPORT OF MARI J. FRANK, ESQ. - 2

CONFIDENTIAL - NEVADA PROTECTIVE ORDER

RCA000002



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1 The following expert opinion and report is respectfully submitted by Mari J. Frank, Esq.

## 2 QUALIFICATIONS

3 I am an attorney licensed to practice law before all courts in the State of California, all Federal  
4 Courts and the Supreme Court of the United States. I am also an author, professor, and privacy and  
5 identity theft consultant who has served previously as an expert witness on privacy cases. My expert  
6 testimony has been requested and received numerous times before the United States Senate and House of  
7 Representatives, as well as the California Legislature, the Federal Trade Commission, the Social Security  
8 Administration, the California Department of Motor Vehicles, and other agencies. In May 1999 I was  
9 summoned to the White House to address the President and members of Congress regarding financial  
10 privacy protection when they were considering the Financial Modernization Act. I have been privileged to  
11 serve as an expert commentator on dozens of national television news shows and documentaries dealing  
12 with privacy and identity theft issues.

13 I am the author of several books dealing with privacy and identity theft including Safeguard  
14 Your Identity: Protect Yourself with a Personal Privacy Audit, Privacy Piracy, the Identity Theft  
15 Survival Kit, and From Victim to Victor: A Step by Step Guide for Ending the Nightmare of Identity  
16 Theft The State of California Office Of Privacy Protection has appointed me to my second three-year  
17 term as a member of its Advisory Board. For a more comprehensive overview of my qualifications, I have  
18 attached a brief resume of my privacy expertise (Exhibit 1). Please also see selected media experience  
19 serving as an expert commentator on privacy issues (Exhibit 2).

## 20 PUBLICATIONS

21 The list of my publications including my books and a sampling of my articles and treatises  
22 regarding privacy and identity theft are attached (Exhibit 3).

## 23 PRIOR TESTIMONY

24 I was privileged to serving as an expert witness and consulting expert on several legal privacy  
25 cases. Additionally, I have provided testimony before many legislative bodies including the United States  
Congress. Please see the attached list of prior testimony (Exhibit 4).

## COMPENSATION

My fees for services on this case are \$400 an hour for research, consultation, and preparation for  
testimony. My fees for deposition and trial testimony given under oath are \$450 per hour.

EXPERT OPINION REPORT OF MARI J. FRANK, ESQ. - 4

CONFIDENTIAL - NEVADA PROTECTIVE ORDER

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**DOCUMENTS REVIEWED**

On March 10, 2006 I was retained to prepare an expert opinion report on the above-captioned case. Beginning on that date, and continuing through, March 28, I have received voluminous documents to review. Thousands of pages of pleadings, correspondence and discovery have been created over many years by the parties in this case. Please see the attached list of documents I have read for the purpose of this opinion (Exhibit 5).

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**PURPOSE OF RETENTION**

I was retained by the plaintiff through the law firm of Hutchinson and Steffen to address the following questions:

1. Did the California Franchise Tax Board violate the information privacy rights of Mr. Hyatt specifically with regard to the sending the "Demand To Furnish Information" and other letters requesting information?

2. Did the Franchise Tax Board *publicly disclose private facts* which violated Mr. Hyatt's privacy rights? (Specifically with regard to the "Demand To Furnish" and other letters above).

3. If Mr. Hyatt's information privacy rights were violated, and private facts were disclosed to unauthorized persons, what are the consequences for Mr. Hyatt and what are his damages?

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**OFFERED PURSUANT TO RULE 16.1 (2) (d)**

I offer this report pursuant to Rule 16.1(2)(d) as a pre-trial discovery requirement and for all other purposes permitted by law. If called to testify under oath regarding any of the statements and opinions herein, I will be competent to do so.

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**SUMMARY OF OPINION**

In 1993, while Mr. Gilbert Hyatt was living as a Nevada resident, a California Franchise Tax Board employee read a news article about him which included the fact that he had previously been a California resident. Based on that article, the FTB began investigations into Mr. Hyatt's finances and subsequently audited Mr. Hyatt (Shayer Depo., pp. 67-68). This opinion shall focus on the issue of the privacy violation allegations regarding the letters sent by the FTB to third parties demanding information about Mr. Hyatt.

Upon my review of the various Franchise Tax Board regulations, guidelines, training manuals, and relevant privacy laws, and my analysis of specific actions ("Demand To Furnish" letters) of the Franchise Tax Board through its employees (specifically, the auditor, Sheila Cox), I am of the opinion

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EXPERT OPINION REPORT OF MARI J. FRANK, ESQ. - 5

CONFIDENTIAL - NEVADA PROTECTIVE ORDER

1 that Mr. Hyatt's information privacy rights have been substantially violated. The FTB's actions were  
2 incongruent with the relevant information privacy laws and the Franchise Tax Board's own administrative  
3 procedures, guidelines and regulations which are required to be compatible with those laws. The actions  
4 taken by the FTB show a conscious disregard for its own procedures, the laws governing its procedures,  
5 and the plaintiff's privacy rights. The FTB unlawfully disclosed Mr. Hyatt's private and sensitive,  
6 confidential personal information without his knowledge, and consent, to specified and countless  
7 unspecified persons and entities, who had no need to know this information. The public disclosure of his  
8 confidential information including his social security number, private address and other confidential  
9 information about his life to those who had no need to be contacted, caused extreme detriment to this  
10 plaintiff. The ramifications of these violations of these privacy rights include but are not limited to great  
11 financial loss; extreme emotional distress; embarrassment; destruction of his personal, business, and  
12 social reputation; the threat of financial, criminal and/or other forms of identity theft; the peril of exposure  
13 to other crimes to his person and theft of his personal and intellectual property/inventions; the extreme  
14 hardship of being forced to take vigilant actions to regain his privacy and minimize his future risk of  
15 harm, and his permanent loss of peace of mind knowing that unknown individuals know secretive facts  
16 about his life which can never be reversed.

#### 13 14 **OUTLINE OF OPINION**

15 **I. What is information privacy?**

16 **II. Why is the protection of a taxpayer's information privacy important?**

17 **III. Did the FTB have the legal and administrative authority to send out the "Demand to Furnish**  
18 **Letters" and other requests for information which requested private data and disclosed Mr.**  
19 **Hyatt's private and confidential information to and from third parties?**

20 **IV. If the FTB's letters requesting information made public disclosure of private facts to**  
21 **unauthorized persons in violation of Mr. Hyatt's information privacy, what are his damages?**

#### 22 23 **BASIS FOR OPINION**

24 **I. What is information privacy?**

25 Information privacy is defined as the right to control how, when, and to what extent our personal  
data is communicated to other persons. It also includes how it is collected, used and protected, and is

EXPERT OPINION REPORT OF MARI J. FRANK, ESQ. - 6

CONFIDENTIAL - NEVADA PROTECTIVE ORDER

1 identified by principles known as **Fair Information Principles** which were created to protect our privacy  
2 in our dealings with government agencies and organizations. The principles require entities to observe an  
3 array of actions to ensure that personal information is treated appropriately within the guidelines.  
4 Information privacy protection requires an adherence to effective data handling responsibilities. It also  
5 mandates that individuals whose data is held be granted notice, safeguards, and enforceable privacy  
rights.

6 In his 1967 book, **Privacy and Freedom**, Professor Alan F. Westin, of Columbia University,  
7 initiated the term "information privacy" when describing various forms of "data surveillance." Westin  
8 defined privacy in part as "the claim of individuals, groups, or institutions to determine for themselves  
when, how and to what extent information about them is communicated to others."

9 Influenced by Westin, in 1973, the US Department of Health Education and Welfare Secretary's  
10 Advisory Committee On Automated Personal Data Systems issued a report entitled ***Records, Computers***  
11 ***and the Rights of Citizens*** in which the five guiding principles of Fair Information Practice were  
developed. Below they are abbreviated:

#### 12 **Fair Information Principles**

13 **U.S. Dept. of Health, Education and Welfare, 1973**

14 [From *The Law of Privacy in a Nutshell* by Robert Ellis Smith, Privacy Journal, 1993, pp. 50-51.]

- 15 1. **Collection limitation.** There must be no personal data recordkeeping systems whose very  
16 existence is secret.
- 17 2. **Disclosure.** There must be a way for an individual to find out what information about him is in a  
18 record and how it is used.
- 19 3. **Secondary usage.** There must be a way for an individual to prevent information about him that  
20 was obtained for one purpose from being used or made available for other purposes without his  
consent.
- 21 4. **Record correction.** There must be a way for an individual to correct or amend a record of  
22 identifiable information about him.
- 23 5. **Security.** Any organization creating, maintaining, using, or disseminating records of identifiable  
24 personal data must assure the reliability of the data for their intended use and must take  
25 precautions to prevent misuse of the data.

1 The essence of these doctrines became the foundation for the US Privacy Act of 1974, which  
2 served as the model for the California Information Practices Act of 1977 (California Civil Code beginning  
3 with Section 1798). This comprehensive California statute applies to information maintained by  
4 California state agencies and is based on the premise that personal information privacy must be  
5 preserved by placing constraints on collection, maintenance and disclosure of data about individuals. As  
6 a California state agency, the Franchise Tax Board must comply with this law, and in fact, the California  
7 IPA mandates that all California governmental agency procedures, guidelines, and training must conform  
8 to the California IPA. Therefore the requirements of information privacy in this report will be  
9 characterized by the descriptions of requirements in the California Information Privacy Act, the compliant  
10 California Tax and Revenue Code, and the FTB's various conforming guides, and training manuals  
11 which incorporate the basic five Fair Information Principles.

## 12 **II. Why is the FTB's protection of a taxpayer's privacy information rights important?**

13 The democracy and the freedom we value in this country, depend upon government agencies that  
14 respect the individual's right to privacy. How a governmental agency collects, uses, and discloses  
15 intimate details of our private lives and finances are tantamount to essential human rights in a free society.  
16 Data collection must take place with the knowledge or consent of the individual and one should have the  
17 right to verify the accuracy of the facts, and assure that such collection and distribution are for a lawful  
18 purpose. When governmental agencies like the FTB make judgments upon incomplete, inaccurate, or  
19 irrelevant information, and when unauthorized persons receive unverified facts or sensitive, confidential  
20 information, significant harm is caused to both the individual, the governmental agency and the society.  
21 The damage for an individual is everlasting in that once privacy has been lost, it is impossible to restore.

22 Americans have been concerned about threats to their personal privacy since the formation of  
23 our country. The Fourth Amendment of the US Constitution forbids unreasonable searches and seizures  
24 ensuring the right to privacy. (Griswold V. Connecticut, 381 U.S. 479, 484, 85 S.Ct. 1678.) In a 1978  
25 study sponsored by the Center for Social and Legal Research, 64 percent of Americans reported that they  
were "very concerned" or "somewhat concerned" about privacy threats. By 1998, when Mr. Hyatt's  
lawsuit was filed, this percentage had risen to 88 percent, more than a one-third increase in 20 years  
(Center for Social and Legal Research. *The Privacy Concerns & Consumer Choice Survey*. November  
18, 1998, p. 9.) Clearly, Mr. Hyatt was in the majority with regard to his privacy concerns and not  
paranoid as suggested by the FTB. Additionally, as far back as in the mid-1970's the legislature had  
great concerns about information privacy and enacted the Information Practices Act.

1 Although Mr. Hyatt was not alone in his privacy concerns regarding access and disclosure of his  
2 sensitive information, he had a greater understanding and more insightful apprehension about his privacy  
3 than the ordinary citizen due to his training and expertise in security and privacy issues. He was a former  
4 Director of Security for his small aerospace consulting company, and he had received security clearance  
5 from the Department of Defense for 30 years. Additionally, in his profession as an engineer, scientist,  
6 and inventor, Mr. Hyatt is keenly aware of the need to guard his inventions, trade secrets and undisclosed  
7 technology. His privacy fears were not unwarranted since he stated that his early inventions were leaked  
8 to competitors who were able to steal his innovations and benefit from them at his expense. (See Hyatt  
9 Affid.p.6. lines 12-25, p.7. lines 1-12.)

10 California is a uniquely privacy-conscious state in that it is one of only ten states to include a  
11 "right to privacy" in its Constitution (Article I, Section I, California Constitution, amended 1972). Many  
12 transformational privacy laws have initiated in the California legislature, and it is presently the only state  
13 to have an Office of Privacy Protection. The California Revenue and Tax Code recognizes that an  
14 individual's expectation of privacy is never greater than when he deals with his finances and tax  
15 information. For that reason the California legislature created the "Katz-Harris Taxpayers' Bill of Rights  
16 Act" which reflects the intent of the legislature as below:

17 **California Revenue and Tax Code Section 21002 specifically protects a taxpayer's privacy:**

18 The Legislature finds and declares that taxes are *the most sensitive point of contact between*  
19 *citizens and their government*, and that there is a delicate balance between revenue collection and  
20 freedom from government oppression. It is the intent of the Legislature to place guarantees in California  
21 law to ensure that the rights, privacy, and property of California taxpayers are adequately protected  
22 during the process of the assessment and collection of taxes (emphasis added.)

23 Failure of the FTB to protect one's information privacy puts the taxpayer at great risk in myriad  
24 ways. Collecting information secretly without providing notice, review or the ability to correct, subjects  
25 the taxpayer to rulings that may be based on inaccurate facts. Disclosure of a taxpayer's private and  
confidential data to persons or entities that have no reason to know that information may cause erroneous  
or negative conclusions about the taxpayer thus affecting reputation, relationships, and economic  
opportunities. Worse yet, disseminating personal, private data and confidential financial information to  
unauthorized persons who have no need to know such private facts facilitates misuse of that data. With  
identity theft being the fastest growing crime in our country since the mid 1990's, obtaining the name and  
social security number of a person who would appear to have substantial assets to warrant an audit by the  
FTB, exposes that taxpayer to a substantial risk of being targeted for financial theft either by burglary,  
fraud, or identity theft. It is crucial that taxpayers be able to rely on information privacy protections so

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1 that they will trust the system and make full disclosure. Mr. Hyatt relied on the privacy assurances of the  
2 FTB until he learned about the secret unlawful demand letters sent by the auditor.

3 **III. Did the FTB have the legal and administrative authority to send out the "Demand to Furnish**  
4 **Letters" and other requests for information which requested private data and disclosed Mr.**  
5 **Hyatt's private and confidential information to third parties?**

6 The FTB was in violation of the California Revenue and Taxation Code and the California  
7 Information Practices Act as well as its own administrative procedures and training guides when it  
8 sent the unauthorized "Demand to Furnish" and other letters requesting information about Mr. Hyatt.

9 **The Taxpayers' Bill of Rights Act (Sections 21001-21022 of the California Revenue and**  
10 **Taxation Code), ensures that the rights, privacy and property of California taxpayers are adequately**  
11 **protected during the process of the assessment and collection of taxes. (FTB 103951)**

12 Mr. Hyatt received the FTB's oral and written assurances of the protection of his private  
13 information. He was provided documents informing him of these rights and he reasonably relied on the  
14 California code and assurances that his privacy would be protected in the audit process.

15 California Revenue and Tax Code 19504 sets forth the duties of the FTB when obtaining  
16 information from third parties. The "Demand To Furnish" Letters sent by the FTB specifically state in  
17 bold title case letters that the authority to send the letters and demand information is governed by this  
18 section of the code which states in relevant part:

19 "The Franchise Tax Board, for the purpose of administering its duties under this part... shall have  
20 the power to require by demand, that an entity of any kind including, but not limited to, employers,  
21 persons, or financial institutions provide information or make available for examination or copying at a  
22 specified time and place, or both, any book, papers, or other data which may be relevant to that purpose.  
23 Any demand to a financial institution *shall comply with the California Right to Financial Privacy Act*  
24 *set forth* in Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government  
25 Code" (emphasis added.)

Although this provision gives the FTB the power to demand information from California entities  
by using a "Demand To Furnish" form, it may only collect data that is relevant to the particular issue. A  
key cause of concern by Mr. Hyatt is that the demand letters requested information that was not relevant  
to the audit. Much of the data demanded would not reliably prove where Mr. Hyatt resided during the  
period in question. If the data isn't relevant to the purpose in which it is collected, it violates the code.  
Additionally there are other conditions precedents that must be met for the demand letters to be lawful.

**California Revenue and Taxation Code 19504.7. (a)** establishes privacy notice requirements  
for such demands:



1 "An officer or employee of the Franchise Tax Board may not contact any person other than the  
2 taxpayer with respect to the determination or collection of the tax liability of the taxpayer without  
3 providing **reasonable notice in advance to the taxpayer** that contact with persons other than the  
4 taxpayer may be made. The notice shall explain that a request may be made..." (emphasis added.)

5 The FTB manual says that Demands were to be used for uncooperative taxpayers; however, Mr.  
6 Hyatt was not uncooperative. (FTB 03767) Cox sent out the demands for new information without first  
7 asking Hyatt for the information. Much of the information he had already supplied to her including the  
8 names of those she sent the letters. (Hyatt Affidavit Supporting Opposition to Motion for Summary  
9 Judgment p.17, lines 18-25)

10 Mr. Hyatt was not provided any notice in advance that contacts would be made for the purpose  
11 of attaining information to assist the FTB in determining tax liability. This violation of his rights to notice  
12 kept him from prohibiting the collection of irrelevant information which the FTB used to support its  
13 conclusions. The Tax Code must be read in conjunction with the guidelines established by the FTB for  
14 collecting information from third parties. These regulations are found in the in the FTB's Audit  
15 Procedures for Issuing a Subpoena Deces Tecum. Although, the "Demand To Furnish" letters and other  
16 request letters are not specifically court ordered Subpoenas, due to the fact that private information about  
17 the taxpayer is demanded from third parties, these must be considered quasi subpoenas, and therefore the  
18 essential privacy protections afforded taxpayers under the FTB's Audit Procedures For Issuing a  
19 Subpoena must apply as follows:

20 **Audit Procedures For Issuing A Subpoena Duces Tecum**

21 The FTB's Audit Procedures Manual above explains that *"A subpoena duces tecum is a legal  
22 procedure which requires a party (or parties) to produce specified documents, records or papers for  
23 inspection and/or photocopying."* Although the Auditor used a form called a "Demand To Furnish," and  
24 other form letters to gather information from third parties, she cannot avoid the duty to protect the privacy  
25 rights of the taxpayer required by the California Information Practices Act and the FTB guidelines (P1 –  
FTB 23483) just by using this less formal form.

The Audit procedures for obtaining information from third parties state that Subpoenas  
(analogize to the quasi-subpoena):

**1. Should be requested only when it is critical to the audit determination and all other means of  
obtaining the information through the audit process have been exhausted.**

The auditor, Sheila Cox, had not exhausted her options for gaining access to the information she  
desired. She deliberately failed to request the information from the taxpayer.

1 **2. Should be used only to obtain information from third party sources when there is a material tax**  
2 **effect or a significant audit issue present.**

3 The Auditor did not provide documentation to the taxpayer as to the material tax effect or the  
4 significant audit issues as required. Instead, many of her requests were totally irrelevant. For example, it  
5 would be difficult for the auditor to justify a need to send demand for information letters to six different  
6 Dr. Shapiro's- just because she didn't know the first name of Mr. Hyatt's doctor. (If she could  
7 substantiate a reason to contact Mr. Hyatt's physician, why didn't she ask Mr. Hyatt himself for the  
8 correct name and address?) Equally as intrusive, she had no reason to write to every one of the taxpayer's  
9 health care providers about the patient's visits between 1991 and 1993 (especially since the audit was  
10 covering only six months from September of 1991 through March 1992. Any visits after 3/92 would be  
11 irrelevant). Knowing that Mr. Hyatt had developed cancer after September of 1991, it is understandable  
12 that a former patient may wish to seek treatment with doctors with whom he had developed a trusting  
13 relationship. It is not uncommon for patients from all over the country to fly to top-notch healthcare  
14 institutions like Scripps, the Mayo Clinic, NYU, or UCLA to seek the best medical care without giving up  
15 their state of residency. If the auditor would have asked Mr. Hyatt about his visits to medical providers in  
16 California during the period in question, he could have easily provided sound justification. There is  
17 nothing more private than one's healthcare, especially when one becomes ill with a life-threatening  
18 disease. Serious illness is frightening and stressful, and there is no excuse for indiscriminately informing  
19 a sick person's healthcare providers that their patient is the subject of what may appear to be tax evasion.  
20 The inference of fraud or of a possible criminal investigation could negatively affect the doctor-patient  
21 relationship and the manner of treatment.

22 Additionally, it would be difficult for the FTB to defend as "relevant" its requests for records of the  
23 type of membership Mr. Hyatt held at his religious institutions, or why the auditor needed copies of  
24 Hyatt's attendance at meetings of the Association of Computing Machinery located in New York, or how  
25 records of attendance at meetings of the Licensing Executive Society located in Connecticut would  
substantiate Hyatt's residency in California or in Nevada. People travel all over the country for  
association meetings. What rationale would the auditor have for obtaining records of contacts with Great  
Expectations, the taxpayer's dating services? (Anyone can call and use a California dating service  
anywhere in the world.) Mr. Hyatt had produced his records from KB Plumbing, Ron's Repair and  
Remodeling, and Allstate Sand and Gravel..

Further evidence of the FTB's non-compliance with its own Audit Manual is as follows:

**Demands For Information From Third Parties Should Be Requested Only When The Following  
Steps Have Been Taken:**

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1           **a. The information has been requested directly from the taxpayer and was not provided**  
2           **(IDRs, letters, phone requests, etc.)**

3           Most of the FTB's demand letters requesting private information about the taxpayer had not been  
4           previously requested directly from the taxpayer. Other letters demanded information which he had  
5           previously provided to the Auditor.

6           **b. A follow-up letter was sent to the taxpayer, again requesting the information and the**  
7           **information was not provided.**

8           There were no such letters in the files I reviewed, and the taxpayer could not have refused what  
9           he didn't know about.

10           **c. A formal demand letter was sent to the taxpayer explaining the tax and penalty**  
11           **consequence of not providing the information and still the taxpayer did not cooperate.**

12           The auditor did not send any letter explaining the substance of what information she desired in  
13           her "Demand To Furnish" letters. There was no letters warning of penalties for refusal to provide such  
14           data; however the taxpayer did suffer consequences of embarrassment and humiliation when he learned  
15           that demand letters were sent.

16           **d. A final demand letter was sent, clearly explaining why the documents are needed to**  
17           **complete the examination and again explaining the tax and penalty consequence of not providing**  
18           **the information. The auditor may want to notify the taxpayer at this point that the information may**  
19           **be obtained from third party sources using the subpoena process or other legal means.**

20           Mr. Hyatt never received a letter from the FTB explaining the rationale for sending any of the  
21           "Demand To Furnish" letters. He was never given notification or the chance to provide the facts or the  
22           documents she wanted.

23           **e. If all means of obtaining the needed documents have been exhausted, meet with the Audit**  
24           **Supervisor/Manager and be prepared to discuss the case.**

25           It appears that the auditor's supervisors were aware of the auditor's mailing of the "Demands To  
Furnish" letters. Her notes indicated meetings and discussions of strategy, but her supervisors took no  
action to reprimand her for her failure to follow guidelines.

**f. A summary of the facts that support the reason for requesting a subpoena (in this case a**  
              **"quasi subpoena".) (P 2 - FTB23484)**

              I was unable to find a summary of facts by the auditor supporting the reason for each of the  
"Demand to Furnish" letters. However, in Sheila Cox's deposition, Volume 10 page 1279, lines 17-19,  
she is asked, "*Would you say that the FTB encourages auditors to seek out third-party confirmation of*  
*information?*" On page 1279, lines 20-22, she responds by saying, "*I believe the FTB encourages*  
*auditors to obtain information (from third parties) which will support their position*". From this

1 response, one can conclude that the FTB's desire to prove its position outweighed any concern for  
2 compliance with the FTB's published privacy rights of the taxpayer.

3 **g. A detailed summary of the audit process to date, including the steps taken to obtain the  
4 needed documentation.**

5 Prior to preparing the "Demands To Furnish" and other demand letters, the auditor had not set  
6 forth the scope of the audit with the taxpayer to denote the information she requested in her "Demand to  
7 Furnish" letters.

8 **h. Why the information is needed to enable completion of the audit; Why the documents are  
9 needed to support the audit recommendation; Why the information cannot be obtained elsewhere;  
10 Whether the case can be closed without the subpoena; The auditor should be able to demonstrate  
11 that FTB is not on a fishing expedition.**

12 When Sheila Cox took over the audit in 1994, she did not appear to have much residency auditing  
13 experience. She apparently realized that Hyatt's residency case, (if the FTB's position could be proven,) would be very financially rewarding to the agency and provide her enhanced career opportunities as the auditor. (In fact, the FTB promoted her during the midst of Hyatt's audit and, after it was concluded, the FTB promoted her to a special high level staff position and she appears to have served as a supervisory auditor on another audit. (See Illia deposition at 278, Exhibit 8; Cox deposition at 119, Exhibit 14.)

14 In 1995, two years after the audit began Ms. Cox sent approximately dozens of demand for  
15 information letters to third parties without prior notice to the taxpayer. She didn't explain why the  
16 information was needed or why it couldn't be obtained from the taxpayer himself. Given Sheila Cox's  
17 comments to another auditor, "she would work the case until she gets the taxpayer" (See Les Depo at  
18 988) leads one to conclude that the auditor was indeed on a "fishing expedition" for facts to buoy up the  
19 FTB's position. Her mission would be impeded if she were to inform the taxpayer of the secret inquires.  
20 Clearly the FTB's need to substantiate its posture took precedent over the information privacy rights of  
21 the taxpayer in violation of the California Information Practices Act. Mr. Hyatt had lost his ability to have  
22 any control over how the information was collected and had no opportunity to object to the demand for  
23 irrelevant information.

24 **California Information Practices Act of 1977 (IPA) (California Civil Code Sections 1798, et seq.)**

25 The FTB has a duty to establish reasonable procedures as to collection of data, the maintenance  
of records, and the limitation of disclosure of information as set forth in the **California Civil Code  
beginning with Section 1798.**

Specifically **California Civil Code Section 1798.1** states:

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1 "The Legislature declares that the *right to privacy is a personal and fundamental right* protected  
2 by Section 1 of Article I of the Constitution of California and by the United States Constitution and that  
3 all individuals have a right of privacy in information pertaining to them."

4 Mr. Hyatt, as a former California citizen and taxpayer, and the subject of a tax audit in California,  
5 has a fundamental right to be protected by the California laws and state constitution. He is endowed with  
6 the right of privacy in his personal information maintained by California state agencies, and should be  
7 able to rely on a reasonable expectation of information privacy from this state governmental institution.

8 **The California Legislature further made the following findings:**

9 "The right to privacy is being threatened by the indiscriminate collection, maintenance, and  
10 dissemination of personal information and the lack of effective laws and legal remedies."

11 Mr. Hyatt's concerns in this law suit are based on the evidence that shows that his private  
12 information and privacy rights were compromised by the FTB's indiscriminate collection, maintenance  
13 and dissemination of his private information.

14 **The FTB's Securities and Disclosure Manual further references the California Information  
15 Practices Act as to the requirements it must follow.**

16 **The Act requires the FTB to:**

17 "Inform individuals when information is requested directly from themselves of the agency name,  
18 agency official responsible for maintaining the information, authority for collection of the  
19 information, whether submitting the information is voluntary or mandatory, the consequences of not  
20 providing the information, the purpose (s) for requesting the information, and of the individual's right to  
21 review the files maintained on them by the department."

22 Mr. Hyatt was not provided notice of the demand letters or who would be contacted or under  
23 what conditions the data would be used.

24 **Keep an accurate accounting of the date, nature and purpose of each disclosure which shall  
25 include the name, title and business address of the person or agency to which the disclosure is  
made.**

The disclosures made in the "Demand To Furnish" and other letters sent were in violation of the  
law since no purpose was stated. Additionally, the Auditor did not specify the name and title of the person  
at the business to whom most of the disclosures were sent. The addressees were businesses, not specific  
persons. Ms. Cox herself would not be able to identify who received or opened the letters.

**Permit individuals to supply information to amend their records. (If the agency elects not to  
amend the records, recourse is available by filing a statement of Disagreement (Dispute) to be  
maintained with the records.)**

1        There are many instances in this case in which Hyatt and his representatives had provided  
2 information to correct the records, however, the auditor did not appear to have corrected any of her  
3 records in response to Hyatt's request for correction. With regard to the Demands To Furnish, the  
4 taxpayer had no opportunity to see, review, or correct the letters some of which contained erroneous  
5 information as to correct name or address (i.e.: six letters sent to six different physicians named Shapiro.)

6        **Establish rules of conduct for persons involved in the design, development, operation,  
7 disclosure or maintenance of records containing personal/confidential information.**

8        The rules of conduct are outlined in the FTB's various administrative handbooks which establish  
9 the code of behavior for auditors and other employees. The manuals below that were reviewed for this  
10 report are compliant with Fair Information Principles and the California Information Practices Act:

11        The Statement of Incompatible Activities and Rules of Conduct For Departmental Employees

12        The Security and Disclosure Manual

13        The FTB Disclosure Education Training Manual

14        The Field Audit Manual

15        Audit Subpoena Procedures Manual

16        All of the above administrative booklets conform to the appropriate California Information  
17 Privacy Act; however, the requirements were ignored by the Auditor. Sheila Cox's conduct in this case  
18 confirms that she failed to abide by the code of conduct as to proper privacy and information  
19 handling. From her obvious aggressive tactics and biased approach, it would appear that there was a  
20 reckless disregard for Mr. Hyatt's information privacy rights. Additionally, because she met frequently  
21 with her superiors, one could conclude that her supervisors fell short in instructing and correcting her as  
22 to the required privacy laws and vital regulations. The preparation and mailing of the Demand To Furnish  
23 letters were without authority because the requisite conditions precedent of notification and attempted  
24 collection from the taxpayer first had not occurred. If the ostensibly authoritative letters were developed  
25 improperly then any concurrent disclosures by the FTB were also prohibited and information received  
from the addressees/businesses should be deleted from the file.

26        **Public Disclosure Of Private Facts In The Demand To Furnish And Other Demand Letters**

27        The Auditor disclosed Hyatt's personal information in the Demand To Furnish letters and  
28 other request letters without the taxpayer's notice or consent in violation of the California Civil  
29 Code Section 1798.24 which states:

30        No agency may disclose any personal information in a manner that would link the  
31 information disclosed to the individual to whom it pertains unless the information is disclosed, as  
32 follows:

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1           **(a) To the individual to whom the information pertains.**

2           Mr. Hyatt was not sent notice of the disclosure of the letters nor did he receive copies of such  
3 disclosures until the Audit was completed and a "Notice of Proposed Assessments" was sent. At that  
4 point, it was too late to object or prevent the distribution or the damages resulting from such disclosures.

5           **(b) With the prior written voluntary consent of the individual to whom the record pertains,**  
6 **but only if that consent has been obtained not more than 30 days before the disclosure or in the**  
7 **time limit agreed to by the individual in the written consent**

8           Mr. Hyatt didn't know about Cox's intent to send such letters and never gave his prior written  
9 consent. He did not consent to disclose his social security number, his confidential address, or  
10 information about the tax audit. He stated in his Affidavit that he would have cooperated by providing the  
11 information requested of him as he had been cooperating in producing all data requested.

12           Without prior notice, or consent, and without first requesting the information directly from the  
13 taxpayer, the FTB Auditor, Sheila Cox, had no legitimate basis for preparing and mailing dozens of  
14 Demands to Furnish and other letters in violation of Hyatt's information privacy rights. Since the  
15 conditions precedent for the legal validity of the letters is non-existent, any personal information  
16 disclosed which otherwise may have been lawful is strictly prohibited. Ms. Cox disseminated highly  
17 private information about Mr. Hyatt that she had no legal right to disclose since the taxpayer had not  
18 refused to provide the information.

19           **Specifically, California Civil Code Section 1798.1 (c) states:**

20           **"In order to protect the privacy of individuals, it is necessary that the maintenance and**  
21 **dissemination of personal information be subject to strict limits (emphasis added.)"**

22           Ms. Cox did not limit the range of her disclosures of private information nor did she limit her  
23 scope of dissemination to known third parties. In each of the "Demand To Furnish" requests below (See  
24 also chart of Letters Exhibit 6) the Auditor, Sheila Cox violated the California Information Practices Act  
25 by indiscriminately disclosing to unauthorized persons (non-specific entities) Hyatt's name with his  
private social security number and the fact that he was subject to a FTB investigation without regard to  
the "strict limits" required by the California Information Practices Act.

26           **Hyatt's Confidential Social Security Number Exposed**

27           The FTB distributed Hyatt's name and confidential SSN to all of the following entities below:

28           **Membership/Associations-** Temple Beth Am, Licensing Executives Society, Association of  
29 Computing Machinery, The Sports Authority, Great Expectations (Irvine, CA), Great Expectations (Los  
30 Angeles, CA), Personal Computer Users Group, Bizmart, , Sam's Club, Southwest Company Club,  
31 Congregation Ner Tamid.

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1       **Newspapers** - Las Vegas Sun, Orange County Register.

2       **Government Entities** - Nevada Development Authority, Clark County Department of Elections

3       **Utilities** - Copley Colony Cablevision, Las Vegas Valley Water District, Silver State Disposal  
4       Service, Southwest Gas Corp.

5       **Professionals (Accountants/Attorneys)** - Loeb and Loeb, Dale M. Fiola, Inc., Roger McCaffrey,  
6       Block, Plant & Eisner, Law Offices of Gregory Roth, Goldberg & Andrus,

7       **Miscellaneous** - Commerce National Bank, Wagon Trails Apartments,

8       The indiscriminate dissemination of Mr. Hyatt's name in conjunction with Hyatt's confidential  
9       Social Security Number to unauthorized persons who had no need to know the information created a  
10      severe privacy intrusion for the taxpayer who previously relied to his detriment on the FTB's oral and  
11      written assurances of privacy

12      **The FTB's Security and Disclosure Manual Section 4700 -Use of Social Security Numbers**  
13      specifically states:

14      "Where the social security number is given to this department by a taxpayer or a claimant, its  
15      uses are limited to those authorized by law and shown on the notice given to the individual".

16      Although the "Demand To Furnish" letter form has a place to write in the Social Security  
17      Number, when the form is completed by unlawful means and there is no legal authority, then there is no  
18      authorization by law to furnish the SSN. Confidential information should only be disclosed when  
19      necessary and when the form is legitimate. Further, the form is only to be sent when there is no other way  
20      to obtain the information. To be legally adequate, the form must be sent to a specifically named person or  
21      a "custodian of record". Mr. Hyatt's name and Social Security Number were prominently displayed and  
22      disclosed on the "Demand To Furnish" letters to countless unidentified persons. (See chart showing how  
23      envelopes and letters addressed by FTB- Exhibit 6)

24      The Social Security Number is a confidential, non-public identifier that is considered private  
25      under the California Information Practices Act, the US Privacy Act and most recently it is also considered  
26      confidential and may not be displayed as per California Civil Code Sections 1798.85-1798.86 and  
27      1786.608 which took effect beginning July 1, 2002, and applies to individuals and non-governmental  
28      entities.

29      The Social Security Number (SSN) has a unique position as an extreme privacy risk. Although  
30      not originally intended to be used for personal identification purposes, it plays a significant role in linking



1 confidential records that contain sensitive information such as medical records, credit reports, background  
2 checks, insurance histories and other databases that most people wish to maintain very private. Created by  
3 the federal government in 1936 to track workers' earnings and eligibility for retirement benefits, the SSN  
4 is a "unique" identifier that does not change, (in fact the Social Security Administration will normally not  
5 allow a person change his SSN.) The privacy protection of this number is crucial to protect one's assets,  
6 credit, health privacy, and most aspects of one's private life.

7 None of these entities who received the "Demand to Furnish" letters would have needed to see the  
8 SSN in order to authenticate Mr. Hyatt. If the reason for disclosure is verification of identity, the date of  
9 birth which is a public record would suffice as a less invasive identifier. It is irrelevant to provide an SSN  
10 number in order to authenticate unless the organization already has the SSN on file to use as a match.  
11 Most of the entities above would have no reason to know Hyatt's SSN, so providing it does nothing but  
12 open the door to financial privacy invasion and possibly abuse. More importantly, the entire premise for  
13 the mailing of the letter is faulty. Thus, any disclosure of any private data is not authorized.

#### 14 **Danger Of SSN Disclosure**

15 When the Auditor disclosed Mr. Hyatt's SSN to the above organizations, she placed him in great  
16 jeopardy. The SSN is the identifier that is required to establish a loan or mortgage, obtain credit cards,  
17 open a bank account, receive pay checks, file 1099's, secure all types of insurance, establish legal  
18 citizenship, and access health records, etc. Worse yet it is the key to the kingdom of identity theft.  
19 Haphazard and public exposure of SSNs is a major contributor to the tremendous growth in recent years  
20 in identity theft and other forms of financial fraud. The auditor's disclosure significantly increased the  
21 risks to Hyatt of further inappropriate disclosure and misuse of his SSN. The FTB has a duty to limit, not  
22 increase, the arbitrary display of the SSN to protect its taxpayers from identity theft and other privacy  
23 abuses.

24 **The Auditor unreasonably exposed Mr. Hyatt's sensitive information to an indeterminable  
25 number of unknown persons, thus providing unlimited access to his SSN and financial profile  
putting him at risk for identity theft, fraud and other SSN abuses.**

26 The FTB Auditor sent at least fifty-five (55) ostensibly official "Demand To Furnish" letters  
27 addressed to organizations and businesses in California, Nevada and other states, with no specific  
28 addressee using the salutation, "Gentlemen" rather than a specific name or a "custodian of record". The  
29 envelopes were addressed to a business or organization; however, there was no specific person's name,  
30 department head, or a custodian of records as required by the FTB's own audit manuals. None of the  
31 envelopes to any of the businesses were marked "Confidential", "Personal," nor "Private." Anyone  
32 working in the mail room of "Sam's Club," "Sports Authority," or "Great Expectations" (see complete the

1 list of organizations with detailed descriptions of addressees -Exhibit 6) would have access to open the  
2 envelopes and could acquire Mr. Hyatt's social security number for misuse. Although we have no present  
3 knowledge that his SSN was utilized for an unlawful purpose yet, it is known that many impersonators  
4 with access to the SSN wait several years before using their victim's name and SSN, so as to avoid  
5 ascertaining the perpetrator. The disclosure of his SSN is a substantial infringement on Hyatt's  
6 information privacy.

### 7 **Courts Recognize SSN Privacy Interest**

8 Courts have recognized the privacy interests in the SSN. For example, the Fifth Circuit  
9 considered whether the Army's redaction of social security numbers from a request made under the  
10 Freedom of Information Act was appropriate to protect the privacy interests of Army personnel. In  
11 *Sherman v. United States Department of the Army* (244 F.3d 366 , 2001 ) that court found a "*substantial*  
12 *informational privacy right*" in social security numbers by explaining that an individual's privacy interest  
13 in his or her social security number does not stem from a concern that the social security number is  
14 embarrassing or compromising, but that the "*simultaneous disclosure of an individual's name and*  
15 *confidential SSN exposes that individual to a heightened risk of identity theft and other forms of fraud.*"  
16 The court determined that "*individual citizens have a substantial informational privacy right to limit the*  
17 *disclosure of their SSNs, and consequently reduce the risk that they will be affected by various identity*  
18 *fraud crimes.*" The court further warned that the "*increasing prevalence of identity fraud . . . demands*  
19 *that federal agencies take particular care*" when publicly disclosing social security numbers (*Id.* at 367.)  
20 Finding that the plaintiff failed to articulate an overriding public interest in the disclosure of the social  
21 security numbers, the Sherman court upheld the Army's redaction of the social security numbers.

22 In a similar case, the Ohio Supreme Court (*Beacon Journal Publ'g Co. v. City of Akron*, 640  
23 N.E.2d 164, 165, Ohio 1994) considered whether the state's public records act compelled the disclosure  
24 of city employees' social security numbers. The Court found that the city employees had a legitimate  
25 expectation of privacy in their social security numbers and held that the "*high potential for fraud and*  
26 *victimization caused by the unchecked release of city employee SSNs outweigh[ed] the minimal*  
27 *information about the government processes gained*" from disclosure of that information (*Id.* at 169). The  
28 court held that the State's Public Records Act did not require disclosure of the city employees' social  
29 security numbers. Case law recognizes that social security numbers are exempt from disclosure under the  
30 FOIA "*because their disclosure would 'constitute a clearly unwarranted invasion of privacy.'*" (*I.B.E.W.*  
31 *Local No. 5 v. HUD*, 852 F.2d 87, 89 3d Cir. 1988).

32 Hyatt had a legitimate expectation of privacy that his SSN would not be disclosed without  
33 authority so as to be an unwarranted invasion of his privacy. Hyatt has a substantial privacy right to limit

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1 the disclosure of his SSN, in order to reduce the risk that he will be affected by various identity fraud  
2 crimes and other privacy invasions. Governmental agencies such as the FTB are required to take  
3 precautions to protect taxpayers like Hyatt from privacy intrusions and disclosures of his SSN.  
4 Unfortunately, the Auditor on his case ignored such privacy considerations when she sent the Demand To  
5 Furnish letters disclosing Hyatt's SSN at least 55 times to various entities and countless individuals.

6 Because the "Demand to Furnish" letters were not addressed to a particular person, there is no  
7 way to truly know how many persons would have seen or copied his SSN and other confidential data. In  
8 further violation, the Auditor herself was attempting to collect additional sensitive information about the  
9 taxpayer from "unknown" persons. She had a duty, if the Demands had been lawful, to specify the  
10 recipient as the "custodian of records". While distributing non-probative, sensitive data to limitless  
11 unknown receivers, she caused further unlawful privacy invasions of the taxpayer by others who had no  
12 need to know his confidences.

13 Even when the audit was completed, Ms. Cox continued to make egregious disclosures of Mr.  
14 Hyatt's sensitive Social Security Number. Cox sent a Notice of Proposed Assessment to the wrong  
15 address for Mr. Hyatt. Although Hyatt's correct address was in her audit file, this very sensitive six page  
16 document on FTB stationery included Hyatt's confidential Social Security Number, his income, his  
17 assessment, his penalties, and his tax filing status, and a narrative with very private information accusing  
18 him of tax fraud. This notice/letter was copied to his tax representative Eugene Cowan, who notified Cox  
19 of the privacy disclosure to the erroneous address for which Ms. Cox apologized for the "inconvenience".  
20 She should have reported the unauthorized disclosure to her supervisors as per the FTB guidelines. This  
21 notice/letter was never returned to the FTB. One would assume that it was received by an unauthorized  
22 person, who would have had access to confidential information that he should not have seen if that  
23 information could be used for devious purposes against Mr. Hyatt.

#### 24 **Taxpayer Investigation Revealed**

25 Aside from the unauthorized sharing of Hyatt's SSN, the "Demand To Furnish" letters dispersed  
information about the tax audit that revealed inferences of tax evasion. The letters themselves displayed  
the return address of the Franchise Tax Board and Sheila Cox signed them as "Auditor." The "DEMAND  
TO FURNISH" notification on the upper left hand corner appeared to imply that there was a law suit,  
or possibly a criminal investigation or an inquiry into tax evasion. This exposed Hyatt to judgment,  
ridicule, embarrassment and ill repute to unknown persons and individuals who know him. Additionally,  
since it is known the FTB will spend most of its time (hundreds of hours in this case) to investigate a  
taxpayer with a healthy financial portfolio, third parties with no need to know are apprised of Hyatt's  
wealth. Thus Hyatt's confidential information, which was communicated publicly may have been seen by

1 indefinite numbers of unauthorized persons with no need or right to know the confidential information  
2 resulting in Hyatt's privacy invasion.

### 3 **Needless Disclosures to Japanese Licensees**

4 For Mr. Hyatt the most humiliating and both financially and emotionally devastating of all the  
5 Demand letters were those sent by the auditor to Hyatt's Japanese Licensees. On April 11, 1995, just two  
6 months after Cox guaranteed assurances of confidentiality to Cowan, (Hyatt's representative) the auditor  
7 breached her promise to keep the information confidential and sent letters of request for information to  
8 licensees, Fujitsu Limited and Matsushita Electric Industrial, Co, Ltd. To Hyatt's embarrassment and  
9 economic detriment Cox's letters informed them of Hyatt's investigation by the FTB, attached copies of  
10 Hyatt's private documents, and requested dates of funds wire transfers made to Hyatt. This information  
11 was provided to Cox by Hyatt with bank statements. Cox could have verified such transfers with the bank  
12 herself. This contact was made unnecessarily.

13 The FTB's communication with the Japanese licensees made it clear that Hyatt was under  
14 investigation. The Japanese culture values honor and honesty, and this notice of a quasi criminal  
15 investigation from a governmental agency would reasonably offend the Japanese licensees. From the date  
16 of the FTB's confidentiality breaches, Hyatt had obtained no new licenses. His royalty income from new  
17 licenses has since dropped to zero. Clearly this breach was costly, humiliating, and totally unnecessary,  
18 and would not be relevant to prove Hyatt's residency at the time. The letters were in violation of the  
19 California Information Practices Act as well as all the FTB's own manuals. The taxpayer had already  
20 provided the entire License Agreements to the auditors. The auditor's line of attack was outrageous and  
21 made without regard to the confidential relationship between the taxpayer and his business associates.

### 22 **Hyatt's Confidential Home Address Revealed by Auditor**

23 The auditor displayed Hyatt's private and confidential home address numerous addressees from  
24 whom she demanded information about the taxpayer (see complete list Exhibit 6.) Hyatt has a need to  
25 have physical privacy in his home to protect his business security, and guard him from industrial  
26 espionage.

27 In accordance with California Civil Code Section 1798.3(a), the auditor violated the Information  
28 Practices Act when she disclosed personal information which she knew or should have known (per her  
29 training and FTB manuals) would infringe on the information privacy rights of the taxpayer.

30 The Auditor knew that Hyatt had a heightened concern for his privacy and that he had requested  
31 and received numerous assurances by the FTB that his home address would be kept confidential. The  
32 Auditor's disclosures intentionally breached the assurances and violated the FTB's own manuals.

1  
2 **Demand To Furnish Letters Sent Out Of State**

3       The Auditor sent the official looking "Demands to Furnish" to citizens outside of the state of  
4 California (see Exhibit 6.) Some of these entities were Licensing Executives Society in Connecticut; The  
5 Sports Authority in Las Vegas; The Nevada Development Authority; Temple Beth Am in Nevada,  
6 Bizmart in Nevada; and even Japan, etc. For those entities located outside of California, California law  
7 cannot legally authorize such intrusions without a court order. So for companies or entities in New York,  
8 Nevada, or other states without the power of that state's valid court order, these official-looking  
9 unauthorized "Demands" are deceptive. Because they look official, they would induce ordinary citizens  
10 to believe that compliance is mandatory. However these Demands are without legal authority, thus  
11 violating Mr. Hyatt's privacy rights by illegally intending to collect irrelevant personal information.

12  
13 **Sheila Cox's Adherence To Privacy Guidelines Was Inadequate As Evidenced By The Employee**  
14 **Guidelines**

15 **I. Employee Rules and Rules for Accessing Records and Administrative Remedies**

16       The Information Practices Act of 1977 has direct application to the conduct of the employees of  
17 the Franchise Tax Board as described in Section II of these guidelines. The section of the Act that pertains  
18 to the rights of individuals with respect to systems of records containing personal and/or confidential  
19 information maintained by this department is described in Section III of these guidelines. (P H 06702)

20 **II. Employee Rules for Training and Employee Conduct.**

21 **(A) Training.**

22       **(1) The department's Information Security Officer is responsible for the**  
23 **development of training under Section 1798.20 of the Civil Code. The training**  
24 **program is to include all the provisions of the Act and rules developed to implement**  
25 **it and shall be provided to all employees.**

      Ms. Cox was supposed to be well-trained as to the California Information Practices Act; however,  
there appears to have been no enforcement of regulations by her supervisors.

**(2) It is the responsibility of each division chief to insure that new employees of**  
his/her division are trained in accordance with the training program developed by  
the Information Security Officer.

      Ms. Cox should have known she was in violation of Mr. Hyatt's rights, and the Information  
Security Officer has a duty to enforce compliance.

1           **(4) Continuous training of employees, contractors and employees of the contractors**  
2           **is the responsibility of the division chief of the employees including contractors and**  
3           **their employees in accordance with subparagraph (3) of paragraph (A).**

4           When Cox's supervisors reviewed her audit report, they would have seen that "Demand To  
5           Furnish" letters were sent. Their performance review questions should have ascertained the extent of the  
6           Auditor's privacy violations. Instead of being disciplined or reprimanded she was promoted during the  
7           audit.

8           **(B) Employee Conduct.**

9           **(1) The Department's employee rules of conduct are developed pursuant to the**  
10           **authority of Section 1798.20 of the Civil Code. These rules apply to all employees of**  
11           **the department involved in the design, development, operation, disclosure or**  
12           **maintenance of records containing personal or confidential information about**  
13           **individuals. These rules also apply to the department's (PH 06705)**

14           Ms. Cox and her supervisors knew or should have known that their conduct was non-compliant;  
15           however, they persisted in defense of such illegal activity.

16           **(2) Based upon a legal right provided by law and a "need to know" for**  
17           **performance of official duties, employees shall collect, maintain, use, disclose and**  
18           **destroy information in a manner which provides reasonable security and protection**  
19           **of the individual's right to privacy.**

20           Ms. Cox disclosed Mr. Hyatt's sensitive information with total disregard for the security of the  
21           data.

22           **(3) Rules regarding the collection of personal or confidential information about**  
23           **individuals.**

24           Ms. Cox either was neither well-trained nor supervised in the regulations, and she chose to ignore  
25           the written portions of the FTB's Disclosure Manual that she provided to Hyatt.

**(a) Employees shall only collect personal and confidential information which**  
              **is relevant and necessary to accomplish a purpose of the agency required or**  
              **authorized by the California Constitution or statute and the employee has a**  
              **"need to know" such information to accomplish his/her official duties.**

              Using her "Demand To Furnish" letters, Ms. Cox attempted to glean data about every aspect of  
              Hyatt's life from his medical visits, the newspapers he read, his dating activities, his religious institution  
              visits, his various professional association meeting attendance, his fitness workouts, his volunteer  
              activities, his utility consumption, his neighbor relationships, etc. at times beyond the disputed time  
              period, thus invading his private life with no relevance to the audit.

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1                   **(b) Employees shall collect personal and confidential information to the**  
2                   **greatest extent practicable directly from the data subject rather than from**  
3                   **another source.**

4                   Ms Cox never met with Hyatt. She did not attempt to gather the desired information in the  
5                   Demand letters directly from Hyatt. She did however specifically request countless other records and  
6                   confidential data directly from him, while she secretly sent Demand letters to third parties regarding  
7                   irrelevant data.

8                   **(k) Employees shall only disclose personal and confidential information**  
9                   **about individuals to other officers, employees or volunteers of the**  
10                  **department if such disclosure is relevant and necessary for that individual to**  
11                  **perform his/her official duties and the duties are related to the purpose for**  
12                  **which the information was acquired.**

13                  Former auditor Les' testimony revealed that Cox told her that she was going to "get" the tax-  
14                  payer. Cox indiscriminately disclosed the taxpayer's private information to others who did not have a  
15                  need to know. These included fellow auditors not assigned to the case, (as testified to by Les,) (Les  
16                  Deposition at 988: "Q. Do you recall at any time observing that Sheila Cox was talking to her husband  
17                  about the Gil Hyatt case? A. Yes. Q. And what was she saying to him about the Gil Hyatt case in your  
18                  presence? A. She would just talk openly on the occasions that I went about you know, "getting this  
19                  taxpayer".)

20                  **(l) Employees may disclose personal information to another person or**  
21                  **governmental organization to the extent necessary to obtain information**  
22                  **from such person or governmental organization if the disclosure is relevant**  
23                  **and necessary for an investigation of a failure to comply with specific laws**  
24                  **administered by this department. (P H 06710)**

25                  The FTB breached Hyatt's privacy by disclosing private facts to his estranged relatives and to  
others with no "need to know" such as auditors who were not assigned to his case. Cox located three  
estranged relatives, let them know she was conducting a tax investigation of Hyatt, promised them that  
their involvement would be confidential, and got them to sign negative statements about him including  
issues of his health status and relationships which had nothing to do with the audit. She confided to them  
private information of the taxpayer. Then after Cox generated a determination letter assessing millions of  
dollars on Hyatt's 1991-tax-year income tax, the auditor telephoned Hyatt's ex-wife and told her "we got  
him" (Maystead deposition at 183-184.) This statement infers collaboration with a third party to harm  
Hyatt

1 **The Auditor Violated Hyatt's Privacy Information Rights And Communicated Confidential Private**  
2 **Facts To Unauthorized Persons**

3 All disclosures of Mr. Hyatt's name in conjunction with his Social Security Number which was  
4 disseminated by the FTB (at least 55 times) to countless un-named persons were unlawful. All disclosures  
5 of Hyatt's personal confidential home address to specifically identified persons and non-specified  
6 persons, (the taxpayer had previously placed his personal residence in a Trust in his accountant's name to  
7 protect his privacy) also were in violation of the FTB's promise to keep that information confidential.  
8 Sheila Cox acknowledged Hyatt's concern to not want his name publicly associated with his residence in  
9 an 8/31/95 letter to Cowan (See Cowan's memo to file dated June 25, 1998 documenting her letter and  
10 referring to previous auditors Shayer and Soriano's acknowledgment of the need to keep the taxpayer's  
11 home address confidential). The wholesale distribution of the official looking demand letters displaying  
12 the FTB's audit power and enforcement authority created an intimidating situation for the dozens of  
13 entities that received the letters. The revelation that Hyatt was the subject of this apparently quasi  
14 criminal investigation by the tax board disclosed information that could be interpreted inaccurately.  
15 Because the letters were not prepared or sent in accordance with the legal procedures and because Hyatt  
16 was not deemed uncooperative, all disclosures in the letters were irrelevant to the audit and should not  
17 have been sent. The auditor's aggressive approach in wanting to "get" the taxpayer, showed her malice.  
18 Her secret unlawful "Demand To Furnish" letters, her clandestine meetings with the taxpayer's estranged  
19 family, her assurances of protecting the taxpayer's privacy while at the same time, totally disregarding the  
20 Privacy laws and FTB confidentiality guidelines, expose a sinister and deceptive method of conducting  
21 the audit that was rewarded by the FTB as evidenced by Cox's promotions rather than admonishment by  
22 her supervisors.

23 **IV. If the Franchise Tax Board made public disclosures of private facts to unauthorized persons in**  
24 **its Demand to Furnish letters and other communications in violation of Mr. Hyatt's information**  
25 **privacy rights, what are the ramifications, and what are his damages?**

26 **Violating the California Information Practices Act requires that faulty, and illegally**  
27 **collected Data must be removed from the Audit File and that a fresh determination be made by the**  
28 **FTB relying only upon Data that was properly collected, stored, corrected and secured pursuant to**  
29 **the California Information Practices Act.**

30 Auditor Sheila Cox consciously disregarded the FTB's information privacy procedures by  
31 sending covert "Demand to Furnish" letters which were unlawfully produced based on the fact that the  
32 conditions precedent of required notice to the Taxpayer and obligation to ask for data directly from the

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1 taxpayer first, were not followed. Additionally, Hyatt's cooperative history would not warrant that the  
2 letters be utilized. Because the letters themselves were initiated in violation of the California Information  
3 Practices Act, the Tax Code and the FTB's own administrative procedures, any subsequent mailing  
4 attempts to collect data about the taxpayer from the third parties were unlawful; any disclosure of private  
5 information within the letters was tainted and illegally disseminated; and any information collected or  
6 received would also be illegitimate. Since the audit began in 1993, and by 1995, the FTB didn't have  
7 enough data to prove its position against the taxpayer, the new auditor, Cox fervently sought ways to  
8 substantiate the FTB's theory, and so she began her "fishing expedition" to gather as much data as  
9 possible from every source that could be supportive. She selectively contacted those entities that would be  
10 most favorable to the FTB, and didn't contact the many friends and associates who may tend to favor Mr.  
11 Hyatt's position. She didn't contact those who had the greatest knowledge of the facts.

12 The use of any information collected under the auspices of deception, the data maintained  
13 which was derived from the letters, and any information disclosed to named and innumerable non-  
14 identified third parties are all in violation of California Information Practices Act, the California  
15 Revenue and Taxation Code, and the FTB's own procedures. If the FTB relies on the inaccuracy and  
16 unreliability of this contaminated data to determine the outcome of Mr. Hyatt's audit, that procedure  
17 itself is be a violation of the Fair Information Principles, the California Information Practices Act, the  
18 Tax Code including the Taxpayer's Bill of Rights and the FTB's own handbooks which are compliant  
19 with the laws. Polluted facts and data obtained in violation of the taxpayer's privacy rights must be  
20 removed from the audit file prior to analyzing the facts to make a fair and honest audit determination. All  
21 documents relating to Ms. Cox's improper letters, unlawful oral and written disclosures, and the unreliable  
22 written and oral responses, must be removed and discarded from the file, and the conclusions based on  
23 that data must also be deleted from the audit file. It is likely that the case against Mr. Hyatt will not have  
24 sufficient evidence when all documents and tainted conclusions are discarded from the file. If that is the  
25 result, the case against him must not proceed, and the assessments must be retracted.

26 Although this report has focused most of its examination on the information privacy issues  
27 regarding the Demand To Furnish letters and other letters sent to obtain facts about Mr. Hyatt, after my  
28 review of hundreds of pages of documents, it is noteworthy that Ms. Cox also collected written statements  
29 which she claimed to be affidavits (not made under penalty of perjury, nor under oath) containing  
30 negative irrelevant information gathered from Mr. Hyatt's ex-spouse who he had divorced 17 years  
31 earlier, and his estranged brother and daughter who he had not communicated with during the audit  
32 period in question. Ms. Cox disclosed personal information about Hyatt to these people by informing  
33 them of the audit, the issues in dispute, Mr. Hyatt's tax status, his health situation, and other private  
34 information about the taxpayer in violation of the FTB's Disclosure Education Training Manual (March

1 1997 and 1998) regarding confidentiality of tax information (P5 FTB 26865.) Any written alleged facts  
2 divulged by these people as to Mr. Hyatt's personality, his medical problems, his sports activities, and his  
3 relationships are not relevant, and don't have a bearing on the issue before the FTB. These parties don't  
4 have first-hand knowledge of the circumstances of Hyatt's residency. Additionally, they were biased  
5 subjects due to the family conflict, and their statements were not made under oath by a notary nor were  
6 the documents signed under penalty of perjury. Any private information received under misleading  
7 circumstances must not be used to determine the outcome of the audit. All evidence derived from an  
8 illegal acquisition of private facts should be excluded from the audit determination.

9 **Mr. Hyatt Was Damaged By The FTB's Myriad Violations Of His Information Privacy Rights.**

10 After many hours of analysis of this lengthy case, it is the opinion of this reviewer that Mr.  
11 Hyatt's information privacy rights, specifically with regard to the "Demand to Furnish" letters and other  
12 document request letters, were enormously violated by the auditor's callous, intentional and relentless  
13 disregard for the privacy laws and FTB's non-disclosure guidelines. Not only did Ms. Cox choose to  
14 ignore the relevant Fair Information Principles which are incorporated into the California Information  
15 Practices Act, the California Revenue and Taxation Code and the numerous FTB training and  
16 administrative guides, but more importantly she and the two previous auditors verbally and in writing  
17 assured the taxpayer's representative Mr. Eugene Cowan that Mr. Hyatt's confidential information and  
18 documents would be maintained, knowing all along that this promise would be breached.

19 In fact on 2/23/95, when Ms. Cox met with Mr. Cowan at his office to review some of Hyatt's  
20 confidential documents, she assured Cowan that, *"everyone at the FTB was subject to the security and  
21 disclosure policy of the FTB, the violation of which would cause an FTB employee to lose his job or  
22 worse."* Cowan, sensitive to Hyatt's critical need to maintain privacy, detrimentally relied on Cox's  
23 assurances, and finally agreed based on these assurances, to allow Ms. Cox to take copies of all the  
24 sensitive documents she requested. Cox further requested authorization to get bank information, which  
25 Cowan also authorized based on Cowan's guarantees of confidentiality. (See page 3, Cowan's  
Memorandum to File, June 25, 1998, Exhibit No. 536). Unbeknownst to Mr. Cowan, Ms. Cox made  
these assurances in bad faith. More than a month before meeting with Cowan she had surreptitiously sent  
secret "Demand to Furnish" letters disclosing confidential data to Temple Beth Am 1/26, Licensing  
Executives Society 1/24, the Association of Computing Machinery 1/24, The Sports Authority 1/24,  
Great Expectations (Irvine) 1/24, Great Expectations (Los Angeles) 1/24, Nevada Development Authority  
1/24, Personal Computer Users Group 1/26, The Sports Authority 2/17, Bizmart 2/17, Sam's Club 2/17  
and Temple Beth Am 2/17. In every one of those letters she displayed Hyatt's confidential information  
linking his name and confidential Social Security Number, and the notice of a tax investigation to at least

1 12 entities with the possibility of countless other individuals since the letters were addressed to the entity  
2 and the salutation was to "Gentlemen" rather than the required specifically named person or the  
3 "custodian of record". Immediately after that meeting and subsequent to her false oral pledges of privacy  
4 (quid pro quo for the documents she demanded from Cowan that day), four days later on 2/27/95 she sent  
5 out at least 13 more letters to healthcare providers. (Six letters were addressed to various Dr. Shapiro's in  
6 California, because she didn't know which one was Hyatt's physician and she didn't want to ask Hyatt  
7 since he would then have notice of what she was doing.) (See exhibit 6 detailing the dates of the letters  
8 sent and what was revealed.)

9 All of these letters revealed to Hyatt's own physicians and strangers, that he was the subject of an  
10 audit inferring tax evasion and dishonesty. Additionally, collecting information from a healthcare  
11 provider without notice or consent is one of the most immoral invasions of one's privacy especially since  
12 the taxpayer had recently battled colon cancer.

#### 13 **A Reasonable Person Would Be Outraged By The FTB's Deliberate Disclosures.**

14 Mr. Hyatt's damages as a result of the disclosures include but are not limited to great financial  
15 loss; extreme emotional distress; embarrassment; destruction of his personal, business, and social  
16 reputation; the threat of financial, criminal and/or other forms of identity theft; the peril of exposure to  
17 dangerous crimes to his person and theft of his personal and intellectual property/inventions; the extreme  
18 hardship of being forced to take vigilant actions to regain his privacy and minimize his future risk of  
19 harm, and his permanent loss of peace of mind knowing that persons know secretive facts about his life  
20 which can never be reversed.

21 From my review of the myriad documents, there were dozens of other instances when the FTB  
22 recklessly disregarded the taxpayer's privacy rights. For example, the FTB compiled a 3500-page dossier  
23 on Mr. Hyatt listing inaccurate, untimely, and incomplete information, yet the FTB refused to give the  
24 taxpayer access to his complete file to correct. (Hyatt Affidavit in Support of Opposition to Motion for  
25 Summary Judgment p. 2, line 27 and p. 3, lines 1-3). California law requires that the FTB maintain  
records to the maximum extent possible with accuracy, relevance, timeliness and completeness  
(California Civil Code Section 1798.18.) Additionally Mr. Hyatt was not afforded reasonable access to  
his audit file when the audit was completed, as required, and was denied the right to access the documents  
and correct the errors. It shocks the conscious that the California Franchise Tax Board, which promotes its  
mission of fairness and insists on full disclosure and honesty of taxpayers, would itself engage in such  
hypocritical actions.

1 **Mr. Hyatt's Damages As A Result Of The Violation Of His Information Privacy Rights and The**  
2 **Public Disclosure Of His Private Facts.**

3 Mr. Hyatt had a reasonable expectation that the private facts about his life which included, but are  
4 not limited to, his confidential Social Security Number, information about his finances, his health, his  
5 confidential contracts, his intimate relationships, etc. would be kept confidential by the Franchise Tax  
6 Board. He based his reasonable expectation of information privacy based on the numerous times that  
7 FTB orally and in writing assured him of his rights under the California Information Practices Act, the  
8 Taxpayer's Bill of Rights, the California Revenue and Taxation Code, and the various FTB administrative  
9 handbooks and training manuals. Additionally, due to Mr. Hyatt's heightened sensitivity to privacy  
10 issues as a security expert, he made it clear to the FTB that he needed additional promises that his  
11 confidential information would not be disclosed for any other purpose except to the FTB as necessary for  
12 the tax audit. Although Hyatt was willing to provide all data necessary that he had or could obtain for the  
13 audit, he originally insisted that the documents be viewed by the auditors in his representative's office so  
14 as to protect the confidentiality. When auditor Cox insisted on "copies of everything", Hyatt's  
15 representative only agreed when Cox pledged non-disclosure based on the FTB's mandatory security  
16 guidelines and California law. Hyatt reasonably relied on the guarantees to his detriment. Cox had already  
17 stealthily disclosed his social security number and other confidential information in the improper,  
18 unauthorized Demand To Furnish letters that she had sent at least a month before such promise. Within  
19 four days after the guarantee was made she sent out another dozen letters to his healthcare providers  
20 informing them of the tax investigation and at the same time requesting private information. She  
21 continued to violate that explicit promise of confidentiality by sending dozens more letters immediately  
22 thereafter in defiance of the privacy laws and FTB guidelines. It was especially alarming for Hyatt (when  
23 he found out after the completion of the audit) that the auditor had written letters to Hyatt's Japanese  
24 licensees on April of 1995 two months after she agreed not to disclose his private information to the  
25 Japanese companies or anyone else. The auditor undoubtedly knew (having provided copies and citing  
various pages of FTB manuals reconfirming the commitment to privacy and confidentiality to Hyatt) of  
the requirements of the FTB's privacy and non-disclosure regulations as evidenced by her oral and  
written assurances. However, in her quest to prove the FTB's position for her own benefit, she repudiated  
her promises. As a result, Mr. Hyatt suffered many types of damages.

23 **Actual Financial Damages**

24 **1. Licensing Royalties** As a direct result of the unlawful public disclosure of Hyatt's private  
25 facts, he has suffered financial loss. The greatest losses are with his patent licensing agreements and  
royalties. After the FTB sent letters to Hyatt's licensees and the Licensing Executives Society disclosing

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1 the confidential information of the FTB's tax audit and demanding private information, his business was  
2 immediately affected. The FTB had also sent copies of portions of the confidential license agreements to  
3 his licensees demanding financial information. It is understandable that the licensees and his prestigious  
4 Licensing Executive Society would reasonably have been concerned about Hyatt's reputation as one  
5 being investigated for what appeared to be tax evasion or other criminal activity. The FTB had no legal  
6 right to require the demand of information from those in another state (the Society) or another country  
7 (Japan) without the authority of the local courts, Immediately after the unlawful disclosures, no new  
8 licenses were acquired and Hyatt's royalty income from new licenses had dropped to zero.

9  
10 **2. Loss Of Earnings** Hyatt made numerous references to the fact that the abusive demands for  
11 information and the time spent on the fabricated issues of the extensive audit took substantial time away  
12 from his work which caused economic losses. With regard to the disclosure of his private address and  
13 other disclosures, Hyatt had to take time and effort to rehabilitate his privacy. Additionally after Hyatt  
14 learned that his private home address was revealed at least 21 times in FTB demand for information  
15 letters, he was forced to mitigate his further privacy invasions by having to move. The time, effort and  
16 loss of time at work as well as any other expenditure would flow as well from the disclosure.

17  
18 **3. Out Of Pocket Costs, Professional Fees** During the audit, Hyatt had to pay substantial  
19 professional fees to mitigate his damages from the illegal disclosures of his personal information.

20  
21 **4. Costs And Fees Of This Lawsuit** As a result of the invasion of privacy issues, the unlawful  
22 disclosures of private information in the dozens of letters, and the oral disclosures to those who had no  
23 need to know (other auditors, Hyatt's ex-wife and other estranged family members), Hyatt was forced to  
24 take administrative and legal action to stop further disclosures, rehabilitate his reputation, protect his  
25 finances and stop further abuses by the FTB.

#### **Emotional Distress Damages**

26  
27 **1. Outrageous Disclosures** Throughout the audit and subsequent pendency of the protest (still in  
28 process), the FTB, engaged in outrageous, unlawful conduct with regard to its secret written demands  
29 disclosing confidential information to dozens of third parties; its contact with Hyatt's family members  
30 with whom he was estranged, and the FTB's disclosure of Hyatt's personal information to other auditors  
31 and others who had no reason to know. The FTB revealed highly personal information to others that was  
legally protected as confidential such as his SSN, information from his IRS tax return, his medical  
information, his contracts, and his home address.

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1  
2       **2. Hyatt's Extraordinary Need For Privacy Known By FTB** The FTB knew of Hyatt's  
3 extraordinarily vital need to protect his privacy due to his career as an inventor, and to protect his  
4 confidential intellectual property. He had heightened sensitivity due to his previous victimization by  
5 industrial espionage, the unsolved murder of his son, his Department of Defense security clearance, and  
6 his expertise as a security expert. His expertise would impart him with a higher consciousness about the  
7 dangers of loss of privacy and unlawful information disclosures.

8       **3. Deceptive Disclosures And Intentional Violations By FTB** The FTB had a duty to abide by  
9 the strict California privacy laws, knew of Hyatt's critical need for privacy, and engaged in shocking  
10 conduct. It unlawfully, willfully and with conscious disregard caused Hyatt to suffer severe emotional  
11 distress by deceptively assuring that it would abide by the California laws and FTB's strict non-disclosure  
12 rules. In violation of its promises, it surreptitiously and intentionally violated its privacy guidelines in an  
13 effort to obtain fabricated evidence to prove its position.

14       **4. Continuing Deliberate Disclosures** Such outrageous conduct, which is still continuing (for  
15 example the FTB's public disclosure of its litigation roster listing the alleged millions of dollars owed by  
16 Hyatt for taxes and penalties,) makes Hyatt appear to be a "tax evader". There is no need to include in its  
17 disclosure of the litigation the disputed amount of monies owed. The genuineness of those amounts is  
18 highly suspect since the taxpayer had no opportunity to correct the errors. The assessments are only  
19 proposed, not final, and thus should not be publicized.

20       **5. Intentional Harm Through Disclosure** The FTB through Cox had every intention to "get" the  
21 taxpayer as evidenced by her conversations with other auditors, her own husband, and Hyatt's vindictive  
22 ex-wife..

23       **Consequential, Special, Additional Emotional Distress Damages As To The Disclosure Of Hyatt's**  
24 **Social Security Number Misuse, Fraud, Identity Theft**

25       Mr. Hyatt, a security minded engineer with great concerns about privacy, legitimately would  
experience extreme emotional distress regarding the unlawful, unauthorized disclosure of his confidential  
social security number. He knows that one's social security number functions as a "quasi-universal  
personal identification number" used to identify an individual's financial information, educational  
information, medical records, employment information, tax information, credit history, background ,  
DMV violations, health and life insurance profile, earnings and social security benefits, bank accounts,

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1 investment accounts, credit card and trust accounts, and even one's criminal profile. The unauthorized  
2 disclosure of his Social Security Number may allow a curious person to gain access to intimate details of  
3 his life. Worse, it can tempt an unprincipled person to become an impostor and steal the victim's identity.

#### 4 **Definition Of Identity Theft**

5 The most common form of identity theft occurs when a thief uses identifying information about  
6 an individual, usually a social security number" and a name, to represent himself as that individual. It is  
7 defined as the unauthorized use of personal identifiers of another for an unlawful purpose. An identity  
8 thief can use the victim's SSN to apply for new credit cards, access bank accounts, obtain mortgages, rent  
9 apartments, get utilities, obtain education loans, disability payments, worker's compensation payments,  
10 become employed (using the victim's credentials); open a business in the victim's name or do anything  
11 else that the victim could do with his/her social security number. Even more frightening, the imposter can  
12 utilize the victim's name and SSN to commit crimes. They also can establish e-mail accounts, apply for  
13 jobs, parade as an engineer, establish contracts in the name of the victim, and even commit terrorism. (All  
14 of the 9/11 terrorists had used fraudulent documents and over half had committed total identity theft.)

#### 13 **Hyatt A Superior Target**

14 Persons with greater financial assets are superior targets for unscrupulous imposters. (Ted Turner,  
15 Oprah Winfrey, Tiger Woods all have been victims of identity theft.) Not only did the FTB disclose  
16 Hyatt's confidential SSN, but it disclosed the fact that the FTB was investigating him for possible tax  
17 "evasion" which would tend to show that he has substantial funds, No one knows how many dozens of  
18 people had access to the over 55 FTB Demand To Furnish letters, which displayed the SSN. None of  
19 those letters were marked confidential, and most of them were not even addressed to a specific person.  
20 Anyone who had access to the mailroom could have lawfully opened letters, reviewed the private  
21 information, copied the confidential disclosures, and stored the data to use at a later time.

#### 20 **Criminals May Wait To Use the SSN**

21 Hyatt's SSN was disclosed to a multitude of persons by the FTB in 1995. Although fortunately he  
22 may not yet have become a victim of identity theft, with almost 10 million new victims each year  
23 (beginning) in 2003, 2004 and 2005 (See the Federal Trade Commission statistics  
24 [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft)), he is vulnerable. It is common knowledge among law enforcement and  
25 privacy advocates dealing with thousands of victims, that there are many individuals who become victims  
of identity theft years after a disclosure revealed the individual's SSN. This occurs for various reasons.  
For example, the criminal wants to wait until the potential victim is less suspecting; they have other

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1 SSN's available to utilize so they save it for a later date; or they sell the SSN and other data in exchange  
2 for drugs or money, etc. (An accountant found out that her former roommate from college used her social  
3 security number and identity 15 years after they graduated; a former employee stole the identity of his  
4 supervisor 8 years after leaving his position; a former consultant learned that her own former associate  
5 stole her identity years after she left the company.) Victims often don't even learn of the fraud for many  
6 months or even years after the impersonator starts to use their identity. They typically learn of the fraud  
7 when they are denied credit or a loan due to a negative credit report filled with fraud; they get a call from  
8 a collection agency demanding payment for an account they never had; they are unable to get a job; they  
9 can't file a tax return because another person has filed using their SSN and has received a refund; or they  
10 are arrested for crimes committed in a state they have never visited.

11 Identity theft is a devastating, frightening, and time consuming nightmare. According to the  
12 Identity Theft Resource Center, a non-profit advocacy group helping victims, as of 2005, victims spend  
13 an average of 330 hours and substantial monetary resources trying to resolve their identity theft issues  
14 (See the 2005 study at [www.idtheftcenter.org](http://www.idtheftcenter.org).)

15 Courts understand that significant damages arise out of the unlawful disclosure of the SSN to  
16 unauthorized persons. In *Greidinger v. Davis* ( 988 F.2d 1344 (4th Cir. 1993).) the court stated, the harm  
17 caused by the disclosure of a social security number is alarming. (*Greidinger*, 988 F.2d at 1354.)

18 Indeed, the harms that may be inflicted from the dissemination of a social security number are serious.  
19 Once a person's Social Security Number has been disclosed to unauthorized persons, it causes worry and  
20 stress due to the fear of who may have it, and when and how they may use it. Once it is disseminated,  
21 like in Hyatt's case, he has no way to retrieve it. A person like Mr. Hyatt who already has a heightened  
22 need for security and privacy would be very likely to suffer emotional distress from the fear that his  
23 Social Security Number will eventually be used to commit identity theft, intellectual property theft,  
24 financial fraud, or even criminal identity theft (where the impostor commits crimes in the name of the  
25 victim). Also, a savvy security expert like Hyatt will be more likely to take measures and incur expenses  
to protect himself from identity fraud. He already has taken actions to put his home in a Trust so that  
public records won't reveal his name with the property, he receives his mail at a PO Box, his utilities are  
not in his name, and his credit reports do not reveal his address. He will need to take additional measures  
to monitor his credit report, access his background check, secure new passwords, place security codes on  
all his accounts and investments, place fraud alerts on his credit profile and notify all governmental  
agencies (i.e.: passport agency, IRS, DMV, etc), his associations and affiliations to place a fraud alert in  
his profile. Writing the letters and making the calls is time consuming and costly. He will need to do his  
own privacy and identity theft audit to make sure his own security measures are maintained. Therefore,  
Hyatt has already suffered harm which is translated into costs, stress, and apprehension about possible

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1 victimization of identity fraud. He should get redress from the agency that wrongfully disseminated his  
2 Social Security Number and other confidential information putting him at great risk

3  
4 Given the enormous publicity about the growing epidemic of identity theft, and the realization  
5 that the key source is the SSN, it would be reasonable for Hyatt to be worried and anxious, knowing that  
6 dozens of persons have seen and perhaps acquired that number in conjunction with his name and financial  
7 data. A fraudster has all he needs to become Hyatt's identity clone. These harms, emotional distress and  
8 pecuniary loss, are similar to harms recognized in other tort contexts and should be recognized as harms  
9 giving rise to a cause of action for invasion of privacy. (See *Fairfield v. Am. Photocopy Equip. Co.*, 291  
10 P.2d 194, 199 Cal. 1955 stating that an individual whose right of privacy has been invaded is entitled to  
11 recover damages that "*the law authorizes in cases of torts of that character*").

#### 12 Emotional Distress as to Anxiety Derived From Identity Theft

13 With all the publicity about identity theft in recent years, Hyatt's emotional distress arises from  
14 the trepidation associated with the dread of becoming an identity theft victim. It is similar to the "*fear of  
15 developing a future condition or disease*" due to another party's negligence. (See *Fournier J. Gale III &  
16 James L. Goyer III, Recovery for Cancerphobia and Increased Risk of Cancer*, 15 CUM. L. REV. 723,  
17 729 (1985). See generally *Glen Donath, Comment, Curing Cancerphobia Phobia: Reasonableness  
18 Redefined*, 62 U. CHI. L. REV. 1113 (1995).)

19 In Hyatt's case, the disclosure of his SSN was deliberate and in defiance of California privacy  
20 laws and FTB regulations. Cox had no reason to send the FTB "Demand To Furnish" Letters, and she  
21 knew she was disclosing confidences. There was no necessity to disseminate his SSN. In this case  
22 whether it was negligence or ill will on the part of the auditor, Hyatt's alarm at the disclosure of his SSN  
23 is reasonable due to his risk of the future condition of victimization by fraud.

24 In another case dealing with possible future harm, *Anderson v. Welding Testing Laboratory, Inc.*,  
25 (304 So. 2d 351 (La. 1974).) the court permitted the plaintiff to recover damages for anxiety and  
26 mental anguish resulting from his fear of developing cancer in his hand, which had become disabled due  
27 to significant radiation burns. The *Anderson* court sympathized with the plaintiff's condition and  
28 recognized his terror at possibly losing his fingers in the future. This was a future uncertain harm.

29 The mental anguish about becoming a fraud victim after the FTB wrongly disclosed Hyatt's SSN  
30 to so many unknown persons, is not phobic. It is a realistic, legitimate concern given that the SSN is the  
31 gateway to a financial windfall for one who may be tempted to use it for his own benefit. Just as in cases  
32 where the plaintiff has an uncertain risk of future disease, an injured party, like Hyatt, seeks recovery for  
33 an emotional injury that is not presently accompanied by measurable damages. He has a present actual

1 injury of mental distress which was caused by the defendant. The FTB's action of exposing Hyatt to the  
2 great risk of identity theft causes mental distress. For example, a cancerphobia plaintiff may seek  
3 recovery for emotional distress due to the defendant's conduct based on the "protracted latency period"  
4 in which it is uncertain whether cancer *may* eventually manifest itself. (See Day v. NLO, 851 F. Supp.  
5 869, 880 (S.D. Ohio 1994). In Mr. Hyatt's situation, the FTB disclosed his SSN in conjunction with his  
6 name and enough financial information for one to assume that the taxpayer was wealthy enough to  
7 become a good target for fraud. As a result of the FTB's illegal disclosures in 1995, Hyatt's confidential  
8 data may still be sitting in a file at various organizations, in a drawer of an unscrupulous employee, or  
9 available elsewhere to be accessed by an impersonator. During this "protracted latency period, it is  
10 uncertain when or if the confidential disclosures will be used to commit fraud. However the torment of  
11 not knowing, and the stress of needing constant, conscious vigilance, and increased security reasonably  
12 causes compensable mental suffering. Additionally if Mr. Hyatt does become a victim of identity theft,  
13 his actual monetary damages could be substantial depending on the type of fraud committed. It takes an  
14 average of 330 hours of intense letter writing and calling to get ones life back. Attorney fees and costs  
15 must also be factored into the risk of future damages.

### 13 Punitive Damages

14 In accordance with California Jury Instruction 14.71, a jury would consider the following:  
15 *"If you find that plaintiff suffered actual injury, harm, or damage caused by the Franchise Tax Board's*  
16 *public disclosure of private facts you may then consider whether you should award punitive damages*  
17 *against defendant the FTB for the sake of example and by way of punishment. You may in your discretion*  
18 *award such damages, if, but only if, you find by clear and convincing evidence that said defendant was*  
19 *guilty of [oppression] [fraud] [or] [malice] in the conduct on which you base your finding of liability."*

19 ["Malice" means conduct which is [intended by the defendant to cause injury to the plaintiff] [or]  
20 [despicable conduct which is carried on by the defendant with a willful and conscious disregard for the]  
21 [rights] [or] [safety] of others.]

21 [A person acts with conscious disregard of the rights or safety of others when [he] [she] is aware  
22 of the probable dangerous consequences of [his] [her] conduct and willfully and deliberately fails to avoid  
23 those consequences.]

### 24 Basis for Punitives

25 It is obvious that there was clear and convincing evidence that the FTB was guilty of malice in  
its violation of Hyatt's information privacy rights and in its disclosure of private and confidential facts

1 about his life. The auditor acted with malice toward Hyatt as evidenced by wanting to "get him" at any  
2 cost, and rejoicing with his spiteful ex-wife when the Notice of Assessment was finalized indicating huge  
3 sums owed and a determination of fraud. Cox's conduct was despicable in that she acted with willfulness  
4 in promising to protect Mr. Hyatt's privacy so that he would feel safe in providing all his confidential  
5 documents. Then relying on her false representations of confidentiality, behind his back and in a  
6 clandestine manner, she sent out dozens of Demand To Furnish Letters disclosing sensitive information  
7 and humiliating Hyatt by exposing the appearance of alleged tax evasion to newspapers, associations,  
8 repair persons, his physicians and worst of all his patent licensees in Japan. The FTB acted with  
9 conscious disregard of Mr. Hyatt's privacy rights when it was aware of the probable consequences of  
10 these disclosures to his financial situation (he lost his licensees.) It was predictable he would experience  
11 humiliation, embarrassment, and outrage regarding the disclosures and there would be damage to his  
12 reputation and the loss of his peace of mind. Although Cox never spoke with Hyatt, she had a disdain for  
13 him, stating, "I'm going to get that Jew Bastard" (Les Deposition at 10). Clearly her actions and words  
14 indicated hatred and bias. She deliberately attempted to take whatever actions necessary to invade his  
15 privacy in order to muster up facts to prove the FTB's position concerning Hyatt's residency.

16 The jury instructions further provide: *"In arriving at any award of punitive damages, you are to  
17 consider the following":*

18 (1) The reprehensibility of the conduct of the defendant.

19 The actions by the auditor were reprehensible in that she made numerous promises to abide by the  
20 California law with regard to privacy and confidentiality, reiterated the importance of the privacy  
21 concerns of the taxpayer, yet forged ahead relentlessly to secretly attempt collection of more private and  
22 irrelevant facts while disclosing Hyatt's SSN, financial information, his confidential home address and  
23 even his sensitive medical information.

24 (2) The amount of punitive damages which will have a deterrent effect on the defendant in the light of  
25 defendant's financial condition.

26 The Franchise Tax Board is a governmental agency and therefore its financial condition will be  
27 dependent on the Governor's budget. However, the actions of the FTB were so egregious that there must  
28 be enough punitive awarded as to hold the FTB accountable for its actions. It allowed it's auditor to  
29 totally dispense with the Fair Information Principles, the California laws, the FTB guidelines in its quest  
30 to establish its position against Hyatt. This case is not just about Mr. Hyatt, it is about every taxpayer  
31 who may be abused by a system that is set up to protect an individual's privacy and confidentiality, but

1 does not enforce those lofty goals. It is necessary to hold the FTB accountable to abide by its own  
2 regulations and to do that, it must suffer the consequences of its own actions.

3 [(3) That the punitive damages must bear a reasonable relation to the injury, harm, or damage actually  
4 suffered by the plaintiff.]

5 The sum awarded should take into consideration the harm to Hyatt of his loss of income from his  
6 business, his tainted reputation, his exposure to future risks of identity theft, his loss of privacy (which  
7 can never be regained) and his loss of peace of mind.

### 8 CONCLUSION

9 From the extensive evidence I reviewed on this case, I found myself questioning how Ms. Cox  
10 was able to get away with the egregious actions that she took without oversight. Why did the supervisors  
11 allow her to proceed in violation of their mandated guidelines? Was it all about the money and winning  
12 at any cost?

13 The FTB guidelines, training books, security manuals and mission statement set forth moral,  
14 principled, ethical and fair procedures which are congruent with the Fair Information Principles and the  
15 California Information Practices Act. How could there be such a disconnect between the respectable,  
16 proper regulations, and the actual unjust, unlawful and unreasonable activities, and attitudes of the FTB  
17 audit system?

18 It is critical for a California taxpayer like Hyatt to trust the system and rely on the honesty and  
19 integrity of the taxing authorities. Especially since the FTB expects the taxpayers to be honest and  
20 honorable in dealing with tax issues.

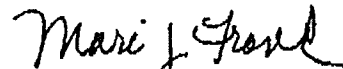
21 Mr. Hyatt has gone through many challenges in the last 14 years dealing with the FTB's audit.  
22 After he moved to Nevada he contracted cancer, but apparently persevered to regain his health. Then  
23 came the audit, like another cancer insidiously invading all aspects of his life; his finances, his business  
24 dealings, his personal relationships, his integrity, his reputation, his confidences, his privacy and his peace  
25 of mind. He has persevered through the arduous path of the court system all the way to the U.S. Supreme  
Court and back to the Nevada Court at great expense of his time, money, and stress. It is the opinion of  
this reviewer, that the FTB should reassess their own internal privacy and audit procedures and re-commit  
to their honorable mission as stated below:

#### 26 Mission of the Franchise Tax Board

27 The purpose of the Franchise Tax Board is to collect the proper amount of tax revenue, and operate other  
28 programs entrusted to us, at the least cost; serve the public by continually improving the quality of our

1 products and services; and perform in a manner warranting the highest degree of public confidence in our  
2 integrity, efficiency and fairness.

5 Dated this 31st day of March, 2006

6 

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## EXHIBIT 1

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- CIVIL LAW
- NEGOTIATIONS
- MEDIATIONS
- PROFESSIONAL TRAINING & WORKSHOPS

[www.identitytheft.org](http://www.identitytheft.org)  
[www.marifrank.com](http://www.marifrank.com)  
[www.kuci.org/privacypiracy/](http://www.kuci.org/privacypiracy/)

Mari Frank, attorney and privacy consultant, is the creator of *The Identity Theft Survival Kit*, the audiocassette series *Identity Theft Prevention and Survival*, co-author of *Privacy Piracy* (with Beth Givens), and the author of two new books published by Porpoise Press (January 2005): *From Victim to Victor: A Step by Step Guide for Ending the Nightmare of Identity Theft* (2nd Edition, with CD) and *Safeguard Your Identity: Protect yourself with a Personal Privacy Audit*. She has also authored dozens of published articles and treatises on privacy and identity theft. Mari is also the host of *Privacy Piracy*, a weekly one hour radio show at KUCI 88.9 FM and [www.kuci.org/privacypiracy/](http://www.kuci.org/privacypiracy/) (at the University of California, Irvine campus) dealing with issues of privacy in the information age.

Ms. Frank has testified many times on privacy and identity theft issues in the California legislature and in the US Congress. In May 1999, she was summoned to the **White House** to a press conference with President Clinton to speak on Consumer Privacy. Her speech was broadcast on C-SPAN TV. In 2005, Mari's 90 minute PBS Television special, *"Identity Theft: Protecting Yourself in the Information Age,"* aired nationwide. Both of her new books were featured gifts for viewers who pledged support for local PBS stations.

Mari consults with corporations and government agencies and provides professional training programs. She also helps victims and consumers, and serves on many boards and committees such as the Identity Theft Task Force of the LA County District Attorney, and California's DMV Task Force on privacy. She's an Orange County Sheriff Reserve on the High Tech Crime Unit, an Advisory Board Member of the Identity Theft Resource Center and the Privacy Rights Clearinghouse. Mari is also a research fellow with the Ponemon Institute on Privacy Issues. She was appointed to the State of California's Advisory Board of the **Office of Privacy Protection**. Mari is a certified trainer for the State Bar of California, a law professor, and currently teaches Conflict Management at the University of California, Irvine. She serves on the National Advisory Board of Divorce Magazine.

Mari has appeared on dozens of national TV programs including *Dateline*, *48 Hours*, *the O'Reilly Factor*, *Investigative Reports*, *NBC and ABC Nightly News*, *CNN*, *Geraldo*, *CNBC* and has been interviewed on more than 250 radio shows. She has been featured myriad times in major newspapers and magazines, (*US News and World Report*, *Your Money Magazine*, *Money*, *Parade Magazine*, *The New York Times*, *The Wall St. Journal*, *USA Today*, *The Chicago Tribune*, *The LA Times*, *Good Housekeeping*; *The California Bar Journal*, *The American Bar Journal*, *The Washington Post*, *The New York Daily News*, *Modern Physician*, *The Philadelphia Inquirer*, and many more

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*national publications. etc)* and her many articles have been published in legal journals and numerous magazines.

Many law enforcement agencies and other governmental agencies have consulted with Mari including the FBI, the FTC, and the Social Security Administration. The Credit Data Association of Credit Bureaus in Washington, D.C. consulted with her at length on how to deal more effectively with identity theft victims..

Mari has given many speeches and workshops on privacy and identity theft. Here is a partial listing:

- American Express
- Experian
- Merrill-Lynch
- Motorola
- Hartford Insurance
- CPP North America
- The California Governor's Summit on Identity Theft (2005 and 2006)
- The California Department of Financial Institutions
- The Human Resources Association of Greater St. Louis Conference
- Keynote Speaker with Attorney General Janet Reno at the High Tech Crime Conference in San Diego
- American Society for Industrial Security (Orange County)
- Northern California Fraud Association (Monterey)
- Consumer Law Conference (San Diego)
- California Consumer Advocates Conference
- California Alliance for Consumer Education (Los Angeles)
- Economic Crime Summit (St. Louis, Missouri)
- Association of Certified Fraud Examiners
- Los Angeles DA's Office
- California Association of Private Investigators
- The Retired Military Association Conference
- American Society of Industrial Security (Detroit, MI)
- Orange County California Sheriffs Department
- Annual Conference of the Ohio Chiefs of Police
- Annual Credit Union Fraud Loss Conference (Las Vegas)
- Global Privacy Summit (Washington, D.C.)
- Federal Trade Commission Summit on Identity Theft
- Social Security Administration Summit on Identity Theft
- Houston Office of the FBI
- Veterans Administration's Security by Design Conference (Orlando)
- California Credit Union's Annual Convention
- State Bar Annual Conventions (several years)

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## EXHIBIT 1

She is presently a Professor in the Conflict Management Department at the University of California, Irvine and previously was an adjunct law Professor at Western State University School of Law and a Professor at California State University, Fullerton. She is a Certified Trainer for Continuing Legal Education for the State Bar of California.

Mari has served as a privacy expert and consultant for many agencies and businesses including: Office Depot, Fellowes Corporation, ACE Insurance, Image Data Inc., Recall Corporation, Merrill Lynch, Chase Bank, The Association of Credit Bureaus, Privista, Hartford Insurance, Travelers Insurance, CPP North America, AIG Insurance, McKesson, Inc., Debix, Inc., the FBI, The Orange County Sheriff, The California Office of Privacy Protection, and many more entities. Mari has also served as an expert witness on legal cases dealing with privacy and identity theft issues.

Mari spends much of her time helping victims, companies, government agencies, lawyers and law enforcement agencies with privacy and identity theft issues nationwide.

Please learn more by visiting [www.identitytheft.org](http://www.identitytheft.org), [www.kuci.org/privacypiracy/](http://www.kuci.org/privacypiracy/) and [www.MariFrank.com](http://www.MariFrank.com)



EXHIBIT 2

## *Porpoise Press*

### **Selected Media Experience of Mari J. Frank, Esq.**

**Author of:**

***FROM VICTIM TO VICTOR:*** A Step by Step Guide for Ending the Nightmare of Identity Theft  
(2nd Edition, with CD) (Porpoise Press, Inc., 2005) &

***SAFEGUARD YOUR IDENTITY:***

***Protect Yourself with a Personal Privacy Audit*** (Porpoise Press, Inc., 2005)

Author of dozens of original articles, and an experienced radio and television guest, Mari Frank has been interviewed on more than **250 radio shows**. Ms Frank also is co-host with Lloyd Boshaw of "Privacy Piracy" a one hour public affairs radio show on KUCI 88.9 FM in Irvine and [www.KUCI.ORG](http://www.KUCI.ORG) Ms. Frank's other media experience includes:

- *Host of 90 Minute PBS Television Special: Identity Theft Protecting Yourself in the Information Age (2004-2005)*
- *48 Hours*
- *Dateline*
- *CNN Documentary on ID Theft*
- *Connie Chung Tonight*
- *A&E's Investigative Reports*
- *NBC and ABC Nightly News*
- *Frontline*
- *The O'Reilly Factor*
- *LifeTime*
- *Geraldo Live*
- *CNBC*
- *KNBC*

She has been featured in:

- *Parade Magazine*
- *Your Money Magazine*
- *U.S. News & World Report*
- *The American Bar Association Journal*
- *Good Housekeeping*
- *Women's World*
- *Modern Physician*
- *The Wall St. Journal*
- *The Washington Post*
- *The Los Angeles Times*
- *The New York Daily News*
- *The Orange County Register*
- *The Philadelphia Inquirer*
- *The Chicago Tribune*
- *The New York Times*
- *The California Bar Journal*

Mari has also presented hundreds of speeches and workshops on privacy and identity theft, including the following:

- American Express
- Merrill Lynch
- Hartford Insurance
- Experian
- Recall Corp
- Chase Manhattan Bank
- High Tech Crime Conference
- Economic Crime Summit
- Association of Certified Fraud Examiners
- American Society of Industrial Security
- Annual Credit Union Fraud Loss Conference
- Global Privacy Summit
- Federal Trade Commission Summit on Identity Theft

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## EXHIBIT 2

- Social Security Administration Summit on Identity Theft
- Veterans Administration's Security by Design Conference
- State Bar of California
- *and dozens of other programs nationwide.*

Porpoise Press, Inc. 28202 • Cabot Road, Suite 300 • Laguna Niguel, CA 92677  
800-725-0807 • Fax 949-363-7561 • [www.identitytheft.org](http://www.identitytheft.org)

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**EXHIBIT 3**

**SELECTED BOOKS AND ARTICLES BY MARI J. FRANK**

**I. BOOKS WRITTEN BY MARI J. FRANK, ESQ.**

**From Victim to Victor: A Step-By-Step Guide for Ending the Nightmare of Identity Theft, Second Edition with CD** by Mari J. Frank (Porpoise Press, 2005)

**Safeguard Your Identity: Protect Yourself With A Personal Privacy Audit** by Mari J. Frank (Porpoise Press, 2005)

**The Identity Theft Survival Kit: A Complete Guild for Restoring Your Credit and Your Peach of Mind (book, cassettes, and diskette)** by Mari J. Frank (Porpoise Press, 1998)

**Identity Theft: Prevention and Survival (Audio cassettes)** by Mari J. Frank (1998)

**Privacy Piracy: A Guide to Protecting Yourself From Identity Theft** by Mari J. Frank and Beth Givens (Office Depot 1999)

**Protection Security and Safeguard by Dale June Chapter 16: Identity Theft Solution and Safeguards** by Mari J. Frank, Esq. and Beth Givens (CRC, 2000)

**Consumer Financial Privacy: Complying with the Gramm-Leach-Bliley Act and the Final Rules. I. Foreword** by Mari Frank, Esq. (LRP Publications, 2000)

**II. SELECTED ARTICLES WRITTEN BY MARI J. FRANK, ESQ**

***Protecting Your Firm and Clients From Identity Theft***, Business Law News, Vol. XXIII, Issue 1, 2003, Mari Frank

***Biometrics; Effective Security...but how will it be used? White-Collar Crime Fighter***, Vol. 1 No. 7, October 1999, Mari J. Frank, Esq.

***Momentum Builds for Identity-Theft Prevention***, White-Collar Crime Fighter, Vol. 1 No. 5, August 1999, Mari Frank, Esq.

***Identity Theft: Who's Helping the Victims?*** White-Collar Crime Fighter, Vol. 1 No. 2, May 1999, Mari J. Frank, Esq.

***Protect Yourself From Identity Theft!***, Sharing Ideas Magazine, Mari J. Frank, Esq. 1999

Mari Frank has written numerous other articles on privacy issues. She has also written articles on mediation, negotiation, and Family Law which are not the subject of this case.

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**EXHIBIT 4**

**EXPERT WITNESS TESTIMONY BY MARI J. FRANK, ESQ.**

**I. LEGAL CASES**

**CINDY JONES AND ANTHONY L. VELASQUEZ VS. BANK OF AMERICA; SUPERIOR COURT OF NEW JERSEY Expert Witness, 2005-2006**

**TRAVIS SALLADAY, EVELYN O'KEEFEE, AND CHARLES SLAVIN VS. CHOICEPOINT INC.; US DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA, Consulting Expert, 2005-2006**

**JENNIE BARRY ETAL VS. CALIFORNIA BANK & TRUST, ETAL, ORANGE COUNTY SUPERIOR COURT (CALIFORNIA) Expert Witness, 2005**

**KATHLEEN WOODS VS. SBC PACIFIC BELL ETAL, LOS ANGELES SUPERIOR COURT (CALIFORNIA), Expert Witness, 2003**

**DONNA G. FOLAND VS. HANOVER INSURANCE COMPANY, UNITED STATES DISTRICT COURT, ATLANTA, GA DIVISION, Expert Witness, 2002**

**LAU V. KUO ETAL, LOS ANGELES SUPERIOR COURT (CALIFORNIA), Expert Witness 1999.**

**II. TESTIMONIES BEFORE CONGRESS AND GOVERNMENTAL AGENCIES**

**United States Senate Committee on Banking, Housing and Urban Affairs. "Oversight Hearing on Data Breach Notices, Privacy and Identity Theft" September 22, 2005 (Written testimony only)**

**California Department of Motor Vehicles Task Force on Privacy and Identity Theft  
May 13, 2005 (Written and live oral testimony)**

**United States Senate Commerce Committee Hearing on Identity Theft and Data Brokers  
May 10, 2005 (Written and oral live testimony)**

**United States House of Representatives Committee on Government Reform  
May 15, 2003 (Written and live oral testimony)**

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**EXHIBIT 4**

**United States Senate Testimony in Support of S512  
September 4, 2002 (Written and oral testimony)**

**United States Senate Special Committee on Aging  
July 18, 2002 (Written and oral testimony)**

**United States Senate Judiciary Subcommittee on Terrorism, Technology, and  
Government Information  
"Local and Federal Response to Identity Theft"  
August 30, 2000 (Written and oral testimony)**

**Social Security Administration, Washington DC  
2003 (Oral testimony)**

**Federal Trade Commission  
2002 and 2003 (Oral testimony)**

**White House Speech/Testimony (with President Clinton) on Financial  
Modernization Act of 1999.  
1999 (Written and live oral testimony)**

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**EXHIBIT 5**

**LIST OF DOCUMENTS AVAILABLE TO MARI J. FRANK**

FTB's Field Audit Manual (Oct. 1987 with rev. Aug 1988)

FTB's Disclosure Education Training Booklets (March 1997 and August 1998)

FTB's Mission Statements and Supplemental material.

FTB's Security and Disclosure Manual

FTB's Statement of 'Incompatible Activities and Rules of Conduct for Departmental Employees.

The California State Auditor Report (March 1999)

The California Information Practices Act 1977 with Guidelines and commentary.

The Social Security 1990 Amendments (42USC405)

Research on the Social Security laws , cases and Information thereof

The Fair Information Principles

The California Sate Constitution

The California Revenue and Taxation Code

California Jury Instructions

The Penalties Booklet prepared by Larry Moy (August 1993)

The pleadings to the United States Supreme Court (Brief for Respondent Gilbert Hyatt)

The Holding and Opinion by Justice Sandra Day O'Connor for the United States Supreme Court case April 2003.

Gilbert Hyatt's Petition for Re-Hearing Re: June 13th Order Granting Petition for Writ of Mandamus.

The Supplement to Gilbert Hyatt's Petition for Re-Hearing June 13, 2001.

The First Amended Complaint.

The Answer to the First Amended Complaint.

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**EXHIBIT 5**

Defendant's First Set of Interrogatories

Defendant's Motion for Summary Judgment

Demand to Furnish letters and other letters sent by Cox to third parties

Portions of Gil Hyatt's Objections and Supplemental Responses

The 1991 and 1992 narrative report

The 1991 and 1992 progress reports by Sheila Cox.

Letters written by Sheila Cox, Auditor and correspondence back to her.

Letters between the Franchise Tax Board and Eugene Cowan and Michael Kern.

Memorandum dated June 25, 1998, from Eugene G. Cowan.

Hyatt Affidavit re : Opposition to FTB's Motion for Summary Judgment.

Candace Vanessa Les Deposition

Gilbert Hyatt Deposition.

Sheila Cox Deposition.

The Trophy Pictures

Notice of Proposed Assessment, charts,

Miscellaneous documents and websites for research (such as newspaper articles,)

**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
FTB-101184 - FTB-101185	01/26/95	Temple Beth Am Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt. It was "Returned to Sender" (FTB101206- 101208)
FTB-101186- FTB-101187	01/24/95	Licensing Executives Society - Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt. It was "Returned to Sender" (FTB101204- 101205)
FTB-101188- FTB-101189	01/24/95	Assoc of Computing Machinery-Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt. 2/3/95 received response from Michael Lichtenstein (FTB101212)
FTB-101190- FTB-101191	01/24/95	The Sports Authority Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt. 2/24/95 received response- no info.(FTB- 101226)
FTB-101192- FTB-101193	01/24/95	Great Expectations - Irvine- Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt. 3/2/95 received response from Annie Armstrong.(FTB101214-101215)
FTB-101194- FTB-101195	01/24/95	Great Expectations - Los Angeles- Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt
FTB-101196- FTB-101197	01/24/95	Nevada Development Authority- Gentlemen(N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt - Received response 1/30/95 (FTB101200-101202)
FTB-101198- FTB-101199	01/26/95	Personal Computer Users Group-	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt. It was



**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
		Gentlemen (N)			"Returned to Sender" (FTB101209-101211)
FTB-101217- FTB-101218	02/17/95	The Sports Authority Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt
FTB-101219- FTB-101220	02/17/95	Bizmart Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt
FTB-101221- FTB-101222	02/17/95	Sam's Club Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt
FTB-101223- FTB-101224	02/17/95	Temple Beth Am Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt
FTB-101234	02/27/95	Dr. Edgar Hamer (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/2/95 received response (FTB- 101261)
FTB-101235	02/27/95	Dr. Eric Shapiro (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/2/95 received response (FTB101259)
FTB-101236	02/27/95	Dr. Melvin Shapiro (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/6/95 received response (FTB101265)
FTB-101237	02/27/95	Dr. Nathan Shapiro (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/9/95 received response (FTB101280)
FTB-101238	02/27/95	Dr. Norman Shapiro (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/2/95 received response (FTB101260)
FTB-101239	02/27/95	Dr. Richard Shapiro (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/6/95 received response (FTB101281)
FTB-101240	02/27/95	Dr. Shapiro (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/24/95 received response

**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
FTB-101241	02/27/95	Los Alamitos Imaging (N)	N	N-CA N-NV	(FTB101372) Letter requesting information re Gilbert P. Hyatt. 3/13/95 received response (FTB101283,84,85)
FTB-101242	02/27/95	Los Alamitos Medical Center (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/7/95 received response (FTB101279)
FTB-101243	02/27/95	Dr. Gerald M. Isenberg (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt
FTB-101244	02/27/95	Dr. Steven Hall (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/6/95 received response (FTB101277)
FTB-101245	02/27/95	Dr. William H. Peloquin, M.D. (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/3/95 received response (FTB101263)
FTB-101246	02/27/95	University Medical Center (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/20/95 received response (FTB101293,94)
FTB-101247- FTB-101248	02/28/95	Commerce National Bank - Dennis Phistry, Manager (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information requesting information re Gilbert P. Hyatt
FTB-101249 - FTB-101250	02/28/95	Sam's Club Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information requesting information re Gilbert P. Hyatt
FTB-101271-	03/10/95	Sherri Lewis & Clara Kopp c/o Wagon Trails Apartments (N)	Y	N-CA N-NV	Demand to Furnish Information re Gilbert P. Hyatt
FTB-101272- FTB-101273	03/10/95	Harold Pryor (N)	N	N-CA Y-NV	Letter requesting Mr. Pryor sign enclosed Affidavit re summary of Ms. Cox's

**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
				No Name	conversation with Mr. Pryor at his home on 03/07/95
FTB-101274- FTB-101275	03/10/95	G. C. Eggers (N)	N	N-CA Y-NV No Name	Letter requesting Mr. Eggers sign enclosed Affidavit re summary of Ms. Cox's conversation with Mr. Egger at his home on 03/07/95
FTB-101276	03/10/95	Kyle - KB Plumbing (N)	N	N-CA Y-NV No Name	Letter requesting dates plumbing work done at 7335 Tara. 3/22/95 received response (FTB101305)
FTB-101297	03/21/95	Association of Colo- Rectal Surgeons (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 3/30/05 received response (101398)
FTB-101298- FTB-101299	03/21/95	Copley Colony Cablevision Gentlemen (N)	Y	Y-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt 3/27/95 received response (FTB101374,75,76)
FTB-101300- FTB-101301	03/21/95	Southwest Company Club - Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt
FTB-101351	03/23/95	U.S. Postmaster - Cypress, CA (N)	Y	N-CA N-NV	Demand to Furnish Information re Gilbert P. Hyatt (Name and address of person to whom P.O. Box 846 was rented) 04/28/95 received response (FTB-101537)
FTB-101352	03/23/95	Department of Motor Vehicles - Carson City, NV (N)	N	N-CA N-NV NV Licenses	Letter requesting copies of automobile registration certificates for two vehicles. 3/31/95 received response (101403,04,05)
FTB-101353- FTB-101354	03/23/95	Congregation Ner Tamid Gentlemen (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt
FTB-101364-	03/24/95	Las Vegas Sun	Y	N-CA	Letter and Demand to Furnish

**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
FTB-101365		(N)		Y-NV	Information re Gilbert P. Hyatt 08/17/95 receive response (FTB-101708)
FTB-101366- FTB-101367	03/24/95	Las Vegas Valley Water District (N)	Y	N-CA Y-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt Received response (FTB-101503-510)
FTB-101368- FTB-101369	03/24/95	Silver State Disposal Services (N)	Y	N-CA Y-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt 4/3/95 received response (101411,12,13)
FTB-101370- FTB-101371	03/24/95	Southwest Gas Corp. (N)	Y	N-CA Y-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt 04/06/95 received response (FTB-101422)
FTB-101378	03/28/95	Ron's Repair and Remodeling- Ron (N)	N	Y-CA N-NV	Letter requesting information re Gilbert P. Hyatt. 04/04/95 received response (FTB-101417)
FTB-101379	03/28/95	Clark County School District (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt
FTB-101380	03/28/95	Clark County Department of Elections (N)	Y	N-CA Y-NV	Letter requesting information re Gilbert P. Hyatt. 04/07/95 received response from Linda Wolf (FTB-101429)
FTB-101381	03/21/95	U.S. Postmaster Cerritos, CA90703	N	Y-CA Name & PO Box # N-NV	Address Information Request. 3/29/95 received response from Postmaster (FTB-101382)
FTB-101384	03/23/95	U.S. Postmaster Las Vegas, NV 89103	N	N-CA Y-NV	Address Information Request. 3/30/95 received response from U.S. Postmaster (FTB 101384, 101415)
FTB-101391	03/31/95	Loeb and Loeb (N)	N	N-CA N-NV	Letter requesting information specified in attached form (letter only) 04/5/95

**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
FTB-101392- FTB-101393	03/31/95	Dale M. Fiola, Inc. (N)	Y	N-CA N-NV	received response (FTB-101420) Letter and Demand to Furnish Information re Gilbert P. Hyatt 04/11/95 received response
FTB-101394- FTB-101395	03/31/95	Roger McCaffrey (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt 04/20/95 received response (FTB-101533)
FTB-101396- FTB-101397	03/31/95	Block, Plant & Eisner (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt 04/07/95 received response (FTB-101424)
FTB-101400	02/27/95	Dr. Gerald M. Isenberg (N)	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt
FTB-101401- FTB-101402	02/27/95	Dr. Gerald M. Isenberg	N	N-CA N-NV	Letter requesting information re Gilbert P. Hyatt and transmittal envelope
FTB-101407- FTB-101408	04/04/95	Law Offices of Gregory Roth (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt 04/12/95 received response (FTB-101462)
FTB-101409- FTB-101410	04/04/95	Lesley Anne Andrus - Goldberg & Andrus (N)	Y	N-CA N-NV	Letter and Demand to Furnish Information re Gilbert P. Hyatt 04/24/95 received response (FTB-101531)
FTB-101431- FTB-101436	04/10/95	Keith L. Kalm (N)	N	Y-CA No Name N-NV	Letter enclosing questionnaire re information on person/persons at 7841 Jennifer Circle. 04/24/95 received questionnaire back (FTB101518-24)
FTB-101437- FTB-101441	04/11/95	Helene C. Schlindwein (N)	N	N-CA N-NV	Letter enclosing questionnaire re Information on Gilbert P. Hyatt. 04/11/95 received return from (FTB 101525-30)

**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
FTB-101442	04/11/95	Allstate Sand and Gravel	N	N-CA Y-NV	Letter re follow-up questions to 4/11/95 telephone conversation
FTB-101453- FTB 101454	04/11/95	Tadashi Sekizawa, Pres. and Rep. Director Fujitsu Ltd. Sir (N)	N	N-CA N-NV	Letter requesting information on wire transfers made to Gilbert P. Hyatt. 05/01/95 received response (FTB-101541)
FTB-101457- FTB-101458	04/11/95	Akiri Kokaji, Asst. Director, Matsushita Electric Industrial Co., Ltd. - Sir (N)	N	N-CA N-NV	Letter requesting information on wire transfers made to Gilbert P. Hyatt. 04/29/95 received response
FTB-101459	04/12/95	Nevada Governor Robert Miller Sir: (N)	N	N-CA N-NV	Letter requesting information on dates Gilbert P. Hyatt visited his office and/or attended meetings or events to discuss international trade activity.
FTB-101460	04/12/95	Nevada Senator Richard Bryan Sir: (N)	N	N-CA N-NV	Letter requesting information on dates Gilbert P. Hyatt visited his office and/or attended meetings or events to discuss international trade activity.
FTB-101470- FTB-101475	04/19/95	Virginia Ruth Fritzche (N)	N	Y-CA No Name N-NV	Letter enclosing questionnaire re information on person/persons at 7841 Jennifer Circle
FTB-101476- FTB-101481	04/19/95	Charles Redmond (N)	N	Y-CA No Name N-NV	Letter enclosing questionnaire re information on person/persons at 7841 Jennifer Circle
FTB-101484- FTB-101489	04/19/95	George Wilson (N)	N	Y-CA No Name N-NV	Letter enclosing questionnaire re information on person/persons at 7841 Jennifer Circle 4/24/95 received response (FTB 101513-101517)

**EXHIBIT 6 Hyatt v. FTB**  
Letters from Sheila Cox

BATES NO.	DATE	ADDRESSED TO (CONFIDENTIAL Y/N)	SS# Y OR N?	HOME ADDRESS REVEALED	DESCRIPTION
FTB-101490- FTB-101495	04/19/95	Richard Neuner (N)	N	Y-CA No Name N-NV	Letter enclosing questionnaire re information on person/persons at 7841 Jennifer Circle
FTB-101496- FTB-101500	04/19/95	Ramona C. Amador (N)	N	Y-CA No Name N-NV	Letter enclosed questionnaire re; information on person/ persons at 7841 Jennifer Circle.
FTB-101543- FTB-101544	05/02/95	Federal Express	N	N-CA N-NV	Letter requesting information re: city of origination of packages
FTB-101545	05/03/95	Jerry Hicks- LA Times Orange County	N	Y-CA N-NV	Letter requesting information about 2/25/92 article in the newspaper. 08/16/95 received response
FTB-101546	05/03/95	Chris Woodyard- LA Times Orange County	N	N-CA N-NV	Letter requesting information about 2/25/92 article in the newspaper.
FTB 101665- FTB-101666	08/04/95	Orange County Register	Y	Y-CA N-NV	Letter requesting information about Gilbert P. Hyatt. 09/05/95 received response
FTB-101746	09/06/95	U.S. Postmaster La Palma	N	Y-CA N-NV	Demand to Furnish Information re: Gilbert P. Hyatt. 09/13/95 received response.

MCDONALD·CARANO·WILSON<sup>PC</sup>

CARLA B. HIGGINBOTHAM

[chigginbotham@mcdonaldecarano.com](mailto:chigginbotham@mcdonaldecarano.com)

Respond to:

Reno Office

February 2, 2009

BG Ashley J. Hall  
Ashley Hall & Assoc., Inc.  
2255-A Renaissance Drive  
Las Vegas, NV 89119

*Re: Gilbert P. Hyatt v. California Franchise Tax Board*

Dear Mr. Hall:

On behalf of the FTB, I would like to thank you again for agreeing to act as a special master in this case. Enclosed you will find all of the documentation and information filed on behalf of the FTB in opposition to Mr. Hyatt's Memorandum of Costs. It was suggested at the hearing on Thursday that you may require additional background information related to this case. I have enclosed a copy of the FTB's Trial Memorandum for this purpose. Therefore, the documents enclosed are as follows:

- Tab 1: FTB's Notice of Intent to File Motion to Retax Costs filed 9/16/2008
- Tab 2: FTB's Motion to Retax Costs filed 10/14/2008
- Tab 3: FTB's Reply Brief in Support of Motion to Retax Costs filed 10/14/2008
- Tab 4: FTB's Notice of Analysis and Summary of Costs Regarding FTB's Motion to Retax Costs filed 10/29/2008
- Tab 5: Hearing Transcript of Oral Argument Regarding FTB's Motion To Retax Costs dated 1/29/2009
- Tab 6: Notice Of Filing Re: FTB'S Visual Aides Regarding Lexis/Nexis Billing Statements Utilized During January 29, 2009 Hearing filed 1/30/2009
- Tab 7: FTB's Trial Memorandum filed 3/30/2008

100 WEST LIBERTY ST., 10<sup>TH</sup> FLOOR  
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775-788-2000 • FAX 775-788-2020

ATTORNEYS AT LAW

[www.mcdonaldecarano.com](http://www.mcdonaldecarano.com)

2300 WEST SAHARA AVENUE  
SUITE 1000  
LAS VEGAS, NEVADA 89102  
702-873-4100  
FAX 702-873-9966

RCA000058





MCDONALD-CARANO-WILSON

BG Ashley J. Hall  
February 2, 2009  
Page 2

Pat Lundvall is our lead counsel and will be the primary point of contact for the FTB as you perform your work. Ms. Lundvall, however, will be on vacation for the next several weeks. During her absence, please feel free to contact me directly in the event you need any additional information. Thank you for your time and attention to these issues. I look forward to working with you.

Best Regards,

A handwritten signature in black ink, appearing to be "Carla B. Higginbotham", written over the typed name.

CARLA B. HIGGINBOTHAM

CBH/ker

cc: Peter Bernhard, Esq. (via facsimile only, without enclosures)  
Mark Hutchison, Esq. (via facsimile only, without enclosures)  
Don Kula, Esq. (via facsimile only, without enclosures)  
John T. Steffen, Esq. (facsimile only, without enclosures)

# HUTCHISON & STEFFEN

A PROFESSIONAL, LLC  
ATTORNEYS

MARK A. HUTCHISON  
JOHN T. STEFFEN  
JAMES H. RANDALL  
JOSEPH W. GANLEY  
L. KRISTOPHER HART  
MICHAEL R. WALL  
ROBERT A. KENNEDY  
MARK J. CONNOR

PECCOLE PROFESSIONAL PARK  
10080 WEST ALTA DRIVE, SUITE 200  
LAS VEGAS, NEVADA 89145  
702-385-2500  
FAX 702-385-2086  
HUTCHLEGAL.COM

CHRISTINA M. ALEXANDER  
KUMEN L. TAYLOR  
RICHARD G. SMURTHWAITE  
DEIRDRE J. CALL  
PATRICIA LEE  
TANYA H. LEWIS  
G. ASA GINARD  
KEVIN M. GUTEMALL  
KRISTOL B. GINAPP  
TODD W. HALL  
STEPHEN J. MAYFIELD  
SHANNON H. WILSON  
CHRISTIAN M. ORMS  
JEFFREY R. HALL  
TRACI L. CASHITT  
JOHN W. GUTKE  
DAVID W. GUTKE  
JACOB A. HYNOLDS  
STEVEN M. ROGERS

ADMITTED IN UTAH ONLY

THOMAS L. STEFFEN  
CITY JUDGE IN VARIOUS CAPACITIES  
OF UTAH

RICHARD H. WARD  
OF UTAH

ROBERT L. TERRY  
OF UTAH

KEVIN J. BLAKE  
OF UTAH

JANET T. HILL  
OF UTAH

February 2, 2009

Via Facsimile 433-7875

Ashley J. Hall, President  
Ashley Hall & Associates  
2255-A Renaissance Drive  
Las Vegas, Nevada 89119

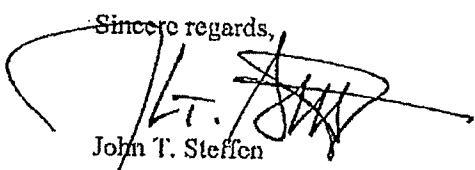
Dear Mr. Hall:

Earlier this afternoon, we delivered, on behalf of Gilbert P. Hyatt, two boxes containing the following:

1. Plaintiff Gilbert P. Hyatt's Memorandum of Costs;
2. Plaintiff Gilbert P. Hyatt's Opposition to FTB's Motion to Retax Costs, Volume 1 of 5;
3. Plaintiff Gilbert P. Hyatt's Opposition to FTB's Motion to Retax Costs, Volume 2 of 5;
4. Plaintiff Gilbert P. Hyatt's Opposition to FTB's Motion to Retax Costs, Volume 3 of 5;
5. Plaintiff Gilbert P. Hyatt's Opposition to FTB's Motion to Retax Costs, Volume 4 of 5;
6. Plaintiff Gilbert P. Hyatt's Opposition to FTB's Motion to Retax Costs, Volume 5 of 5; and
7. Plaintiff Gilbert P. Hyatt's Trial Memorandum filed March 31, 2008 (to be delivered separately).

If additional information is needed, please contact me. I can be reached at the office (385-2500) or after hours on my cell phone (265-3357).

Sincere regards,

  
John T. Steffen

cc: Pat Landvall, Esq. (w/out attachments, facsimile only)  
Carla Higginbotham, Esq. (w/out attachments, facsimile only)  
Peter C. Bernhard, Esq. (w/out attachments, facsimile only)

LAS VEGAS

RENO

SALT LAKE CITY

PHOENIX

RCA000060

1 **ORDER**  
2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 006874  
5 8681 W. Sahara Ave., Suite 280  
6 Las Vegas, NV 89117  
7 702/838-7200

8 Attorney for Special Master  
9 Ashley J. Hall

**FILED**

**FEB 10 3 53 PM '09**

*Ed Hall*  
CLERK OF THE COURT

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

10 GILBERT P. HYATT,  
11 Plaintiffs,

12 vs.

13 FRANCHISE TAX BOARD OF THE  
14 STATE OF CALIFORNIA,  
15 Defendant

Case No. A382999  
Dept. No. X

**ORDER APPOINTING SPECIAL  
MASTER**

Date of Hearing: 01/29/2009  
Time of Hearing: 9:00 a.m.

16 This matter came before the Court the 29<sup>th</sup> day of January, 2009, upon Defendant's  
17 Motion to Retax Costs. Appearing for Gilbert P. Hyatt ("Plaintiff," were Mark A. Hutchinson,  
18 Esq., and Michael Wall, Esq., of the law firm of Hutchison & Steffen, Peter Bernhard, Esq., of  
19 the law firm of Bullivant, Houser Bailey, PC., and Donald Kula, Esq., of the law firm of Perkins  
20 Coie. Appearing on behalf of Franchise Tax Board of the State of California ("Defendant") was  
21 Pat Lundvall, Esq., and Carla Higginbotham Esq., of the law firm of McDonald Carano Wilson  
22 and Robert L. Eisenberg, Esq., of the law firm of Lemons, Grundy and Eisenberg. The Court,  
23 being fully apprised of the premises and considering written and oral arguments of counsel, finds  
24 the following:

25 NOW, THEREFORE, for good cause appearing,

26 IT IS HEREBY ORDERED that:

27 1. Ashley Hall be, and hereby is, appointed as Special Master in the above captioned action  
28 pursuant to Nevada Rules of Civil Procedure 53.

- 1 2. As Special Master, Ashley Hall shall review all documentation and records relating to all  
2 costs, as defined in Chapter 18 of the Nevada Revised Statutes, which are claimed by  
3 Plaintiff in the above captioned action. The Special Master is authorized to gather any  
4 and all information, facts, and data as deemed necessary by the Special Master in order to  
5 make reports and recommendations to the Court as to the various costs incurred by  
6 Plaintiff related to the above captioned action and the propriety and allowance of such  
7 cost under Chapter 18 of the Nevada Revised Statutes. The Special Master will keep all  
8 such information, facts, data, reports and recommendations confidential, disclosing such  
9 information only to the above captioned parties, their counsel, the Special Master's staff,  
10 the Court, or as otherwise ordered by the Court.
- 11 3. The above captioned parties, their attorneys and agents, shall cooperate with the Special  
12 Master in the performance of the Special Master's duties and obligations as described  
13 herein and shall deliver to the Special Master all documents and take all actions requested  
14 by the Special Master in the furtherance of his duties and are prohibited from interfering  
15 in any manner with the duties and obligations of the Special Master as stated herein;
- 16 4. As the Special Master is adequately insured for duties as Special Master, the Special  
17 Master is appointed without the need of the filing or posting of a bond;
- 18 5. Subject to approval by the Court, the Special Master will be reimbursed for his time at the  
19 rate of \$200.00 per hour and for his out-of-pocket costs. Payment of these fees and costs  
20 shall be divided equally between the above captioned parties as previously determined by  
21 this Court;
- 22 6. The Special Master may employ counsel (at a rate of \$200.00 per hour) and other  
23 professionals necessary to the special mastership (at rates not exceeding \$200.00 per  
24 hour). Payment of these fees and costs shall be divided equally between the above  
25 captioned parties as previously determined by this Court;

26 ///

27 ///

28 ///

1 7. The Special Master and the parties to this case may at any time apply to this Court for  
2 further instructions or orders and for further powers necessary to enable the Special  
3 Master to perform his duties properly as herein described.  
4

5 Jessie Walsh 2/5/09  
District Court Judge Date

7 Submitted by:

8 By   
9

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
702/838-7200

12 Attorney for Special Master  
Ashley J. Hall  
13  
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1 **MOT**  
ADAMS LAW GROUP, LTD.  
2 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
3 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
4 8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
5 Tel: 702-838-7200  
Fax: 702-838-3636  
6 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
[assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
7 *Attorneys for Appointed Special Master*  
*Ashley Hall of Ashley Hall & Associates*

8 **DISTRICT COURT**  
9  
10 **CLARK COUNTY, NEVADA**

11 GILBERT P. HYATT,  
12 Plaintiffs,

Case No. A382999  
Dept. No. X

13 vs. -

14 FRANCHISE TAX BOARD OF THE  
STATE OF CALIFORNIA,

Date of Hearing: *March 18<sup>th</sup>, 2009*  
Time of Hearing: *IN CHAMBERS*

15 Defendant

16  
17 **MOTION FOR REMUNERATION OF COURT APPOINTED SPECIAL**  
18 **MASTER**

19 COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through  
20 its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Motion for  
21 Remuneration of Court Appointed Special Master. This Motion is based on the memorandum of  
22 points and authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 and any oral argument this Honorable Court may permit.

2 Dated this 12<sup>th</sup> day of February, 2009.

3 ADAMS LAW GROUP, LTD.

4  
5   
6 JAMES R. ADAMS, ESQ.

7 Nevada Bar No. 6874

8 ASSLY SAYYAR, ESQ.

9 Nevada Bar No.: 9178

10 8681 W. Sahara Ave., Suite 280

11 Las Vegas, NV 89117

12 Tel: 702-838-7200

13 Fax: 702-838-3636

14 Attorneys for Plaintiff

15 NOTICE OF MOTION

16 TO: All Parties; and

17 TO: Their Counsel.

18 YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the undersigned will  
19 bring the foregoing Motion on for hearing before the above titled Court on the 18<sup>th</sup> day of  
20 March, at the hour of IN CHAMBERS .m. of said date, in Department X  
21 or as soon thereafter as Counsel can be heard.

22 Dated this 12<sup>th</sup> of February, 2009.

23 ADAMS LAW GROUP, LTD.

24   
25 JAMES R. ADAMS, ESQ.

26 Nevada Bar No. 6874

27 ASSLY SAYYAR, ESQ.

28 Nevada Bar No.: 9178

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

Tel: 702-838-7200

Fax: 702-838-3636

Attorneys for Plaintiff

29 ///

30 ///

31 ///

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **STATEMENT OF FACTS**

4 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of  
5 Ashley Hall & Associates as a Special Master in this case. (Order, 2/10/09, Ex. 1). The Order  
6 states that "the Special Master will be reimbursed for his time at the rate of \$200.00 per hour and  
7 for his out-of-pocket costs. Payment of these fees and costs shall be divided equally between the  
8 above captioned parties as previously determined by this Court." (Ex. 1). The Order further  
9 states that "The Special Master may employ counsel (at a rate of \$200.00 per hour) and other  
10 professionals necessary to the special mastership (at rates not exceeding \$200.00 per hour).  
11 Payment of these fees and costs shall be divided equally between the above captioned parties as  
12 previously determined by this Court." (Ex. 1).

13 This Motion requests that this Honorable Court order that the Special Master receive  
14 remuneration for its services from January 29, 2009 through January 31, 2009 in the amount of  
15 \$4,249.70, inclusive of forensic financial consultant's fees and attorney's fees. Attached hereto  
16 as Exhibit 2 is the Special Masters's Time, Activity, and expense Report for January, 2009,  
17 outlining said fees and costs equaling a total of \$2,000.00. Attached hereto as Exhibit 3 is the  
18 ASA Management Corporation Invoice for January, 2009 outlining said fees and costs equaling a  
19 total of \$606.50. Attached hereto as Exhibit 4 is the invoice from Adams Law Group, Ltd. to the  
20 Special Master in the amount of \$1,643.20 for work performed on behalf of the Special Master in  
21 January, 2009.

22 **II.**

23 **ARGUMENT**

24 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
25 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
26 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,  
27 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009).  
28 The Special Master requests an Order authorizing payment to the Receiver for a total sum as  
outlined in the attached Exhibits 2, 3 and 4 of \$4,249.70. The Special Master requests the fees



1 and costs be paid within 10 days of the date of notice of entry of the order. If said fees are not so  
2 paid, the Special Master requests the order be reduced to judgement payable on a joint and  
3 several basis.

4 Dated this 12<sup>th</sup> of February, 2009.

5 ADAMS LAW GROUP, LTD.

6  
7   
JAMES R. ADAMS, ESQ.

8 Nevada Bar No. 6874

9 ASSLY SAYYAR, ESQ.

10 Nevada Bar No.: 9178

11 8681 W. Sahara Ave., Suite 280

12 Las Vegas, NV 89117

13 Tel: 702-838-7200

14 Fax: 702-838-3636

15 Attorneys for Plaintiff

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd.,  
3 and that on this date, I served the following **MOTION FOR REMUNERATION OF COURT**  
4 **APPOINTED SPECIAL MASTER** upon all parties to this action by:

5

6 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
7	Hand Delivery
8	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

9 addressed as follows:

10 Mark A. Hutchison, Esq.  
11 Hutchison & Steffen  
12 10080 Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Attorney for Plaintiff

13 Peter C. Bernhard  
14 Bullivant Houser Bailey PC  
15 3883 Howard Hughes Parkway, suite 550  
Las Vegas, Nevada 89169  
Attorney for Plaintiff

16 James A. Bradshaw, Esq.  
17 McDonald Carano Wilson LLP  
18 100 West Liberty Street, 10<sup>th</sup> Floor  
Reno, Nevada 89501  
Attorney for Defendant

19 Jeffrey Silvestri, Esq.  
20 McDonald Carano Wilson, LLP  
21 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

22 Robert L. Eisenberg, Esq.  
23 Lemons, Grundy & Eisenberg  
24 6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

25 Dated the 12<sup>th</sup> day of February, 2009.

26  
27 

28 An employee of ADAMS LAW GROUP, LTD.

---

# **EXHIBIT “1”**

1 **ORDR**

2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 006874  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
702/838-7200

5 Attorney for Special Master  
6 Ashley J. Hall

**FILED**

**FEB 10 3 53 PM '09**

*Ed Smith*  
CLERK OF THE COURT

7 **DISTRICT COURT**  
8 **CLARK COUNTY, NEVADA**

9  
10 GILBERT P. HYATT,  
11 Plaintiffs,

12 vs.

13 FRANCHISE TAX BOARD OF THE  
14 STATE OF CALIFORNIA,  
15 Defendant

Case No. A382999  
Dept. No. X

**ORDER APPOINTING SPECIAL  
MASTER**

Date of Hearing: 01/29/2009  
Time of Hearing: 9:00 a.m.

16 This matter came before the Court the 29<sup>th</sup> day of January, 2009, upon Defendant's  
17 Motion to Retax Costs. Appearing for Gilbert P. Hyatt ("Plaintiff") were Mark A. Hutchinson,  
18 Esq., and Michael Wall, Esq., of the law firm of Hutchison & Steffen, Peter Bernhard, Esq., of  
19 the law firm of Bullivant, Houser Bailey, PC., and Donald Kula, Esq., of the law firm of Perkins  
20 Coie. Appearing on behalf of Franchise Tax Board of the State of California ("Defendant") was  
21 Pat Lundvall, Esq., and Carla Higginbotham Esq., of the law firm of McDonald Carano Wilson  
22 and Robert L. Eisenberg, Esq., of the law firm of Lemons, Grundy and Eisenberg. The Court,  
23 being fully apprised of the premises and considering written and oral arguments of counsel, finds  
24 the following:

25 NOW, THEREFORE, for good cause appearing,

26 IT IS HEREBY ORDERED that:

- 27 1. Ashley Hall be, and hereby is, appointed as Special Master in the above captioned action  
28 pursuant to Nevada Rules of Civil Procedure 53.

- 1 2. As Special Master, Ashley Hall shall review all documentation and records relating to all  
2 costs, as defined in Chapter 18 of the Nevada Revised Statutes, which are claimed by  
3 Plaintiff in the above captioned action. The Special Master is authorized to gather any  
4 and all information, facts, and data as deemed necessary by the Special Master in order to  
5 make reports and recommendations to the Court as to the various costs incurred by  
6 Plaintiff related to the above captioned action and the propriety and allowance of such  
7 cost under Chapter 18 of the Nevada Revised Statutes. The Special Master will keep all  
8 such information, facts, data, reports and recommendations confidential, disclosing such  
9 information only to the above captioned parties, their counsel, the Special Master's staff,  
10 the Court, or as otherwise ordered by the Court.
- 11 3. The above captioned parties, their attorneys and agents, shall cooperate with the Special  
12 Master in the performance of the Special Master's duties and obligations as described  
13 herein and shall deliver to the Special Master all documents and take all actions requested  
14 by the Special Master in the furtherance of his duties and are prohibited from interfering  
15 in any manner with the duties and obligations of the Special Master as stated herein;
- 16 4. As the Special Master is adequately insured for duties as Special Master, the Special  
17 Master is appointed without the need of the filing or posting of a bond;
- 18 5. Subject to approval by the Court, the Special Master will be reimbursed for his time at the  
19 rate of \$200.00 per hour and for his out-of-pocket costs. Payment of these fees and costs  
20 shall be divided equally between the above captioned parties as previously determined by  
21 this Court;
- 22 6. The Special Master may employ counsel (at a rate of \$200.00 per hour) and other  
23 professionals necessary to the special mastership (at rates not exceeding \$200.00 per  
24 hour). Payment of these fees and costs shall be divided equally between the above  
25 captioned parties as previously determined by this Court;
- 26 ///
- 27 ///
- 28 ///

1 7. The Special Master and the parties to this case may at any time apply to this Court for  
2 further instructions or orders and for further powers necessary to enable the Special  
3 Master to perform his duties properly as herein described.

4  
5 Jessie Walsh 2/5/09  
6 District Court Judge Date

7 Submitted by:

8  
9 By 

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
702/838-7200

12 Attorney for Special Master  
13 Ashley J. Hall

---

# **EXHIBIT “2”**

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS  
2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Mr. Mike Kern, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 2.5.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special Mastership for January 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of January 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master



**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**JANUARY 2009**

1.29.09 6 HRS

Ashley Hall traveled to the Regional Justice Center at the request of the Honorable Judge Jessie Walsh, Department 10, Eighth Judicial District of Nevada, prior to a hearing on this date in Department 10, wherein, Judge Walsh was to appoint Mr. Hall as the Special Master in a complex legal case on this date for the purpose of being appointed Special Master in a very complex legal billing case. Mr. Hall met with Mr. James R. Adams, Esq., Legal Counsel to the Special Master and Mr. David Lentes, Forensic Financial Analyst for the Special Master to discuss the legal billing process outlined in NRS 18. (1.5 hrs)

Mr. Hall attended the Hearing before Judge Walsh, and following several motions, Ashley Hall was appointed as the Special Master in the HYATT vs. FTB Case. The focus of the Special Master is to assemble, assess, review and recommend to the Court the reasonable and justified reimbursement Costs associated with the Case, as submitted by the Plaintiff and as reviewed pursuant to the reimbursement provisions outlined in NRS 18, and other related Case Law. The Special Master met briefly with the Parties in the Case following his appointment, requesting that all of the Plaintiff's submitted files (copy thereof) be provided to the Special Master as soon as possible, with the assurance of both the Plaintiff and the Defendant in the Case that appropriate Files would be submitted to the Office of the Special Master by Monday, February 2, 2009 located at 2255-A Renaissance Drive, Las Vegas, NV 89119. (3 hrs)

The Special Master met with Mr. Adams (Legal Counsel) and Mr. Lentes (Forensic Financial Analyst) following the Appointment of the Special Master to meet at the Law Offices of Mr. Adams for the purpose of reviewing both the NRS and Case Law that may be applicable to this Case. It was determined to meet on Friday, January 30, 2009 at the offices of Mr. Adams at Durango and W. Sahara Avenue. (30 min)

The Special Master created a set of electronic and hard files for the Hyatt vs. FTB Special Mastership Case for the purpose of all received electronic filings, documents, graphs, charts, status reports and other related Case information determined by the Special Master to be suitable for review, assessment and recommendation to the Court. (1 hr)

1.30.09 4 HRS

The Special Master received, reviewed and responded to an email memo from the Legal Counsel for the Plaintiff informing the Special Master that Mr. John Steffen would be responsible to provide the Verified Memorandum of Costs File for which the Plaintiff is seeking reimbursement. The Special Master drafted a memorandum to the Plaintiff, with a copy to the Parties, explaining that there would be a Receipt File Delivery Form that is to be used for ALL files submitted to the Special Master by the Parties. Subsequent to the subject memorandum being forwarded to the Parties, the Special Master received and responded to a brief memo from the Legal Counsel for the Defendant indicating that the Defendants File containing the Motion to Retax File will be delivered to the office of the Special Master on Monday, February 2, 2009. The Legal Counsel for the Defendant also requested that Ms. Carla Higginbotham, Esq., from her office be included on all copy materials forwarded by

the Special Master. The Special Master noted the request from the Legal Counsel for the Defendant that he had received and noted her request. (30 min)

The Special Master begin a detailed review of NRS 18 – Costs & Disbursements in preparation for review in meeting with Mr. Adams and Mr. Lentes to begin the process of refreshing the details of NRS 18, and in preparation for the Special Master's meeting with Mr. Adams and Mr. Lentes to commence efforts to outline the Case in the most cost/effective and objective manner. The Special Master studied NRS 18 in detail, making special note to NRS18.110, along with the general provisions of NRS 18 as it may be applicable to this Special Master Case. (45 minutes)

The Receiver met with the Receptionist to review the procedures for receiving the subject Files to be from the Parties, including the need for duplicate copies of the File Delivery Receipt Form, with the signature of the delivery person from each Law Office signing a Delivery Form and then taking a copy back to their offices as a receipt. (15 min)

The Special Master traveled to the offices of Mr. Adams for the purpose of meeting with Mr. Adams and Mr. Lentes and to have Mr. Adams review the legal provisions impacting the Case, specifically NRS 18, the possible role of Case History, and to discuss the details to be included in the Order Appointing Special Master. The Special Master then discussed with both Mr. Adams and Mr. Lentes the Method & Means that would allow the Special Master to properly identifying the costs that have been submitted by the Plaintiff seeking reimbursement for expenses in the Case. The Special Master also discussed with Mr. Adams the need to properly understand the context of the Case that would possibly have a bearing on Costs. The Special Master directed Mr. Adams to forward to the Parties a memorandum requesting Briefs, Complaints and Deposition Motions that would allow the Special Master to be as objective and pragmatic as possible in assessing the Costs, verifying the Costs and then making a Recommendation to the Court as to legitimate costs based on the best criteria, legal advise and judgment of the Special Master. (2.5 hrs)

1.31.09 0 HRS

**INVOICED AMOUNT FOR  
HYATT VS. FTB SPECIAL MASTERSHIP**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	2.5.09	10 X \$200	=	<u>\$2,000</u>
<b>TOTAL</b>				<b>\$2,000</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT VS. FTB SPECIAL MASTERSHIP

---

# **EXHIBIT “3”**

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

Phone (702) 256-6657  
Fax (702) 256-4393  
Cell (702) 498-1170

**FISCAL YEAR - 2009****INVOICE**

INVOICE DATE	INVOICE NO
01/31/09	2009/01-107

**MONTH OF JANUARY, 2009****BILL TO**

ASHLEY HALL & ASSOCIATES, INC.  
ATTN: ASHLEY HALL, SPECIAL MASTER  
4651 WHITE ROCK DRIVE  
LAS VEGAS, NV 89121

**RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**PROFESSIONAL SERVICES BILLING SUMMARY**

DESCRIPTION	DATE	HOURS	RATE / HR	TOTAL	BALANCE
<b>ACCOUNTING SERVICES</b>					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
<b>TOTAL ACCOUNTING SERVICES</b>		0.00	\$ 75.00	\$ -	
<b>CONSULTING SERVICES</b>					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
<b>TOTAL CONSULTING SERVICES</b>		7.50	\$ 75.00	\$ 562.50	
<b>GENERAL SERVICES</b>					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
<b>TOTAL GENERAL SERVICES</b>		0.00	\$ 75.00	\$ -	
<b>TAX SERVICES</b>					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
<b>TOTAL TAX SERVICES</b>		0.00	\$ 75.00	\$ -	

TOTAL PROFESSIONAL SERVICES	7.50	\$ 562.50
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TOTAL REIMBURSABLE EXPENSES		\$ 44.00
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TOTAL DISCOUNT ALLOWED	0.00	\$ -
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<b>TOTAL INVOICE AMOUNT DUE</b>	<b>\$ 606.50</b>
---------------------------------	------------------

SIGNATURE

*DAVID E. LENTES*

PLEASE MAKE CHECK PAYABLE TO

**ASA MANAGEMENT CORP**



## PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

**ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052**

**MONTH OF JANUARY, 2009**

**FISCAL YEAR - 2009**HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO COURT FOR HEARING (40 Miles @ \$.55)	01/29/09			\$ 22.00	
TRAVEL TO ADAMS OFFICE (40 Miles @ \$.55)	01/30/09			\$ 22.00	
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ -	\$ -	\$ 44.00	\$ -

**\$ 44.00**

# **EXHIBIT “4”**

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of January 31, 2009

Statement No. 19582

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
1/29/2009	JRA	Meeting with potential Special Master candidate Ashley Hall to prepare for hearing before Judge Walsh to potentially be appointed as special master to the case. Review facts of case with Mr. Hall (travel time included)	1.30	200.00	260.00
1/29/2009	JRA	Conference with Judge Walsh and Mr. Hall before Motion to Retax hearing to discuss the potential of Mr. Hall being appointed as special master in the case to assist in providing review and recommendations for Judge Walsh to determine the complex motion to retax issues. Attend motion hearing on motion to retax costs and appointment of Mr. Hall as a special master. Provide argument and legal support for appointment and scope of appointment with opposing counsel, Mr. Hall and Judge Walsh. (travel time included of time from court back to office). Attend motion hearing on motion to retax costs and appointment of Mr. Hall as special master	3.20	200.00	640.00
1/29/2009	AS	Strategy and analysis of scope of Special Master appointment and nature of work to be performed by Mr. Hall and associates to provide Judge Walsh with requested report with JRA. Discuss necessary documents needed to complete work	0.30	200.00	60.00
1/29/2009	AS	Conduct preliminary legal research on costs permitted, reasonableness, and associated case law to prepare to review motion practice regarding retaxing and tailoring the work to be completed by the Special Master	0.60	200.00	120.00
1/30/2009	JRA	Conference and planning meeting with Mr. Hall, Assly Sayyar, Esq., and David Lentes to determine documents needed, review key statutes and preliminary legal research on which to base recommendations to the judge. Outline documents necessary from opposing counsel and methods and strategies for evaluation given issues with regard to documents provided in opposition to motion for retaxing and determining reasonableness	1.50	200.00	300.00
1/30/2009	AS	Conference and planning meeting with Mr. Hall, James R. Adams, Esq., and David Lentes to determine documents needed, review key statutes and preliminary legal research on which to base recommendations to the judge. Outline documents necessary from opposing counsel and methods and strategies for evaluation given issues with regard to documents provided in opposition to motion for	0.70	200.00	140.00



1/30/2009 AS retaxing and determining reasonableness  
Prepare and open case file. Run conflicts check. research 0.30 200.00 60.00  
past and pending hearing dates and calendaring of the  
same

**Sub-total Fees:** 1,580.00

**Costs**

Monthly administrative expen 63.20

**Sub-total Costs:** 63.20

This Month Amount Due: 1,643.20

Previous Balance Due: 0.00

Interest on Previous Balance Due: 0.00

Less Payments / Credits: 0.00

**Total Now Due:** 1,643.20

**THANK YOU FOR USING ADAMS & ROCHELEAU. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month.  
Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

1 **MOT**  
2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 6874  
5 ASSLY SAYYAR, ESQ.  
6 Nevada Bar No.: 9178  
7 8681 W. Sahara Ave., Suite 280  
8 Las Vegas, NV 89117  
9 Tel: 702-838-7200  
10 Fax: 702-838-3636  
11 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
12 [assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
13 *Attorneys for Appointed Special Master*  
14 *Ashley Hall of Ashley Hall & Associates*

15 **DISTRICT COURT**  
16 **CLARK COUNTY, NEVADA**

17 GILBERT P. HYATT,  
18  
19 Plaintiffs,

Case No. A382999  
Dept. No. X

20 vs.

21 FRANCHISE TAX BOARD OF THE  
22 STATE OF CALIFORNIA,  
23  
24 Defendant

Date of Hearing:  
Time of Hearing:

25 **MOTION FOR REMUNERATION OF COURT APPOINTED SPECIAL**  
26 **MASTER**

27 COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through  
28 its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Motion for  
Remuneration of Court Appointed Special Master. This Motion is based on the memorandum of  
points and authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

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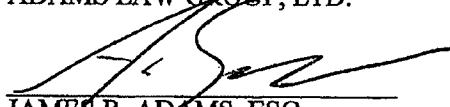
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1 and any oral argument this Honorable Court may permit.

2 Dated this 26<sup>th</sup> day of March, 2009.

3  
4 ADAMS LAW GROUP, LTD.

5   
6 JAMES R. ADAMS, ESQ.  
7 Nevada Bar No. 6874  
8 ASSLY SAYYAR, ESQ.  
9 Nevada Bar No.: 9178  
10 8681 W. Sahara Ave., Suite 280  
11 Las Vegas, NV 89117  
12 Tel: 702-838-7200  
13 Fax: 702-838-3636  
14 Attorneys for Plaintiff

15 **NOTICE OF MOTION**


16 TO: All Parties; and

17 TO: Their Counsel.

18 YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the undersigned will  
19 bring the foregoing Motion on for hearing before the above titled Court on the 13<sup>th</sup> day of  
20 May, 2009, at the hour of In Chambers .m. of said date, in Department X  
21 or as soon thereafter as Counsel can be heard.

22 Dated this 26<sup>th</sup> of March, 2009.

23 ADAMS LAW GROUP, LTD.

24   
25 JAMES R. ADAMS, ESQ.  
26 Nevada Bar No. 6874  
27 ASSLY SAYYAR, ESQ.  
28 Nevada Bar No.: 9178  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
Tel: 702-838-7200  
Fax: 702-838-3636  
Attorneys for Plaintiff

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1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I.

3 STATEMENT OF FACTS

4 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of  
5 Ashley Hall & Associates as a Special Master in this case. The Order states that "the Special  
6 Master will be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket  
7 costs. Payment of these fees and costs shall be divided equally between the above captioned  
8 parties as previously determined by this Court." The Order further states that "The Special  
9 Master may employ counsel (at a rate of \$200.00 per hour) and other professionals necessary to  
10 the special mastership (at rates not exceeding \$200.00 per hour). Payment of these fees and costs  
11 shall be divided equally between the above captioned parties as previously determined by this  
12 Court."

13 This Motion requests that this Honorable Court order that the Special Master receive  
14 remuneration for its services from February 1, 2009 through February 28, 2009 in the amount of  
15 \$17,253.75, inclusive of forensic financial consultant's fees and attorney's fees.<sup>1</sup> Attached hereto  
16 as Exhibit 1 is the Special Masters's Time, Activity, and expense Report for February, 2009,  
17 outlining said fees and costs equaling a total of \$9,600.00. Attached hereto as Exhibit 2 is the  
18 ASA Management Corporation Invoice for February, 2009 outlining said fees and costs equaling  
19 a total of \$5,337.25. Attached hereto as Exhibit 3 is the invoice from Adams Law Group, Ltd. to  
20 the Special Master in the amount of \$2,316.50 for work performed on behalf of the Special  
21 Master in February, 2009.

22 II.

23 ARGUMENT

24 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
25 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
26 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,  
27

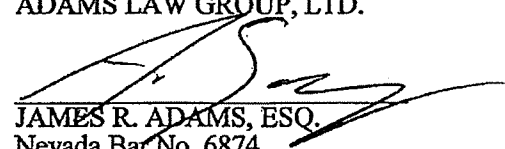
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28 <sup>1</sup> The Special Master may supplement this motion with fees and costs incurred for  
March, 2009.

1 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009).  
2 The Special Master requests an Order authorizing payment to the Receiver for a total sum as  
3 outlined in the attached Exhibits 1, 2, and 3 of \$17,253.75. The Special Master requests the fees  
4 and costs be paid within 10 days of the date of notice of entry of the order. If said fees are not so  
5 paid, the Special Master requests the order be reduced to judgement, incur interest thereon at the  
6 statutory rate, and be payable and collectible on a 50/50 basis between the above captioned  
7 parties pursuant to the Order appointing the Special Master.

8 Dated this 26<sup>th</sup> of March, 2009.

9 ADAMS LAW GROUP, LTD.

10  
11   
12 JAMES R. ADAMS, ESQ.  
13 Nevada Bar No. 6874  
14 ASSLY SAYYAR, ESQ.  
15 Nevada Bar No.: 9178  
16 8681 W. Sahara Ave., Suite 280  
17 Las Vegas, NV 89117  
18 Tel: 702-838-7200  
19 Fax: 702-838-3636  
20 Attorneys for Plaintiff  
21  
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24  
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28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd.,  
3 and that on this date, I served the following **MOTION FOR REMUNERATION OF COURT**  
4 **APPOINTED SPECIAL MASTER** upon all parties to this action by:

5

6 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
7	Hand Delivery
7	Facsimile
8	Overnight Delivery
8	Certified Mail, Return Receipt Requested.

9 addressed as follows:

10 Mark A. Hutchison, Esq.  
11 Hutchison & Steffen  
11 10080 Alta Drive, Suite 200  
12 Las Vegas, Nevada 89145  
12 Attorney for Plaintiff

13 Peter C. Bernhard  
14 Bullivant Houser Bailey PC  
14 3883 Howard Hughes Parkway, suite 550  
15 Las Vegas, Nevada 89169  
15 Attorney for Plaintiff

16 James A. Bradshaw, Esq.  
17 McDonald Carano Wilson LLP  
17 100 West Liberty Street, 10<sup>th</sup> Floor  
18 Reno, Nevada 89501  
18 Attorney for Defendant

19 Jeffrey Silvestri, Esq.  
20 McDonald Carano Wilson, LLP  
20 2300 West Sahara Ave, Suite 100  
21 Las Vegas, Nevada 89102  
21 Attorney for Defendant

22 Robert L. Eisenberg, Esq.  
23 Lemons, Grundy & Eisenberg  
23 6005 Plumas Street, Suite 300  
24 Reno, Nevada 89509  
24 Attorney for Defendant

25 Dated the 26<sup>th</sup> day of March, 2009.

26  
27  
28   
An employee of ADAMS LAW GROUP, LTD.

# EXHIBIT "1"

**ASHLEY HALL & ASSOCIATES  
INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS  
2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 3.1.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special  
Mastership for February 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of February 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff



**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**FEBRUARY 2009**

2.1.09 0 HRS

2.2.09 2.5 HRS

The Special Master received the files from both the Plaintiff and the Defendant in the Case, including the "Memorandum of Costs" submitted by the Plaintiff, and the "Motion to RETAX" submitted by the Defendant. The Special Master also received 5 Binders containing documentations on the "Costs" issues submitted by the Plaintiff. The Special Master receipted each of the Parties for the files delivered. The Special Master conferenced with Mr. Lentes to detail the Audit Protocol for compiling the "Memorandum of Costs" submitted by the Plaintiff in the Case and the Defendants "Motion to RETAX." (45 min)

The Special Master set his schedule to begin reviewing the contents of the Memorandum of Costs and the Motion to Retax, along with the 5 Binder Files submitted by the Plaintiff in support of the reimbursed costs requested by the Plaintiff, as well as the Defendants single file outlining the Defendant's opposition to the Plaintiff's Memorandum of Costs contained in the Defendants Motion to Retax. The Special Master then begin his review of the subject Motions and Support Binders. (1.5 hrs)

The Special Master communicated with Mr. Adams regarding the need for additional working copies of the files for Mr. Lentes and for Mr. Adams, with the Special Master agreeing to meet with Mr. Adams at his office on Tuesday, February 3, 2009. (15 min)

2.3.09 2.5 HRS

The Special Master continued his review of the "Memorandum of Costs" submitted by the Plaintiff regarding the issue of Reimbursement of Costs sought by the Plaintiff. (1.5 hrs)

The Special Master traveled to the offices of Mr. Adams for the purpose of discussing both the Case Matrix and the content of the files. Following a discussion with Mr. Adams regarding the legal aspects of the Case, the Special Master directed Mr. Adams to have his office make two additional copies of the Files as working files for the Special Mastership. (1.5 hrs)

2.4.09 2.5 HRS

The Special Master drafted a memorandum to Mr. Adams and Mr. Lentes outlining his thoughts as to the structure of the Audit that would include the Cost Identity, Assessment and Evaluation, & the Recommendation Matrix that will be utilized by the Special Mastership to identify, audit, evaluate and recommend those costs that meet the criteria established in NRS 18, Case Law, NSC rulings and those costs the Special Master feels are reasonable costs associated with the Case. The MATRIX should include the following categories for the purpose of analysis and recommendation:

- The submitted Cost by the Plaintiff
- The justification for such Cost submitted by the Plaintiff
- NRS 18 Profile
- The Points & Authorities submitted by the Defendant in FTB's Motion to Retax Costs
- Nevada Supreme Court rulings & Case Law
- The Special Master's determination of 'reasonable cost'
- Recommendation (1.5 hrs)

The Special Master informed Mr. Adams and Mr. Lentes that the Audit Protocol should segregate the submitted Costs by the Plaintiff, assess those Costs in accordance to NRS 18, NSC rulings, and Case Law, and by measuring the points and authorities submitted in FTB's Motion to Retax. Such a Protocol would give the Special Master both a legal and germane application as to actual Costs associated to the Case, and meet the criteria as both "Acceptable" and "Reasonable" for reimbursement purposes. Based on the conclusions reached by the Special Master after evaluating the costs information submitted by the Plaintiff, the Special Master can then make an informed and objective recommendation to the Court as to what Costs submitted by the Plaintiff are supported by the law, is germane and also are reasonable costs for Reimbursement purposes. (1 hr)

The Special Master continued his review of the Plaintiff's Trial Brief. (1 hr)

The Special Master conferenced with Mr. Lentes to review the most recent draft of the Order Appointing Special Master, the Plaintiff's Trial Brief, as well as the layout of the CIARM (Matrix) proposed by the Special Master. (30 min)

#### 2.5.09 2.5 HRS

The Special Master communicated with Mr. Adams twice to review the final Draft of the Order Appointing Special Master, to discuss the Special Master's Action Plan designed to fulfill those duties and responsibilities outlined in the Order of Appointment, and to the Special Master's progress in outlining and assessing the points and authorities contained in the Defendants Motion to Retax Costs. (30 min)

The Special Master communicated with Mr. Lentes to review progress that is being made on the Analytical Matrix that is a key component of the Special Master's Action Plan. (30 min)

The Special Master continued his review, assessment and outline of the Defendant's "Motion to Retax," forwarding his thoughts to Mr. Adams and Mr. Lentes for their review prior to the Special Master's meeting with them on Friday at the offices of Mr. Adams. (1.5 hrs)

#### 2.6.09 2.5 HRS

The Special Master traveled to the offices of Mr. Adams to review the status of the Cost Assessment Matrix, to review the files duplication and to review the outline of the Defendant's Motion to Retax with Mr. Adams and Mr. Lentes. Following a review and discussion regarding the Cost Assessment Matrix, the Special Master determined that it would be helpful to request each of the Parties provide their electronic files containing their Cost Submissions and Motion to Retax matrix. Mr. Adams called each of the Parties and requested the Organizational Matrix each of the Parties used in their own submissions to the Court. (2.5 hrs)

#### 2.7.09 1.5 HRS

The Special Master continued to build a working outlined of the Plaintiff's "Trial Brief" in an attempt to better understand the Plaintiff motions before the court, the possible relevance of such costs, and if such costs met the criteria outlined by the Special Master. (1.5 hrs)

#### 2.8.09 0 HRS

#### 2.9.09 2 HRS

The Special Master communicated with Mr. Adams and Mr. Lentes regarding the file accessibility both electronic and hard copy. Mr. Adams informed the Special Master that both of the Parties have been contacted regarding their electronic files that focus on the Plaintiffs billings and Motion to

Retax. The Special Master assessed the Cost Assessment Spread Matrix, including the reasonable amount of information that can be placed on it that will provide a detailed summary of the billing files submitted by the Plaintiff and opposed by the Defendant. (30 min)

The Special Master continued his working outline of the Plaintiff's "Trial Brief" to better understand the possible reasons for their Memorandum of Costs submittal. (1.5 hrs)

#### 2.10.09 2.5 HRS

The Special Master traveled to the offices of Mr. Adams to conference with him regarding a number of administrative, audit and legal points related to the Costs associated with the Case, and to pick up one copy of the hard Files submitted by the Plaintiff & Defendant. The Special Master directed Mr. Adams to review and recommend certain legal language to be used in the Audit and Assessment process. (1.5 hrs)

The Special Master delivered the above subject set of Files to Mr. Lentes to enable him to commence the Audit of the Files related to the Memorandum of Costs submitted by the Plaintiff. The Special Master conferenced with Mr. Lentes as to the Audit & Evaluation Matrix, directing him to move the process forward as quickly as practical, making certain that all issues related to Costs be reviewed and verified, if possible. The Special Master informed Mr. Lentes that once the Audit & Assessment of Costs commences in earnest, the Special Master intends to meet with him two or three times weekly for the purpose of reviewing the audit/assessment costs detailed to make certain that the Audit & Assessment process is proceeding in the manner approved by the Special Master. (1 hr)

#### 2.11.09 2.5 HRS

The Special Master continued his review, assessment and outline of the Plaintiff's Trial Brief, with an initial review of Binders 1-5 in relation to the Plaintiff's Costs associated with the Case. (2.5 hrs)

#### 2.12.09 2.5 HRS

Special Master traveled to the law office of Mr. Adams to conference with him and his staff assistant regarding the Files in the Case, to review certain elements of the Plaintiff's Trial Brief as to the scope of the Case and the possible Costs associated in researching, reviewing, developing and presenting the Case before the various Courts on all of the various motions. (1.5 hrs)

The Special Master communicated with Mr. Lentes to arrange a meeting with him to formally commence a review of the Audit & Evaluation Process as approved by the Special Master in attempting to determine both the relevancy and reasonableness of Plaintiff's submitted Costs. (15 min)

The Special Master received a copy of the electronic CD files from both the Plaintiff and the Defendant, conducted an initial review of the contents of the CD's, discussed and emailed the financial spreadsheets to Mr. Lentes, informing him that a hard copy of the CD files submitted by the Plaintiff & Defendant would be given to him at the Special Masters meeting on Friday. (45 min)

#### 2.13.09 3.5 HRS

The Special Master continued his outline of the Plaintiff's Trial Brief. (45 min)

The Special Master traveled to the offices of Mr. Adams for the purpose of conferencing with him regarding legal aspects of the Case, and to provide him with a copy of the Defendant's CD electronic file. (1 hr 15 min)

The Special Master met with Mr. Lentes for the purpose of conducting a review of the Audit, Assessment, Evaluation and Recommendation (AAER) format discussed with Mr. Adams and Mr. Lentes, and its application in the Special Master's charge outlined in the Order Appointing Special Master. The Special Master provided his assessment of the AAER Matrix, called Mr. Adams to review the outline with him and then provided Mr. Lentes his final direction in formatting the Draft AAER in fulfilling the Special Master's duties and responsibilities as outlined in the Order Appointing Special Master. (1.5 hrs)

2.14.09 2.5 HRS

The Special Master finalized his outline of the Plaintiff's Trial Brief, reviewed it and forwarded a copy to Mr. Adams and Mr. Lentes for their review and feedback. (1.5 hrs)

The Special Master met with Mr. Adams to review NRS 19, its application to this particular Case and the Special Master forwarded a copy of his Outline Summary to both Mr. Adams and Mr. Lentes for review purposes as part of the Audit & Evaluation in the Plaintiff's brief. (1 hr)

2.15.09 0 HRS

2.16.09 2 HRS

The Special Master continued to review the electronic copy of the Analysis of Costs prepared by the Defendant, detailing the Defendant's Opposition to the Costs submitted by the Plaintiff, made notes and made a list of questions to ask Mr. Adams to clarify as part of the Special Master's Audit, Assessment, Evaluation & Recommendation. The Special Master communicated with Mr. Adams and Mr. Lentes regarding questions related to NRS 18 & 19. (2 hrs)

2.17.09 1.5 HRS

The Special Master continued his review, assessment and evaluation of the Hyatt Costs files, communicated with Mr. Lentes regarding his assessment of the Analysis of Costs submitted by the Defendant and reviewed the detail contained in the Brief to make certain that each of the items presented by the Plaintiff in their Memorandum of Costs is audited in detail sufficient to make an objective assessment, evaluation and recommendation. (1 hr)

The Special Master communicated with Mr. Adams and Mr. Lentes to review both legal and procedural questions pertaining to the Case, recommending that we meet sometime on Wednesday afternoon to review the progress in the Audit and to discuss additional legal items reviewed by Mr. Adams. (30 min)

2.18.09 2 HRS

In preparation for the Special Master's review of the progress being made in the Audit, Assessment, Evaluation and Recommendation process with Mr. Lentes and Mr. Adams on Thursday that is currently underway, the Special Master reviewed the details of Binder #3 of the 5 Binders received from the Plaintiff setting forth the Costs and the needed justification for those costs. (1.5 hrs)

The Special Master communicated with Mr. Lentes to discuss the review outline for Thursday's Special Mastership review of both the structure and functional progress of the matrix and its contents. (15 min)

The Special Master communicated with Mr. Adams to discuss the legal issues to be discussed during the structural/functional review for Thursday. (15 min)

2.19.09 2 HRS

The Special Master reviewed the binder containing the Summary of Costs submitted by the Plaintiff in preparation for his meeting with Mr. Lentes and Mr. Adams to review the progress in the Audit, Evaluation and Recommendation process. (30 min)

The Special Master met with Mr. Adams and Mr. Lentes to review the progress the Special Mastership is making in the Audit, Evaluation and Recommendation process. (1.5 hrs)

2.20.09 2.5 HRS

The Special Master continued his review of the document files submitted by the Parties, including Binder #2 submitted by the Plaintiff. (1.5 hrs)

The Special Master began his draft of a memorandum containing the Status of the Special Mastership to the Court and to the Parties, including his action plan that he has implemented to carry out the duties, responsibilities and authorities assigned to him in the Order Appointing Special Master. (1.5 hrs)

2.21.09 .5 HRS

The Special Master received, reviewed and responded to communications from Mr. Lentes regarding the Matrix Content relating to the Costs Issue. (30 min)

2.22.09 0 HRS

2.23.09 2.5 HRS

The Special Master conferenced with Mr. Lentes regarding the status of the Audit. Following the review of the progress being made, the Special Master made recommendations as to additional information and support documentation that appears to be needed to verify certain submitted costs by the Plaintiff. The Special Master conferenced with Mr. Adams regarding the issue of support documentation for costs for copying materials – it was determined that any cost submitted for copying materials required documentation for all costs of \$25 or more. (45 min)

The Special Master received feedback from Mr. Adams and Mr. Lentes regarding the draft Status Report and Action Plan, reviewed the draft materials and finalized the Report. The Special Master drafted a cover memo to the Court and to the Parties conveying the Status Report to them outlining the Action Plan that is currently being followed, and attached a copy of the Status Report and Action Plan and forwarded it to the Court and to the Parties in the Case. (1 hr)

The Receiver continued his review of the file materials that has been submitted by the Parties in support and opposition to the Memorandum of Costs submitted by the Plaintiff. (45 min)

2.24.09 1 HR

The Special Master continued his review of the Cost Documentation file binders, conferenced with Mr. Lentes regarding the issue of Costs, and evaluated several of the Costs and documentation submitted by the Plaintiff. (1 hr)

2.25.09 1.5 HRS

The Special Master continued his review of the back-up information binders submitted by the Plaintiff in support of the Memorandum of Costs submitted by the Plaintiff. (1.5 hrs)

The Special Master conferenced with Mr. Lentes to review the progress being made in the Audit and Evaluation process for the Case. (30 min)

2.26.09 .5 HRS

The Special Master conferenced with Mr. Lentes regarding the progress being made on the Audit. Mr. Lentes confirmed that the Audit is progressing much faster than he had initially thought. The next important goal of the Special Master is upon completion of the initial Audit, the Special Master will meet with Mr. Lentes and Mr. Adams to review the detail of the Audit, provide both the technical and legal feedback that is felt necessary and then proceed with the first Working Conference with the Parties to review the initial details of the Audit and to request the additional back up materials that are missing, and to clarify any of the subject Cost Items required of the Special Master in the Order Appointing Special Master. (30 min)

2.27.09 .5 HR

The Special Master communicated with Mr. Lentes to set a review of the Audit and to discuss several items of clarification regarding additional documentation that is not contained in the Memorandum of Costs submitted by the Plaintiff. (30 min)

2.28.09 1.5 HRS

The Special Master communicated with Mr. Lentes to inspect the resulting information from the Audit as this process and to set an Inspection Conference with both for Thursday, March 5, 2009. (1 hr)

The Special Master completed his time and activity report for the Special Mastership for the month of February, along with the review and approval of the time and activity reports of both Mr. Lentes and Mr. Adams. (30 min)

**INVOICED AMOUNT FOR  
HYATT VS. FTB SPECIAL MASTERSHIP**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	3.1.09	48 X \$200	=	<u>\$9,600</u>
<b>TOTAL</b>				<b>\$9,600</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT VS. FTB SPECIAL MASTERSHIP

# EXHIBIT "2"

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

Phone (702) 256-6657  
Fax (702) 256-4393  
Cell (702) 498-1170

FISCAL YEAR - 2009

## INVOICE

INVOICE DATE INVOICE NO

02/28/09

2009/02-107

MONTH OF FEBRUARY, 2009

## BILL TO

ASHLEY HALL & ASSOCIATES, INC.  
ATTN: ASHLEY HALL, SPECIAL MASTER  
4651 WHITE ROCK DRIVE  
LAS VEGAS, NV 89121

## RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## PROFESSIONAL SERVICES BILLING SUMMARY

DESCRIPTION	DATE	HOURS	RATE/HR	TOTAL	REMARKS
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
TOTAL ACCOUNTING SERVICES		50.75	\$ 75.00	\$ 3,806.25	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
TOTAL CONSULTING SERVICES		17.00	\$ 75.00	\$ 1,275.00	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
TOTAL GENERAL SERVICES		2.20	\$ 75.00	\$ 165.00	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
TOTAL TAX SERVICES		0.00	\$ 75.00	\$ -	

TOTAL PROFESSIONAL SERVICES 69.95 \$ 5,248.25

TOTAL REIMBURSABLE EXPENSES \$ 91.00

TOTAL DISCOUNT ALLOWED 0.00 \$ -

**TOTAL INVOICE AMOUNT DUE \$ 5,337.25**

SIGNATURE

DAVID E. LENTES

PLEASE MAKE CHECK PAYABLE TO

ASA MANAGEMENT CORP



# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

02/28/09

INVOICE NO

2009/02-107

MONTH OF FEBRUARY, 2009

## WORKSHEET

#1

FISCAL YEAR - 2009

## RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## ACCOUNTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	GL	AP	AR	PR
SETUP DATA CAPTURE / ANALYSIS SYSTEM	02/12/09	1.00			
MODIFY SYSTEM SETUP PER RECEIVER GUIDELINES	02/13/09	0.50			
MODIFY CHART OF ACCOUNTS - EXPENSES ACCTS	02/17/09	0.25			
EVALUATE / CODE / POST COSTS - BINGHAM	02/17/09		3.50		
EVALUATE / CODE / POST COSTS - PERKINS COIE	02/18/09		3.25		
SETUP / PRINT REPORTS FOR SPC MASTER MEETING	02/19/09		0.25		
EVALUATE / CODE / POST COSTS - RIORDAN	02/23/09		5.50		
EVALUATE / CODE / POST COSTS - BOURKE	02/24/09		2.75		
EVALUATE / CODE / POST COSTS - BERNHARD	02/24/09		5.25		
EVALUATE / CODE / POST COSTS - BERNHARD	02/25/09		3.75		
EVALUATE / CODE / POST COSTS - BULLIVANT	02/25/09		4.25		
MODIFY CHART OF ACCOUNTS - EXPENSES ACCTS	02/25/09	0.25			
EVALUATE / CODE / POST COSTS - BULLIVANT	02/26/09		7.25		
EVALUATE / CODE / POST COSTS - BULLIVANT	02/27/09		7.00		
EVALUATE / CODE / POST COSTS - BULLIVANT	02/28/09		6.00		
TOTAL ACCOUNTING SERVICES BY CATEGORY		2.00	48.75	0.00	0.00

TOTAL ACCOUNTING SERVICES HOURS

50.75

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE****INVOICE DATE**

02/28/09

**INVOICE NO.**

2009/02-107

**MONTH OF FEBRUARY, 2009****WORKSHEET**

#2

**FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**CONSULTING SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
CONFERENCE WITH SPC MASTER - AUDIT PROTOCOL	02/02/09			0.50	
CONFERENCE WITH SPC MASTER - REVIEW DOCS	02/02/09			1.00	1.00
PHONE CALLS FROM SPC MASTER - MEMORANDUM	02/03/09	0.20			
CONFERENCE WITH SPC MASTER - MATRIX	02/04/09			0.50	0.50
PHONE CALL FROM SPC MASTER - T&A	02/04/09	0.10			
REVIEW ORDER APPOINTING SPECIAL MASTER	02/04/09		0.25		
REVIEW TRIAL BRIEF - PLAINTIFF HYATT	02/04/09		0.50		
PHONE CALL FROM SPC MASTER - T&A	02/05/09	0.10			
MEETING WITH SPC MASTER / ADAMS - ADAMS OFFICE	02/06/09			1.50	1.00
PHONE CALL TO ADAMS OFFICE - BINDER REQUEST	02/09/09	0.10			
PHONE CALL FROM SPC MASTER - FILES	02/09/09	0.25			
CONFERENCE WITH SPC MASTER OFFICE - BINDERS	02/10/09			0.50	0.50
PHONE CALL FROM SPC MASTER - STATUS UPDATE	02/10/09	0.10			
PHONE CALL FROM SPC MASTER - ADDITIONAL FILES	02/12/09	0.25			
CONFERENCE WITH SPC MASTER - SYSTEM SETUP	02/13/09			1.00	0.50
PHONE CALL FROM SPC MASTER - STATUS UPDATE	02/16/09	0.10			
CONFERENCE WITH SPC MASTER - LEGAL QUESTIONS	02/17/09			0.25	
CONFERENCE WITH SPC MASTER - MATRIX PROGRESS	02/18/09			0.25	
MEETING WITH SPC MASTER / ADAMS	02/19/09			1.50	1.00
PHONE CALL FROM SPC MASTER - STATUS UPDATE	02/20/09	0.10			
PHONE CALL FROM SPC MASTER - DRAFT MEMO	02/22/09	0.20			
CONFERENCE WITH SPC MASTER - CRITERIA MOD	02/23/09			0.25	
CONFERENCE WITH SPC MASTER - COST ISSUES	02/24/09			0.50	
CONFERENCE WITH SPC MASTER - AUDIT PROGRESS	02/25/09			0.50	
CONFERENCE WITH SPC MASTER - AUDIT PROGRESS	02/26/09			0.50	
CONFERENCE WITH SPC MASTER - AUDIT REVIEW	02/27/09			0.50	
CONFERENCE WITH SPC MASTER - INSPECT DATA	02/28/09			1.00	
<b>TOTAL CONSULTING SERVICES BY CATEGORY</b>		<b>1.50</b>	<b>0.75</b>	<b>10.25</b>	<b>4.50</b>

**TOTAL CONSULTING SERVICES HOURS****17.00**

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

02/28/09

INVOICE NO

2009/02-107

MONTH OF FEBRUARY, 2009

## WORKSHEET

#3

FISCAL YEAR - 2009

## REGISTRATION / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## GENERAL SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	REMAIL	ORC	COPY	TAX
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/02/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/03/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/04/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/05/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/10/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	02/10/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/12/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/13/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/14/09	0.25			
SEND EMAIL TO SPC MASTER - MEETING DOCS	02/18/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/20/09	0.25			
SEND EMAIL TO SPC MASTER - DRAFT STATUS REPORT	02/22/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/22/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/23/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	02/24/09	0.10			
TOTAL GENERAL SERVICES BY CATEGORY		2.20	0.00	0.00	0.00

## TOTAL GENERAL SERVICES HOURS

2.20

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

02/28/09

INVOICE NO

2009/02-107

MONTH OF FEBRUARY, 2009

## WORKSHEET

#5

FISCAL YEAR - 2009

## RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## REIMBURSABLE EXPENSES BILLING DETAIL

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO RECEIVER OFFICE (20 Miles @ \$.55)	02/02/09			\$ 11.00	
TRAVEL TO ADAMS OFFICE (20 Miles @ \$.55)	02/06/09			\$ 11.00	
TRAVEL TO RECEIVER OFFICE (20 Miles @ \$.55)	02/10/09			\$ 11.00	
TRAVEL TO RECEIVER OFFICE (20 Miles @ \$.55)	02/13/09			\$ 11.00	
TRAVEL TO RECEIVER OFFICE (20 Miles @ \$.55)	02/19/09			\$ 11.00	
TRAVEL TO RECEIVER OFFICE (20 Miles @ \$.55)	02/23/09			\$ 11.00	
OFFICE SUPPLIES (TONER / PAPER)	02/28/09	\$ 25.00			
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 25.00	\$ -	\$ 66.00	\$ -

TOTAL REIMBURSABLE EXPENSES

\$ 91.00

# EXHIBIT "3"

# Transactions Listing

matter ID='1370-031' and date >=02/01/2009 and date <=02/28/2009

		MatterID/Client Sort				
Date	Prof	Matter Description Narrative	Component Task Code	Units	Price	Value
2/3/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Review file and draft order appointing special master and email to all counsel	T	0.50	200.00	100.00
2/4/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Review emails and suggested changes to Order Appointing Special Master. Review, revise and supplement Order and email to all	T	0.40	200.00	80.00
2/6/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Review costs and meeting with Ashley and Dave regarding same. Telephone call with to Carla H and Mike W	T	2.10	200.00	420.00
2/10/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Telephone call with John Steffen, Mark Hutchison and Mike Kearn regarding electronic copies of spreadsheets to aid special master	T	0.10	200.00	20.00
2/12/2009	AS	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Draft motion for remuneration for January, 2009.	T	0.90	200.00	180.00
2/12/2009	AS	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Draft NOE for order appointing special master.	T	0.10	200.00	20.00
2/19/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Prepare for, travel to and attend meeting with Special Master regarding status of Mastership and methodology for legal categorization of costs	T	2.50	200.00	500.00
2/2/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Telephone call with Ashley regarding administrative matters	T	0.25	200.00	50.00
2/3/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Meeting with Ashley regarding fundamental legal aspects of case and NRS 18	T	1.40	200.00	280.00
2/5/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Telephone calls with Ashley regarding order appointing receiver and legal arguments of counsel	T	0.50	200.00	100.00

## Transactions Listing

matter ID='1370-031' and date >=02/01/2009 and date <=02/28/2009

Date	Prof	MatterID/Client Sort Matter Description Narrative	Component Task Code	Units	Price	Value
2/9/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Telephone call with Ashley regarding electronic files and cost assessment spreadsheets	T	0.20	200.00	40.00
2/10/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Meeting with Ashley regarding NRS 18 and relevant case law	T	0.70	200.00	140.00
2/14/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Conference with Ashley regarding legal application of specific entries of costs	T	1.00	200.00	200.00
2/17/2009	JRA	1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Conference with Ashley	T	0.25	200.00	50.00
2/28/2009		1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Monthly administrative expense	Admin	1.00	52.80	52.80
2/28/2009		1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall)	Int	1.00	24.65	24.65
2/28/2009		1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall) Monthly administrative expense	Admin	1.00	34.40	34.40
2/28/2009		1370-031 / Hall, Ashley, Sr. Hyatt v. Franchise Tax Board (Ashley Hall)	Int	1.00	24.65	24.65
Grand Total				14.90		2,316.50

1 SUPP  
2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 6874  
5 ASSLY SAYYAR, ESQ.  
6 Nevada Bar No.: 9178  
7 8681 W. Sahara Ave., Suite 280  
8 Las Vegas, NV 89117  
9 Tel: 702-838-7200  
10 Fax: 702-838-3636  
11 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
12 [assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
13 *Attorneys for Appointed Special Master*  
14 *Ashley Hall of Ashley Hall & Associates*

FILED

APR 8 3 33 PM '09

*Ed. Smith*  
CLERK OF THE COURT

DISTRICT COURT  
CLARK COUNTY, NEVADA

GILBERT P. HYATT,  
Plaintiffs,

Case No. A382999  
Dept. No. X

vs.

FRANCHISE TAX BOARD OF THE  
STATE OF CALIFORNIA,  
Defendant

Date of Hearing: May 13, 2009  
Time of Hearing: IN CHAMBERS

**SUPPLEMENT TO THE MOTION FOR REMUNERATION OF COURT APPOINTED  
SPECIAL MASTER**

COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through  
its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Supplement to  
the Motion for Remuneration of Court Appointed Special Master. This Supplement which  
provides and requests remuneration for March, 2009 is based on the memorandum of points and  
authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

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1 and any oral argument this Honorable Court may permit.

2 Dated this 7<sup>th</sup> day of April, 2009.

3  
4 ADAMS LAW GROUP, LTD.

5  
6   
7 JAMES R. ADAMS, ESQ.  
8 Nevada Bar No. 6874  
9 ASSLY SAYYAR, ESQ.  
10 Nevada Bar No.: 9178  
11 8681 W. Sahara Ave., Suite 280  
12 Las Vegas, NV 89117  
13 Tel: 702-838-7200  
14 Fax: 702-838-3636  
15 Attorneys for Plaintiff

16 **MEMORANDUM OF POINTS AND AUTHORITIES**


17 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of  
18 Ashley Hall & Associates as a Special Master in this case. The Order states that "the Special  
19 Master will be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket  
20 costs. Payment of these fees and costs shall be divided equally between the above captioned  
21 parties as previously determined by this Court." The Order further states that "The Special  
22 Master may employ counsel (at a rate of \$200.00 per hour) and other professionals necessary to  
23 the special mastership (at rates not exceeding \$200.00 per hour). Payment of these fees and costs  
24 shall be divided equally between the above captioned parties as previously determined by this  
25 Court."

26 The Motion requests fees from February 1, 2009 through February 28, 2009 in the  
27 amount of \$17,253.75. The Special Master in this supplement hereby requests additionally that  
28 fees from March 1, 2009 through March 31, 2009 in the amount of \$19,431.46. Attached hereto  
as Exhibit 1 is the Special Masters's Time, Activity, and expense Report for March, 2009,  
outlining said fees and costs equaling a total of \$8,400.00. Attached hereto as Exhibit 2 is the  
ASA Management Corporation Invoice for March, 2009 outlining said fees and costs equaling a  
total of \$7,850.00. Attached hereto as Exhibit 3 is the invoice from Adams Law Group, Ltd. to  
the Special Master in the amount of \$3,181.46 for work performed on behalf of the Special  
Master in March, 2009. The Special Master requests the fees and costs for February, 2009 and

1 March, 2009 be paid within 10 days of the date of notice of entry of the order. If said fees are not  
2 so paid, the Special Master requests the order be reduced to judgement, incur interest thereon at  
3 the statutory rate, and be payable and collectible on a 50/50 basis between the above captioned  
4 parties pursuant to the Order appointing the Special Master. The Special Master reserves the  
5 right to supplement this motion again requesting fees incurred in April, 2009, if any.

6 Dated this 27<sup>th</sup> of April, 2009.

7 ADAMS LAW GROUP, LTD.

8  
9   
10 JAMES R. ADAMS, ESQ.  
11 Nevada Bar No. 6874  
12 ASSLY SAYYAR, ESQ.  
13 Nevada Bar No.: 9178  
14 8681 W. Sahara Ave., Suite 280  
15 Las Vegas, NV 89117  
16 Tel: 702-838-7200  
17 Fax: 702-838-3636  
18 Attorneys for Plaintiff  
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27  
28

**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and that on this date, I served the following **SUPPLEMENT TO THE MOTION FOR REMUNERATION OF COURT APPOINTED SPECIAL MASTER** upon all parties to this action by:

<b>X</b>	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
	Hand Delivery
	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

addressed as follows:

Mark A. Hutchison, Esq.  
Hutchison & Steffen  
10080 Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Attorney for Plaintiff

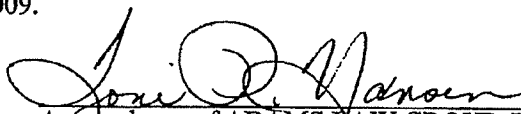
Peter C. Bernhard  
Bullivant Houser Bailey PC  
3883 Howard Hughes Parkway, suite 550  
Las Vegas, Nevada 89169  
Attorney for Plaintiff

James A. Bradshaw, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street, 10<sup>th</sup> Floor  
Reno, Nevada 89501  
Attorney for Defendant

Jeffrey Silvestri, Esq.  
McDonald Carano Wilson, LLP  
2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

Robert L. Eisenberg, Esq.  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

Dated the 1<sup>st</sup> day of April, 2009.

  
An employee of ADAMS LAW GROUP, LTD.

---

EXHIBIT "1"

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 4.1.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special Mastership for March 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of March 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**March 2009**

**3.1.09 2.5 HRS**

The Special Master commenced his review, assessment, evaluation of the information submitted by the Plaintiff in their submittal of the Memorandum of Costs and the Defendants Motion to Retax, along with all other information that is germane to the Case to draft the contents of a second Status Report, as set forth in the Action Plain contained in the initial Status Report. (2.5 hrs).

**3.2.09 1.5 HRS**

The Special Master continued his assessment of the file information provided by the Parties regarding Costs. (45 min)

The Special Master conferenced with Mr. Lentes regarding progress in the Audit process. (15 min)

The Special Master continued his research and began his draft of the Status Report to be issued as soon as Mr. Lentes has completed the initial Audit Process. (1 hr)

**3.3.09 1 HR**

The Special Master continued his draft of the current Status Report and forwarded it to Mr. Adams and Mr. Lentes to review and feedback regarding specific issues they felt to be appropriate. The Special Master communicated with both Mr. Adams and Mr. Lentes regarding the timing of releasing the current Status Report, encouraging Mr. Lentes to complete the Audit Process as quickly as practical that will allow the Special Master, Mr. Adams and Mr. Lentes to conference for the purpose of reviewing the Audit and to prepare a listing of additional documentation that is deemed to be needed in order to verify specific Costs submitted by the Plaintiff "Memorandum of Costs." (1 hr)

**3.4.09 2 HRS**

The Special Master continued to finalize the draft Status Report, continued his review of the electronic files submitted and to make observations to both Mr. Adams and Mr. Lentes regarding the review process established by the Special Master. (1.5 hrs)

The Special Master communicated with Mr. Adams and Mr. Lentes to discuss the timing of the Conference of the members of the Special Mastership for the purposes of reviewing of the Audit Process, including back up. (30 min)

**3.5.09 1 HR**

The Special Master conferenced with Mr. Lentes regarding the status of the Audit. Mr. Lentes indicates that it will take him trough this coming weekend to complete the Audit and so the Special Master communicated with Mr. Adams regarding his schedule for the beginning of next week to set down with Mr. Lentes as soon as he has completed the Audit process for a complete review to make certain that all aspects of the "Costs" question are address and the Special Master has sufficient information to proceed through the second phase of the Assessment, thus allowing the Special Master to then provide a critical evaluation of the Costs information, as set forth in NRS 18, Supreme Court Decisions, Case Law and other applicable justifications and verifications. (1 hr)

3.6.09 1.5 HRS

The Special Master completed his final draft of the Status Report to be forwarded to the Court and to the Parties; however, the Special Master forwarded a copy to Mr. Adams and Mr. Lentes for their final review, regarding the input each had provided. (30 min)

The Special Master continued his review of the Binder Files in preparation for the Assessment of the Audit with Mr. Lentes and Mr. Adams. (1 hr)

3.7.09 .5 HRS

The Special Master conferenced with Mr. Lentes on the anticipated time the Audit will be completed and the Assessment and Evaluation can commence, along with the working conference with the Parties to provide them with a review of the Audit Process. (30 min)

3.8.09 1 HR

The Special Master communicated with Mr. Lentes to discuss the progress he is making on the Audit of Costs, and to also determine if there were any extra ordinary items that required the attention of the Special Master regarding the Costs issue. Mr. Lentes provided a brief overview of the status of the Audit, informing the Special Master that he felt that the initial Audit would be completed and ready for the Special Master's complete review and assessment by Thursday, March 12<sup>th</sup>. (20 min)

The Special Master received, reviewed and responded to a memo from Mr. Lentes regarding feedback on the Drafted Status Report to be sent to the Court and to the Parties regarding the progress being made in the Special Master's efforts regarding the Memorandum of Costs Case. (25 min)

The Special Master communicated with Mr. Adams and informed him of my communication with Mr. Lentes and indicated that it appears that Thursday, March 12<sup>th</sup> will be the date that the Special Master, along with Mr. Adams, will conduct a review and assessment of the Audit and determine the time-line that the Special Master can set to work through the remaining elements of the Special Mastership. (15 min)

3.9.09 .5 HRS

The Special Master researched, identified and located a section of the Memorandum of Costs; i.e., NRS 18.005 (14). The Special Master informed Mr. Lentes that the file had been located and it would be conveyed to him to allow him to conduct his final work on the Audit Process regarding the Memorandum of Costs. (30 min)

3.10.09 1.5 HRS

The Special Master communicated with Mr. Adams and Mr. Lentes, informing them that the Special Master was in the process of finalizing his Status Report to the Court and to the Parties that outlined the progress in the Case and the expected time-line to work through the next two phases of the Action Plan. (30 min)

The Special Master incorporated into his current Status Report the feedback from Mr. Adams and Mr. Lentes, reviewed the details of the Report and then finalized it ready for forwarding to the Court and to the Parties. The Special Master prepared a cover memo to the Status Report and attached a copy of the Status Report dated 3.10.09 and forwarded it to the Court and to the Parties, with a copy to Mr. Adams Mr. Lentes and Mr. Kern. (1 hr)

3.11.09 3.5 HRS

The Special Master was notified by Mr. Steffen, Plaintiff Counsel, that two individuals did not receive the Status Report forwarded to the Court and to the Parties. The Special Master identified a new email address for Mr. Bernhard, and confirmed the email address for Mr. Kern and forwarded a copy of the Status Report to each of them, which each confirmed they received. (20 min)

The Special Master traveled to the office of Mr. Adams to conference with him on issues related to the Case; i.e., a review of Section 14 of the Memorandum of Costs, with specific focus on back-up materials contained in this section. It was noted that Section 14 did not contain pages 27 and 28; therefore, the Special Master made an immediate search of the Master File and could not locate these particular pages. Additionally, the Special Master discussed the presentation format to the Parties in the first Conference with them to provide the Special Masters overview of the initial Audit findings. (1 hr & 40 min)

The Special Master traveled to the offices of Mr. Lentes to conference with him regarding the status of the Audit, to review particulars of the Audit and to be assured that the Audit is progressing according to the direction of the Special Master. Additionally, the Special Master reviewed the Matrix Spreadsheet that contains a summary of information related to each expense class, the amount claimed and the initial determination of the Special Master if such costs were in accordance with costs allowed in NRS 18. (1.5 hrs)

3.12.09 2 HRS

The Special Master reviewed the Analytical Matrix & Spreadsheet that contains the preliminary Audit findings and began his draft of the Presentation Outline of the Preliminary Audit findings to be given to the Parties in the Case. (1.5 hrs)

The Special Master communicated with Mr. Lentes and Mr. Adams to review a time during the next week at the Conference Room of Mr. Adams when the Special Mastership Team could meet to review the preliminary results of the Audit conducted by Mr. Lentes; to review the Special Masters outline for presentation and to provide appropriate feedback to the Special Master on legal issues. (30 min)

3.13.09 1 HR

The Special Master continued to work on the Summary Outline Detail that will be presented by the Special Mastership Team to the Parties regarding the preliminary Audit findings. (1 hr)

3.14.09 1.5 HRS

The Special Master began his review of the preliminary Audit conducted by Mr. Lentes. (1.5 hrs)

3.15.09 0 HRS

3.16.09 1 HR

The Special Master continued his review of the preliminary Audit Summary by Mr. Lentes in preparation for the Working Conference with the Parties, following the review and assessment of the Audit Report and the assessment by Mr. Adams and the Special Master. (1 hr)



3.17.09 1.5 HRS

The Special Master worked with Mr. Lentes to locate, cross check and determine the validity of reference information from the Memorandum of Costs binder, as well as supporting materials from Binder #2. (1 hr)

The Special Master communicated with the office of Mr. Adams for the purpose of locating and faxing certain supporting information from the original file submission to Mr. Lentes that will allow him to wrap up the Audit portion of the Special Mastership as quickly as possible, thus allowing the Special Master to hold his Working Conference with the respective Legal Counsels. (30 min)

3.18.09 1.5 HRS

The Special Master communicated with Mr. Lentes and Mr. Adams regarding the status of the Audit being conducted by Mr. Lentes. Mr. Lentes indicated that the initial Audit will be completed on March 19, 2009. The Special Master set a time to meet with Mr. Lentes to conduct a complete review of the Audit and to continuing his preparing of the outline to be made to the respective Legal Counsels sometime during the week of March 23-27, 2009. The Special Master set a meeting time and place with Mr. Lentes, Mr. Adams and the Special Master for Friday, March 20<sup>th</sup> at 9:00 a.m. at the offices of Mr. Adams to conduct both an administrative and legal review of the Audit findings and to continue the Special Master's outline of the Working Conference with the respective Legal Counsels. (1 hr)

The Special Master received a call from Mr. Lentes who needed to locate a specific file that was not contained in his Case Files Binders. The Special Master communicated with the office Assistance of Mr. Adams who was able to locate the missing file and forward a copy to Mr. Lentes. Mr. Lentes called the Special Master later in the day and informed him that the Audit was pretty much completed; however, Mr. Lentes wanted to spend time with the Special Master on Thursday morning reviewing many of the details of the Audit, including the Analytical Matrix that has been established to best reflect the Special Master's Audit findings. (30 min)

3.19.09 2.5 HRS

The Special Master traveled to the office of Mr. Lentes for the purpose of reviewing and discussing the Audit results of the Hyatt vs. FTB Cost Reimbursement Case and to assure that all possible precautions had been taken to include and/or identify first and second level notations and accompanying information to support the Costs Claims. (2 hrs)

The Special Master reviewed the notations he had taken in reviewing the Audit, determined their order of priority and referred several of the relevant/documentation of Costs to be presented to the Parties in the up-coming Special Master's Working Conference with them. (30 min)

3.20.09 2.5 HRS

The Special Master traveled to the offices of Mr. Adams, where he met with Mr. Adams and Mr. Lentes to conduct an Administrative and Legal Review of the Audit findings related to Costs. The Special Master reviewed with Mr. Adams and Mr. Lentes his preliminary outline of information to be presented to the respective Legal Parties in the Case to be arranged in the coming week. The Special Master made several additional notations regarding the Information Collected, the Audit, the Assessment of the Audit Findings, the Evaluation of the Audit Findings, the need of the Special Mastership to obtain more clarification and documentation to a number of submitted Costs, the

tentative schedule for a follow-on Working Conference after the Special Master has received the additional supporting information requested and conducted his Evaluation of his findings. (2.5 hrs)

3.21.09 1.5 HRS

The Special Master continued his outline draft of the Analytical Matrix used by the SM for the Working Conference with the Special Mastership Team and the respective Legal Counsel's. The Special Master forwarded a copy to Mr. Adams and Mr. Lentes for their review and feedback. The Special Master directed Mr. Adams to set the Working Conference for Wednesday, March 25<sup>th</sup> at 2:00 p.m., or Thursday, March 26<sup>th</sup> at 10:00 a.m. Mr. Adams will advise the Special Master when the meeting has been confirmed with the respective Legal Counsels. (1.5 hrs)

3.22.09 .5 HRS

The Special Master communicated with Mr. Lentes and Mr. Adams to make sure the Summary Information regarding the Audit of the Hyatt vs. FTB Costs were ready to forward to the Parties for their information, prior to our Working Conference with them on either Wednesday or Thursday afternoon (25<sup>th</sup> or 26<sup>th</sup>). Mr. Lentes indicated that he had forward all of the electronic information that the Special Master has reviewed and approved to Mr. Adams for his final legal review prior to forwarding the information to the Parties. (30 min)

3.23.09 2.5 HRS

The Special Master finalized his draft of the Audit, Assessment, Evaluation & Recommendation Matrix to determine justified and reasonable costs requested in the Memorandum of Costs. (1 hr)

The Special Master conferenced with both Mr. Adams and Mr. Lentes regarding the presentation of the Preliminary Audit and the Special Master Audit, Assessment, Evaluation and Recommendation process; provided his final draft of the Memorandum of Costs Matrix to outline the activities and elements of the Audit, Assessment, Evaluation & Recommendation process; discussed with Mr. Lentes the listing of additional information needed, following the preliminary audit, for review by the Special Master prior to making a final recommendation to the Court and to the Parties on Sustainable, Non-Sustainable and Reasonable Costs. (1.5 hrs)

3.24.09 1 HR

The Special Master met with Mr. Lentes for the purpose of reviewing the final preliminary Audit Report, discussing the details of the Audit Working conference with the Parties and to assure that Mr. Adams has been provided the totality of the preliminary Audit Report for legal review prior to forwarding to the Parties in time for their review for the Special Master's Working Conference regarding the Preliminary Audit Report and related analytical details. (1 hr)

3.25.09 1.5 HRS

The Special Master continued to review and draft out the elements of the Analytical Matrix for presentation to the Parties at the Special Master's Working Conference. (1 hr)

The Special Master communicated with Mr. Adams regarding the date that has been agreed to by the Parties to meet with the Special Mastership for the Working Conference regarding the Preliminary Audit. (15 min)

The Special Master communicated with Mr. Lentes regarding the specific number of Work Sheets containing the Analytical Matrix and additional back-up information. (15 min)

3.26.09 1 HR

The Special Master continued to work on the outline and content of the presentation to the Parties for the Working Conference being set for early next week. (1 hr)

The Special Master communicated with Mr. Adams to discuss the Preliminary Audit Summaries that have been forwarded to him for his review, for appropriate feedback. (15 min)

The Special Master worked with Mr. Lentes on the summary informational packets that will be part of the presentation to the Parties next week during for the Working Conference. (45 min)

3.27.09 1 HR

The Special Master conferenced with Mr. Adams regarding both the Outline and the Substance of the Special Master's presentation to the Parties on the issue of Costs. (1 hr)

3.28.09 0 HRS

3.29.09 2 HRS

The Special Master drafted a Status Report for the month of March 2009, setting forth the current Status and Action Plan of the Special Master in carrying out duties and responsibilities outlined in the Order Appointing Special Master and forwarded the initial draft to Mr. Lentes and Mr. Adams for their review and feedback. (2 hrs)

3.30.09 1.5 HRS

The Special Master worked with Mr. Adams and Mr. Lentes regarding both the timing of the Working Conference with the Parties. Due to the schedules of the respective Legal Counsels, the date for the Working Conference was set for Monday, April 13, 2009 in the afternoon at the offices of Mr. Adams. The Special Master recommended to Mr. Adams that he inform the respective Legal Counsels to attend in person if possible, due to the amount of information that will be presented by the Special Mastership to bring them up-to-date on the Preliminary Audit Process related to the Memorandum of Costs in the Hyatt vs. FTB Case. (1 hr)

The Special Master received some feedback from Mr. Lentes and Mr. Adams regarding the contents of the Final Draft Status Report and added feedback interests of both Mr. Adams and Mr. Lentes in order to make the Status Report as accurate as possible. (30 min)

3.31.09 1 HR

The Special Master worked on finalizing his Status Report for the Case for the month of March 2009. The Special Master also communicated with Mr. Adams, Mr. Lentes to review the final details of the Status Report to be forwarded to the Court and to the Parties on April 1, 2009. (1 hr)

**INVOICED AMOUNT FOR  
HYATT VS. FTB SPECIAL MASTERSHIP**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	4.1.09	42X \$200	=	<u>\$8,400</u>
<b>TOTAL</b>				<b>\$8,400</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentz, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT VS. FTB SPECIAL MASTERSHIP

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EXHIBIT "2"

**ASA MANAGEMENT CORPORATION**  
**PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES**

**ASA MANAGEMENT CORPORATION**  
**C/O DAVID E. LENTES, ACCOUNTANT**  
**2559 BEECHWOOD VILLAGE CT**  
**HENDERSON, NV 89052**

**Phone (702) 256-6657**  
**Fax (702) 256-4393**  
**Cell (702) 498-1170**

**FISCAL YEAR - 2009**

**INVOICE**

<b>INVOICE DATE</b>	<b>INVOICE NO</b>
03/31/09	2009/03-107
<b>MONTH OF MARCH, 2009</b>	

**BILL TO**

**ASHLEY HALL & ASSOCIATES, INC.**  
**ATTN: ASHLEY HALL, SPECIAL MASTER**  
**4651 WHITE ROCK DRIVE**  
**LAS VEGAS, NV 89121**

**RECEIVERSHIP / SPECIAL MASTERSHIP**

**HYATT vs CALIFORNIA FRANCHISE TAX BOARD**  
**(FTB) SPECIAL MASTERSHIP**

**PROFESSIONAL SERVICES BILLING SUMMARY**

DESCRIPTION	DATE	HOURS	RATE / HR	TOTAL	BALANCE
<b>ACCOUNTING SERVICES</b>					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
<b>TOTAL ACCOUNTING SERVICES</b>		88.25	\$ 75.00	\$ 6,618.75	
<b>CONSULTING SERVICES</b>					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
<b>TOTAL CONSULTING SERVICES</b>		13.90	\$ 75.00	\$ 1,042.50	
<b>GENERAL SERVICES</b>					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
<b>TOTAL GENERAL SERVICES</b>		1.85	\$ 75.00	\$ 138.75	
<b>TAX SERVICES</b>					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
<b>TOTAL TAX SERVICES</b>		0.00	\$ 75.00	\$ -	

<b>TOTAL PROFESSIONAL SERVICES</b>	104.00	\$ 7,800.00
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<b>TOTAL REIMBURSABLE EXPENSES</b>	\$ 50.00
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<b>TOTAL DISCOUNT ALLOWED</b>	0.00	\$ -
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<b>TOTAL INVOICE AMOUNT DUE</b>	<b>\$ 7,850.00</b>
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**SIGNATURE**

**DAVID E. LENTES**

**PLEASE MAKE CHECK PAYABLE TO**

**ASA MANAGEMENT CORP**

**ASA MANAGEMENT CORPORATION**  
**PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES**

**ASA MANAGEMENT CORPORATION**  
**C/O DAVID E. LENTES, ACCOUNTANT**  
**2559 BEECHWOOD VILLAGE CT**  
**HENDERSON, NV 89052**

**INVOICE**

<b>INVOICE DATE</b>	<b>INVOICE NO</b>
03/31/09	2009/03-107
MONTH OF MARCH, 2009	

**WORKSHEET**  
**#1**  
**FISCAL YEAR - 2009**

**RECEIVERSHIP / SPECIAL MASTERSHIP**  
**HYATT vs CALIFORNIA FRANCHISE TAX BOARD**  
**(FTB) SPECIAL MASTERSHIP**

**ACCOUNTING SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	G/L	A/P	A/R	P/R
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/03/09		3.50		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/04/09		1.50		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/05/09		6.75		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/06/09		6.75		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/09/09		5.00		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/10/09		5.75		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/11/09		3.50		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/12/09		1.75		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/13/09		4.00		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/14/09		4.25		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/16/09		6.50		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/17/09		6.75		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/18/09		7.00		
EVALUATE / CODE / POST COSTS - HUTCHINSON	03/19/09		5.25		
EVALUATE / CODE / POST COSTS - GILBERT HYATT	03/19/09		6.00		
EVALUATE / CODE / POST COSTS - GILBERT HYATT	03/20/09		3.50		
EVALUATE / CODE / POST COSTS - GILBERT HYATT	03/21/09		1.25		
EVALUATE / CODE / POST COSTS - GILBERT HYATT	03/22/09		8.25		
PREPARE SUMMARY / DETAIL REPORTS - PHASE I	03/22/09		1.00		
<b>TOTAL ACCOUNTING SERVICES BY CATEGORY</b>		<b>0.00</b>	<b>88.25</b>	<b>0.00</b>	<b>0.00</b>

<b>TOTAL ACCOUNTING SERVICES HOURS</b>	<b>88.25</b>
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**ASA MANAGEMENT CORPORATION**  
**PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES**

**ASA MANAGEMENT CORPORATION**  
**C/O DAVID E. LENTES, ACCOUNTANT**  
**2559 BEECHWOOD VILLAGE CT**  
**HENDERSON, NV 89052**

**INVOICE**

<b>INVOICE DATE</b>	<b>INVOICE NO</b>
<b>03/31/09</b>	<b>2009/03-107</b>
<b>MONTH OF MARCH, 2009</b>	

**WORKSHEET**  
**#2**  
**FISCAL YEAR - 2009**

**RECEIVERSHIP / SPECIAL MASTERSHIP**  
**HYATT vs CALIFORNIA FRANCHISE TAX BOARD**  
**(FTB) SPECIAL MASTERSHIP**

**CONSULTING SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
CONFERENCE WITH SPC MASTER - AUDIT STATUS	03/02/09	0.25			
CONFERENCE WITH SPC MASTER - AUDIT STATUS	03/03/09	0.10		1.00	1.00
PHONE CALL FROM SPC MASTER - DRAFT REPORT	03/04/09	0.25			
CONFERENCE WITH SPC MASTER - AUDIT STATUS	03/05/09	0.50			
CONFERENCE WITH SPC MASTER - AUDIT STATUS	03/07/09	0.50			
PHONE CALL FROM SPC MASTER - VARIOUS MATTERS	03/08/09	0.25			
PHONE CALL FROM SPC MASTER - FILE LOCATION	03/09/09	0.25			
PHONE CALL FROM SPC MASTER - STATUS REPORT	03/10/09	0.25			
MEETING WITH SPC MASTER - ADDITIONAL DOCS	03/11/09			0.75	
PHONE CALL FROM SPC MASTER - PLANNING	03/12/09	0.25			
PHONE CALL TO SPC MASTER - ADDITIONAL DOCS	03/17/09	0.25			
PHONE CALL TO ADAMS - ADDITIONAL DOCS	03/17/09	0.10			
PHONE CALL FROM ADAMS - ADDITIONAL DOCS	03/17/09	0.10			
PHONE CALL FROM SPC MASTER - STATUS UPDATE	03/17/09	0.10			
PHONE CALL FROM SPC MASTER - AUDIT STATUS	03/18/09	0.25			
PHONE CALL TO SPC MASTER - DOC FILE MISSING	03/18/09	0.25			
MEETING WITH SPC MASTER - REVIEW PROGRESS	03/19/09			1.00	
MEETING WITH SPC MASTER / ADAMS - EVALUATION	03/20/09			1.50	1.00
PHONE CALL FROM SPC MASTER - AUDIT STATUS	03/22/09	0.25			
CONFERENCE WITH SPC MASTER - AUDIT REPORT	03/23/09			1.50	
MEETING WITH SPC MASTER - FINAL AUDIT REPORT	03/24/09			1.00	
PHONE CALL FROM SPC MASTER - MATRIX	03/25/09	0.25			
COMMUNICATION WITH SPC MASTER - INFO PACKETS	03/26/09	0.25			
COMMUNICATION WITH SPC MASTER - CONFERENCE	03/30/09	0.50			
COMMUNICATION WITH SPC MASTER - FINAL REPORT	03/31/09	0.25			
<b>TOTAL CONSULTING SERVICES BY CATEGORY</b>		<b>5.15</b>	<b>0.00</b>	<b>6.75</b>	<b>2.00</b>

**TOTAL CONSULTING SERVICES HOURS**

**13.90**



**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052****INVOICE****INVOICE DATE****INVOICE NO****03/31/09****2009/03-107****MONTH OF MARCH, 2009****WORKSHEET****#3****FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP****HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP****GENERAL SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	EMAIL	ORG	COPY	FAX
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/02/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/05/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/06/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/08/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/10/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/21/09	0.10			
SEND EMAIL TO SPC MASTER - PHASE I REPORTS	03/22/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/23/09	0.20			
SEND EMAIL TO SPC MASTER - MATRIX EXCEL DOC	03/23/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/24/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/26/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	03/29/09	0.20			
<b>TOTAL GENERAL SERVICES BY CATEGORY</b>		<b>1.85</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**TOTAL GENERAL SERVICES HOURS****1.85**

## PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

# INVOICE

MONTH OF MARCH, 2009

**HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP**

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO RECEIVER OFFICE (20 Miles @ \$.55)	03/03/09			\$ 11.00	
TRAVEL TO ADAMS OFFICE (20 Miles @ \$.55)	03/20/09			\$ 11.00	
OFFICE SUPPLIES (TONER / PAPER)	03/31/09	\$ 28.00			
<b>TOTAL REIMBURSABLE EXPENSES BY CATEGORY</b>		<b>\$ 28.00</b>	<b>\$ -</b>	<b>\$ 22.00</b>	<b>\$ -</b>

**\$ 50.00**

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of March 31, 2009

Statement No. 19757

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
3/3/2009	AS	Review and analysis of limited opposition to motion filed by Defendant to our motion for remuneration	0.10	200.00	20.00
3/10/2009	JRA	Review, revise and supplement special master's report and Telephone call with Ashley regarding same	0.75	200.00	150.00
3/11/2009	AHS	Clerk time	16.00	0.00	0.00
3/17/2009	JRA	Telephone call with Ashley regarding missing exhibits. Telephone call with Dave regarding same. Direct secretary to call counsel for copies	0.25	200.00	50.00
3/18/2009	AS	Review and analysis of order appointing receiver/special master to determine if a reply brief should be filed in response to the limited opposition. After review of the same and strategy with JRA, agree not to draft a reply	0.20	200.00	40.00
3/19/2009	JRA	Review Motion and Opps to Cost Memo. Review statutes and case law in preparation for meeting with Ashley. Draft Memorandum regarding same	3.65	200.00	730.00
3/20/2009	JRA	Analysis and review of preliminary spread sheets and categorization of costs sought through memorandum of costs with AS, Ashley Hall, and Dave Lentz. Research NV case law and outline mandatory standard for review reasonableness of costs. Discuss additional information necessary to move forward with providing final report to judge	0.70	200.00	140.00
3/20/2009	AS	Analysis and review of preliminary spread sheets and categorization of costs sought through memorandum of costs with JRA, Ashley Hall, and Dave Lentz. Research NV case law and outline mandatory standard for review reasonableness of costs. Discuss additional information necessary to move forward with providing final report to judge	0.70	200.00	140.00
3/24/2009	AS	Draft order granting motion for remuneration taking into consideration the limited opposition per direction of Dept 10 JEA	0.30	200.00	60.00
3/24/2009	AS	Draft email to special master regarding motion for remuneration issues	0.10	200.00	20.00
3/25/2009	AS	Review and analysis of multiple email correspondence from special master regarding remuneration for February and March fees and case status	0.20	200.00	40.00

3/26/2009	AS	Gather and review fee reports and costs from Receiver and others for February, 2009. Draft motion for remuneration in this matter for February, 2009 fees and costs	0.50	200.00	100.00
3/26/2009	AS	Draft email correspondence to Special Master regarding remuneration motion and status of case	0.10	200.00	20.00
3/30/2009	AS	Review and analysis of proposed report of Special Master	0.20	200.00	40.00
3/30/2009	AS	Telephone call with Ashley Hall to set up telephone conference or in person meeting with all counsel on April 1, 2009 around 2pm	0.10	200.00	20.00
3/30/2009	AS	Send and receive multiple e-correspondence with all counsel in case regarding meeting with Special Master	0.30	200.00	60.00
<b>Sub-total Fees:</b>					<b>1,630.00</b>

**Costs**

	Monthly administrative expen	65.20
3/11/2009	Photocopies	1,242.30
<b>Sub-total Costs:</b>		<b>1,307.50</b>

**Disbursements**

3/11/2009	Binders	144.00
3/11/2009	Divider(360/15*6)	99.96
<b>Sub-total Disbursements:</b>		<b>243.96</b>

This Month Amount Due:	3,240.12
Previous Balance Due:	3,959.70
Interest on Previous Balance Due:	58.66
Less Payments / Credits:	0.00

**Total Now Due: 7,199.82**

**THANK YOU FOR USING ADAMS & ROCHELEAU. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month. Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

1 NTC  
2 Mark A. Hutchison (4639)  
3 Hutchison & Steffen  
4 10080 Alta Drive, Suite 200  
5 Las Vegas, NV 89145  
6 (702) 385-2500

7 Peter C. Bernhard (734)  
8 Bullivant Houser Bailey PC  
9 3883 Howard Hughes Pkwy., Ste. 550  
10 Las Vegas, NV 89169  
11 Telephone: (702) 669-3600

12 *Attorneys for Plaintiff Gilbert P. Hyatt*

13 **DISTRICT COURT**  
14 **CLARK COUNTY, NEVADA**

15 GILBERT P. HYATT,

16 Plaintiffs,

17 v.

18 FRANCHISE TAX BOARD OF THE STATE  
19 OF CALIFORNIA, and DOES 1-100 inclusive,

20 Defendants.

Case No.: A382999

Dept. No.: X

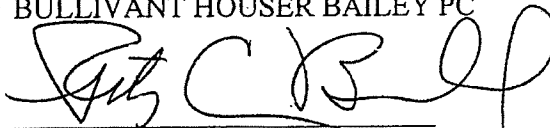
**NOTICE OF PAYMENT OF SPECIAL  
MASTER ASHLEY HALL & ASSOCIATE'S  
JANUARY 2009 FEES AND COSTS**

21 Plaintiff Gilbert P. Hyatt ("Hyatt"), hereby submits payment in the amount of \$2,124.85.

22 This payment is one-half of the amounts due for Special Master Ashley Hall's January 2009  
23 fees and costs. The total due is \$4,249.70.

24 DATED this 9 day of April, 2009


BULLIVANT HOUSER BAILEY PC

25   
26 Peter C. Bernhard, Esq. (734)  
27 3883 Howard Hughes Pkwy., Suite 550  
28 Las Vegas, Nevada 89109  
(702) 669-3600

*Attorneys for Plaintiff Gilbert P. Hyatt*

FILED

APR 9 2 35 PM '09

  
CLERK OF THE COURT

CERTIFICATE OF SERVICE

I certify that I am an employee of BULLIVANT HOUSER BAILEY PC and that on this 9<sup>th</sup> day of April, 2009, I caused the above and foregoing document to be served as follows:

**NOTICE OF PAYMENT OF SPECIAL MASTER ASHLEY HALL & ASSOCIATE'S JANUARY 2009 FEES AND COSTS**

☒ by placing same to be deposited for mailing in the United States, in a sealed envelope upon which postage was prepaid in Las Vegas Nevada; and/or

☐ by delivering same to a commercial carrier for delivery within 3 calendar days; and/or

☐ to be hand-delivered;

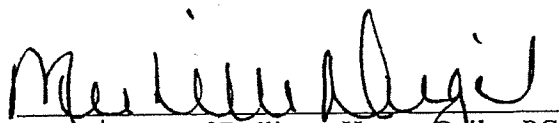
to the attorney(s) listed below at the address and/or facsimile number indicated below:

James A. Bradshaw, Esq.  
Patricia Lundvall, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street  
10<sup>th</sup> Floor  
Reno NV 89501

Jeffrey Silvestri, Esq.  
McDonald Carano Wilson LLP  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102

Robert L. Eisenberg  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, NV 89509

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Avenue  
Suite 280  
Las Vegas, NV 89117

  
An employee of Bullivant Houser Bailey PC

GILBERT P. HYATT  
P.O. BOX 81230  
LAS VEGAS, NV 89180

3057

Date April 9, 2009

25-80/440

Pay to the Order of Bullivant Houser Bailey

\$ 2,124.85 \*\*\*\*\*

Two Thousand One Hundred Twenty-Four and 85/100 \*\*\*\*\*

Dollars

 Member FDIC

Morgan Stanley

Chase Bank, N.A.  
Cincinnati, OH 45215

Expense  
Analyzer

For 2009 Fees and Costs

⑆003057⑆ ⑆044000804⑆890108220574E⑆



MP

1 **SUPP**  
2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 6874  
5 ASSLY SAYYAR, ESQ.  
6 Nevada Bar No.: 9178  
7 8681 W. Sahara Ave., Suite 280  
8 Las Vegas, NV 89117  
9 Tel: 702-838-7200  
10 Fax: 702-838-3636  
11 james@adamslawnevada.com  
12 assly@adamslawnevada.com  
13 *Attorneys for Appointed Special Master*  
14 *Ashley Hall of Ashley Hall & Associates*

15  
16  
17 **DISTRICT COURT**  
18  
19 **CLARK COUNTY, NEVADA**

20 GILBERT P. HYATT,  
21  
22 Plaintiffs,

23 vs.

24 FRANCHISE TAX BOARD OF THE  
25 STATE OF CALIFORNIA,  
26  
27 Defendant

Case No. A382999  
Dept. No. X

Date of Hearing: May 13, 2009  
Time of Hearing: IN CHAMBERS

28  
**SECOND SUPPLEMENT TO THE MOTION FOR REMUNERATION OF COURT**  
**APPOINTED SPECIAL MASTER**

COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Second Supplement to the Motion for Remuneration of Court Appointed Special Master. This Supplement which provides and requests remuneration for April, 2009 is based on the memorandum of points and authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

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1 and any oral argument this Honorable Court may permit.

2 Dated this 6<sup>th</sup> day of May, 2009.

3 ADAMS LAW GROUP, LTD.

4  
5   
6 JAMES R. ADAMS, ESQ.  
7 Nevada Bar No. 6874  
8 ASSLY SAYYAR, ESQ.  
9 Nevada Bar No.: 9178  
10 8681 W. Sahara Ave., Suite 280  
11 Las Vegas, NV 89117  
12 Tel: 702-838-7200  
13 Fax: 702-838-3636  
14 Attorneys for Plaintiff

15 **MEMORANDUM OF POINTS AND AUTHORITIES**

16 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of Ashley  
17 Hall & Associates as a Special Master in this case. The Order states that "the Special Master will  
18 be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket costs. Payment  
19 of these fees and costs shall be divided equally between the above captioned parties as previously  
20 determined by this Court." The Order further states that "The Special Master may employ counsel  
21 (at a rate of \$200.00 per hour) and other professionals necessary to the special mastership (at rates  
22 not exceeding \$200.00 per hour). Payment of these fees and costs shall be divided equally between  
23 the above captioned parties as previously determined by this Court."

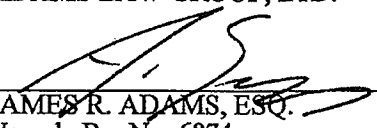
24 The Motion requests fees from February 1, 2009 through February 28, 2009 in the amount  
25 of \$17,253.75. The first Supplement requests fees from March 1, 2009 through March 31, 2009 in  
26 the amount of \$19,431.46. Through this Second Supplement, the Special Master hereby requests  
27 fees from April 1, 2009 through April 30, 2009 in the amount of \$21,070.28.

28 Attached hereto as Exhibit 1 is the Special Masters's Time, Activity, and expense Report for  
April, 2009, outlining said fees and costs equaling a total of \$9,800.00. Attached hereto as Exhibit  
2 is the ASA Management Corporation Invoice for April, 2009 outlining said fees and costs equaling  
a total of \$3,198.75. Attached hereto as Exhibit 3 is the invoice from Adams Law Group, Ltd. to the  
Special Master in the amount of \$8,071.53 for work performed on behalf of the Special Master in  
April, 2009.

1       The Special Master requests the fees and costs for February, 2009, March, 2009, and April,  
2 2009 be paid within 10 days of the date of notice of entry of the order. If said fees are not so paid,  
3 the Special Master requests the order be reduced to judgement, incur interest thereon at the statutory  
4 rate, and be payable and collectible on a 50/50 basis between the above captioned parties pursuant  
5 to the Order appointing the Special Master.

6       Dated this 6<sup>th</sup> of May, 2009.

7                                   ADAMS LAW GROUP, LTD.

8  
9                                     
10                                  JAMES R. ADAMS, ESQ.  
11                                  Nevada Bar No. 6874  
12                                  ASSLY SAYYAR, ESQ.  
13                                  Nevada Bar No.: 9178  
14                                  8681 W. Sahara Ave., Suite 280  
15                                  Las Vegas, NV 89117  
16                                  Tel: 702-838-7200  
17                                  Fax: 702-838-3636  
18                                  Attorneys for Plaintiff  
19  
20  
21  
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24  
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28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and  
3 that on this date, I served the following **SECOND SUPPLEMENT TO THE MOTION FOR**  
4 **REMUNERATION OF COURT APPOINTED SPECIAL MASTER** upon all parties to this  
5 action by:

6

7 <b>X</b>	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
8	Hand Delivery
9	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

10 addressed as follows:

11 Mark A. Hutchison, Esq.  
12 Hutchison & Steffen  
13 10080 Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Attorney for Plaintiff

14 Peter C. Bernhard  
15 Bullivant Houser Bailey PC  
16 3883 Howard Hughes Parkway, suite 550  
Las Vegas, Nevada 89169  
Attorney for Plaintiff

17 James A. Bradshaw, Esq.  
18 McDonald Carano Wilson LLP  
19 100 West Liberty Street, 10<sup>th</sup> Floor  
Reno, Nevada 89501  
Attorney for Defendant

20 Jeffrey Silvestri, Esq.  
21 McDonald Carano Wilson, LLP  
22 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

23 Robert L. Eisenberg, Esq.  
24 Lemons, Grundy & Eisenberg  
25 6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

26 Dated the 7 day of May, 2009.

27   
28 An employee of ADAMS LAW GROUP, LTD.

# EXHIBIT “1”

---

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

---

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant

FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999

DT: 5.1.09

SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special Mastership for April 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of April 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**April 2009**

**4.1.09 1.5 HRS**

The Special Master compiled his March 2009 Time & Activity Report, received, reviewed and approved the Time and Activity Reports for Mr. Adams and Mr. Lentos, and forwarded same to Mr. Adams for submission to the Court with the Order for Remuneration for the month of March 2009. (1 hr)

The Special Master finalized the March Status Report, provided a cover memo to the Court and to the Parties and forwarded to the Court and to the Parties a copy of the subject Status Report, informing the Court and the Parties that Mr. Adams would provide them with a copy of the Preliminary Audit Report, with an accompanying copy of the Analytical Matrix used by the Special Master in conducting the Audit, Assessment, Evaluation and Recommendations to the Court regarding the allowed Costs. (30 min)

**4.2.09 1 HR**

The Special Master drafted a memo to Mr. Adams and Mr. Lentos requesting that a detailed follow-up be conducted with the Parties in the Case in anticipation of the Working Conference set by the Special Master for Monday, April 13, 2009 at the Law Offices of Mr. Adams. The purpose of the Working Conference with the Parties is to review the Preliminary Audit Report and the Analytical Matrix established by the Special Mastership to assemble, audit, assess and evaluate the Costs data provided by the Plaintiff in its Memorandum of Costs to the Court. (1 hr)

**4.3.09 1.5 HRS**

The Special Master received, reviewed and noted the Preliminary Audit Report prepared by Mr. Lentos as part of the Special Master's review during the Working Conference scheduled for the Parties. (1 hr)

The Special Master communicated with Mr. Adams and Mr. Lentos regarding the follow-up information that may be needed by Mr. Adams in order for him to provide his legal overview and assessment to the Parties at the scheduled Working Conference. (15 min)

The Special Master communicated with Mr. Lentos, directing him to follow-up with Mr. Adams and provide him with any additional follow-on information required for Mr. Adams to make his legal overview and assessment. (15 min)

**4.4.09 2 HRS**

The Special Master began his review of the Case and his draft of the Special Master's outline as part of his preparation for the Working Conference with the Parties. (2 hrs)

**4.5.09 0 HRS**

**4.6.09 1.5 HRS**

The Special Master reviewed the communications regarding the Preliminary Audit Report prepared by Mr. Lentos and discussed with Mr. Adams the availability of Mr. Lentos to assist him with any other additional information that he needed in order for him to make his assessment of the Preliminary Audit Report review for the Working Conference with the Parties on Monday, April 13<sup>th</sup>. He indicated that he

was in the process of reviewing all of the Preliminary Audit and file and would be able to determine within the next day or so. The Special Master reminded Mr. Adams that Mr. Lentes is standing by to provide whatever additional information that he may need. (30 min)

The Special Master communicated with Mr. Lentes to discuss the follow-on assessments and evaluations that are necessary to finalize the Special Master's Recommendation to Court on the Memorandum of Costs issue. (30 min)

The Special Master continued his preparation outline for the Working Conference with the Parties. (30 min)

4.7.09 1.5 HRS

The Special Master completed his review, assessment and draft of the Outline for the Working Conference scheduled for Monday, April 13, 2009 at the offices of Mr. Adams. (1.5 hrs)

4.8.09 .5 HRS

The Special Master communicated with both Mr. Adams and Mr. Lentes regarding the Draft Outline for the Working Conference, and forwarded to them an email with the proposed Outline Memo attached for their review and forwarding to the Court and to the Parties. (30 min)

4.9.09 1 HR

The Special Master commenced his review of the Case file in relation to the Memorandum of Costs in preparation for the Working Conference on Monday, April 13, 2009. (1 hr)

4.10.09 2.5 HRS

The Special Master continued his review of the Case file in relation to the Memorandum of Costs in preparation for the Working Conference with the Parties scheduled for Monday, April 13, 2009 at 2:00 p.m. at the Law offices of Mr. James R. Adams, Esq., Legal Counsel for the Special Master. (2 hrs)

The Special Master communicated with Mr. Adams regarding the legal overview he will provide the Parties during the Working Conference. (15 min)

The Special Master communicated with Mr. Lentes regarding the Preliminary Audit Report that has been prepared to review with the Parties at the Working Conference. (15 min)

4.11.09 1.5 HRS

The Special Master continued to review the Case Files, including the data associated with the Memorandum of Costs, the submitted documentation, NRS 18 and related Case Law, along with assessments provided by the Special Master's legal counsel in preparation for the Working Conference with the Parties in the Case set for Monday, April 13, 2009 at 2:00 p.m. (1.5 hrs)

4.12.09 1.5 HRS

The Special Master communicated with Mr. Adams to discuss the status of the Special Master's Legal Brief to be forwarded to the Court and the Parties, for review by the Special Master's Counsel during the Working Conference on Monday, requesting feedback from the Parties as to certain legal points upon which the Special Master will make his final recommendations to the Court on the issue of Costs. (15 min)

The Special Master communicated with Mr. Lentes for the purpose of reviewing his final notes on the Preliminary Audit Report in preparation for the Working Conference with the Parties. (15 min)

The Special Master continued to review his notes, outline/agenda and overall presentation to the Parties at Monday's Working Conference. (1 hr)

#### 4.13.09 5.5 HRS

The Special Master conferenced with Mr. Adams and Mr. Lentes several times during the morning hours discussing the legal brief and the analytical matrix, to coordinate information items for the Working Conference with the Parties. (1 hr)

The Special Master reviewed the Analytical Matrix file, along with the Case Files in preparation for the Working Conference with the Parties at 2:00 p.m. at the offices of Adams Law. (1.5 hrs)

The Special Master traveled to the law offices of Mr. Adams for the Working Conference with the Parties, only to learn that the Plaintiff has requested that the Conference be rescheduled because of personal problems of one of the Principals to attend a funeral for a close relative. The Special Master directed Mr. Adams to reschedule the Working Conference, as long as the Defendant is willing to reschedule. Following a discussion with the Parties, Mr. Adams has rescheduled the meeting for a time that met a time that is agreeable to the Parties and the Special Master. While the Special Master was at the offices of Mr. Adams, he and Mr. Lentes reviewed the entire Preliminary Audit and Analytical Matrix with Mr. Adams, and discussed the Legal Brief that Mr. Adams has been working on regarding Legal Issues that allow costs. (3 hrs)

#### 4.14.09 1.5 HRS

The Special Master reviewed his notes from the discussion he had with Mr. Adams and Mr. Lentes when the Plaintiff in the Case requested to reschedule the Working Conference and because the Defendant could not meet any other time this week, the meeting is to be rescheduled for a date and time acceptable to both Parties. The Special Master reviewed all of the details of the Preliminary Audit to make certain that all of the informational details of the presentation were appropriate, indicating to Mr. Adams and Mr. Lentes that with the rescheduling of the Working Conference with the Parties, the Special Master was prepared to proceed on the Preliminary Phase II areas; however, Phase II will require feedback from the Parties. (1 hr)

The Special Master communicated with Mr. Lentes and Mr. Adams to discuss certain the additional items that had been discussed during our Monday meeting were appropriately aligned in the Audit Report. Mr. Lentes and Mr. Adams affirmed that the informational issues discussed were included in both the legal and auditing processes. (30 min)

#### 4.15.09 1.5 HRS

The Special Master met with Mr. Lentes for the purpose of reviewing most recent insights that were directed to be included in the Preliminary Audit Report, the Analytical Matrix and the presentation to be made by the Special Mastership to the Parties in the Working Conference that was asked to be rescheduled by the Plaintiff. (30 min)

The Special Master communicated with Mr. Adams regarding the items discussed at the Conference with the members of the Special Mastership team and their inclusion into the Working Conference with the Parties. (20 min)



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The Special Master reviewed the additional items that he has directed to be included in the Presentation to the Parties on the Preliminary Audit Report and Analytical Matrix. (40 min)

4.16.09 1.5 HRS

The Special Master communicated with Mr. Adams to check on the status of the legal up-dates of the Preliminary Audit Report for the Special Master's final review prior to the Working Conference that is scheduled for the week of April 20-24, 2009. Mr. Adams informed the Special Master that he was in the process of finalizing the up-dates and would advise the Special Master. (15 min)

The Special Master communicated with Mr. Lentes later in the day to determine his timing in finalizing the Preliminary Audit Report, based on the most up-dates legal brief from Mr. Adams. Mr. Lentes informed the Special Master that he would make the needed changes as they are received from the Special Master, via Mr. Adams. The Special Master indicated to Mr. Lentes that as soon as Mr. Adams informed him that the new legal up-dates were completed, the Special Master would schedule a final review conference with Mr. Adams to finalize the Preliminary Audit Report, in preparation for the Working Conference with the Parties. (15 min)

The Special Master reviewed selected portions of the Preliminary Audit Report regarding Recommended and Non-Recommended Costs. (1 hr)

4.17.09 1.5 HRS

The Special Master received a communication from Mr. Adams informing him that he had completed an assessment of his initial legal brief to the Preliminary Audit Report; however, he is finding additional legal precedence from both the Nevada Supreme Court Cases and Case Law; therefore, as he proceeds to up-date his Legal Brief impacting the Preliminary Audit Report, he will provide those up-dates as appropriate. A meeting was scheduled at the offices of Mr. Adams on Monday, April 20<sup>th</sup> at 2:45 p.m. to review the additional findings by Mr. Adams. (20 min)

The Special Master communicated with Mr. Lentes to check to make certain that he had received the final legal comments regarding the Preliminary Audit Report and his timing on completing his up-date of the Report for a final review by the Special Master on Monday, April 20<sup>th</sup> at 2:45 p.m. at the offices of Mr. Adams. (15 min)

The Special Master continued his review of the Preliminary Audit Report, with specific focus on Non-Recommended Costs. (55 min)

4.18.09 1 HR

The Special Master communicated with both Mr. Adams and Mr. Lentes to review the up-dates that are being made to the Preliminary Audit Report resulting from the legal review by Mr. Adams. The Special Master provided specific direction to have all of the up-dates to the Preliminary Audit Report concluded by Tuesday, April 21, 2009 in preparation for the Working Conference with the Parties scheduled for this week. (1 hr)

4.19.09 0 HRS

4.20.09 2.5 HRS

The Special Master communicated with Mr. Adams to determine if a specific time has been set to reschedule the Working Conference with the Parties in the Case for this week? Mr. Adams informed the Special Master that the Parties are to respond as to the specific date and time by the end of the work day today. (15 min)

The Special Master communicated with Mr. Lentes, directing that he bring to the Conference meeting a complete copy of all of the up-dates to the Preliminary Audit Report for final review, assessment and approval by the Special Master, as per the direction of allowable costs and/or non-allowable costs, based on the legal/case law/reasonableness criteria. (15 min)

The Special Master met Mr. Adams and Mr. Lentes at the offices of Mr. Adams, reviewed all of the legal issues assessed by Mr. Adams, in his capacity as Legal Counsel to the Special Master, regarding Costs Categorization, reviewed the up-dated Preliminary Audit Report and directed Mr. Adams and Mr. Lentes to proceed toward finalizing the Preliminary Audit Report for the Working Conference that is being scheduled with the Parties this week and be prepared to assist the Special Master in making the presentation to the Parties. (2 hrs)

4.21.09 1.5 HRS

The Special Master received and reviewed the up-dated Cost Categorization Spread Sheets from Mr. Lentes that were prepared as a result of the Special Masters conference with Mr. Adams and Mr. Lentes, wherein Mr. Adams detailed his legal research and thinking regarding Cost Category NRS15, by name. The Special Master reviewed the detailed recompilation of the Cost Category. The Special Master communicated with Mr. Lentes to clarify several of the items contained on the Spread Sheets. (1 hr)

4.22.09 1.5 HRS

The Special Master communicated with Mr. Adams and Mr. Lentes regarding the progress being made on the NRS 15 issues that have been discussed over the past several days, requesting that Mr. Adams focus on finalizing the legal portions of the Preliminary Audit Report by the end of the week in order for Mr. Lentes to realign all of the activities contained in the Preliminary Audit Report for presentation to the Parties at our earliest opportunity. (1 hr)

The Special Master indicated to both Mr. Adams and Mr. Lentes to continue to move forward into the Phase II assessment and evaluation, pending the Special Master's Working Conference with the Parties regarding Phase I. (30 min)

4.23.09 1 HRS

The Special Master worked on finalizing an expanded Analytical Matrix to include each of the major categories utilized in collecting, assessing, evaluating and recommending authorized costs contained in the Memorandum of Costs submitted by the Plaintiff in the Case. (45 min)

The Special Master communicated with Mr. Adams and Mr. Lentes to determine the status of the final legal review of the Preliminary Audit Report that will allow for the finalization of the Analytical Matrix by the Special Master. (15 min)

4.24.09 1.5 HRS

The Special Master reviewed several of the Phase II tasks in meeting an aggressive timeline to finalize the Memorandum of Costs Case, subject to the feedback provided by the Parties following the Working Conference with the Parties scheduled for the week of April 27-May1, 2009. (1 hr)

The Special Master discussed with Mr. Adams the outline of the Analytical Matrix that would include each of the legal aspects that he has had under review as part of the Phase II process, while awaiting an acceptable scheduled meeting with the Parties that was delayed more than a week ago. The Special Master directed both Mr. Adams and Mr. Lentes to continue their efforts toward the Phase II assessment and evaluation process thus not delaying any more time than is necessary in order to meet with the Parties in a Working Conference to review the Phase I Preliminary Audit Report. (30 min)

#### 4.25.09 2.5 HRS

The Special Master received several communications from Mr. Adams regarding his legal review of the Category 17 and Category 15 Costs, indicating to the Special Master that he has determined that all Category 17 Costs must meet a specific criteria set forth by the Nevada Supreme Court – “Supreme Court case law requires a showing of both reasonableness and necessity (in addition to the cost being actually incurred). This demonstration of both reasonableness and necessity is unique to category 17.

At this point, the firm of Hutchinson & Steffen has not made any showing as to reasonableness and necessity of any cost in category 17. Without supplementation by H&S, no cost in category 17 can be allowed at this time.” The Special Master directed Mr. Adams, based on his Legal Review to prepare a legal memorandum supporting the preliminary findings of the Special Master not to include Category 17 Costs in his Preliminary Audit Report. (30 min)

The Special Master received, reviewed, assessed and evaluated the revised Category 15 Costs following a Legal Review by Mr. Adams. (1.5 hrs)

The Special Master communicated with Mr. Lentes and directed him to finalize the Preliminary Audit with the revised and approved Legal Review of Category 15 Costs, as recommended by Mr. Adams. (20 min)

The Special Master communicated with Mr. Adams, determined that as soon as Mr. Lentes is able to revise the Preliminary Audit Report regarding Category 15, that the Special Master, Mr. Lentes, Mr. Adams and Ms. Sayyar should meet to review the final Preliminary Audit Report prior to the working conference scheduled for Friday, May 1, 2009 at the offices of Mr. Adams at 1:30 p.m. in the afternoon. (10 min)

#### 4.26.09 0 HRS

#### 4.27.09 2.5 HRS

The Special Master communicated with Mr. Adams regarding the status of the legal review of Categories 15 and 17, the disposition of his findings to Mr. Lentes and the desire of the Special Master to obtain an electronic copy of his Legal Review of Categories 15 & 17 for his review prior to the Special Mastership conference with Mr. Adams and Mr. Lentes on Tuesday at the offices of Mr. Adams. (30 min)

The Special Master traveled to the offices of Mr. Lentes to review the revised Category Audit listings for category 15 and 17, and to review the revised Analytical Matrix to make sure it contained all of the

substantive information headings utilized for the Audit, Assessment, Evaluation and Reasonableness of Costs conclusions that the Special Master will submit to the Court. (2 hrs)

4.28.09 2.5 HRS

The Special Master traveled to the offices of Mr. Adams to meet with him and Mr. Lentes to review the final legal review of the Memorandum of Costs, by category. The focus of the legal review has been categories 15 and 17, along with the Nevada Supreme Court ruling in the PETA Case and other Case Law. At the conclusion of the conference, the Special Master directed Mr. Adams to draft a legal opinion that outlines the legal findings of the Special Mastership regarding Costs to be submitted to the Court and to the Parties along with a copy of the Preliminary Audit Report Spreadsheets for review by the Parties prior to the Special Master's Working Conference with them. (2.5 hrs)

4.29.09 2.5 HRS

The Special Master received; reviewed and approved the Revised Costs Categories Spreadsheets by Mr. Lentes resulting from the Special Master's Conference with Mr. Adams and Mr. Lentes on the 28<sup>th</sup>. (2 hrs)

The Special Master communicated with Mr. Lentes and Mr. Adams to make sure that all of the Preliminary Audit information, including the Costs Categories Spreadsheets and the Legal Opinion regarding such from Mr. Adams would be forwarded to the Court and the Parties, along with the Special Master's Agenda for the Working Conference with the Parties, informing the Parties that the Working Conference is a presentation of the facts in the Case, as per the Special Master's Analytical Matrix established to determine what costs are allowed by law, by Supreme Court Decision, by Case Law and is determined to be Reasonable by the Special Master. (30 min)

4.30.09 2 HRS

The Special Master provided an instructional memo to Mr. Adams and Mr. Lentes regarding the legal brief and the final printing of the Preliminary Audit Report & Spreadsheets that is being issued on behalf of the Special Master regarding the Legal Issues & Audit impacting the Memorandum of Costs submitted by the Plaintiff in the Case. The concern of the Special Master is that the Legal Brief and the Preliminary Audit Report provided to the Court and to the Parties the clearest thinking possible regarding the issue of Costs under NRS 18, Supreme Court Rulings, Case Law and the Reasonableness Issue as assessed, evaluated and concluded by the Special Master. The Special Master feels that it is critical that both the Legal Brief and the Preliminary Audit Report be as informative and clear as possible regarding both the objectivity utilized by the Special Mastership in conducting his gathering, auditing, assessing, evaluating and recommending his conclusions to the Court and to the Parties, and the subjective judgment of the Special Mastership in its assessment, evaluation and recommendations based on NRS 18 and the accompanying Supreme Court Rulings, Case Law and the Special Master's measuring subject Costs against an Analytical Matrix that greatly assisted the Special Master in reaching his Preliminary Audit, Assessments, Evaluations and Conclusions as set forth in the Preliminary Audit Report and Spreadsheets. (1 hr)

The Special Master began his draft of the Agenda for the Working Conference that is now scheduled for Monday, May 11, 2009 at 2:00 p.m. in the Conference Room of Mr. Adams. (1 hr)

**INVOICED AMOUNT FOR  
HYATT VS. FTB SPECIAL MASTERSHIP**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	5.1.09	49 X \$200	=	<u>\$9,800.00</u>
<b>TOTAL</b>				<b>\$9,800.00</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT VS. FTB SPECIAL MASTERSHIP

# EXHIBIT "2"

<b>ASA MANAGEMENT CORPORATION</b>
<b>PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES</b>

<b>REMIT TO</b>
<b>ASA MANAGEMENT CORPORATION</b> <b>C/O DAVID E. LENTES, ACCOUNTANT</b> <b>2559 BEECHWOOD VILLAGE CT</b> <b>HENDERSON, NV 89052</b>

Phone (702) 256-6657  
 Fax (702) 256-4393  
 Cell (702) 498-1170

<b>INVOICE</b>	
<b>INVOICE DATE</b>	<b>INVOICE NO</b>
04/30/09	2009/04-107
MONTH OF APRIL, 2009	

<b>BILL TO</b>
<b>ASHLEY HALL &amp; ASSOCIATES, INC.</b> <b>ATTN: ASHLEY HALL, SPECIAL MASTER</b> <b>4651 WHITE ROCK DRIVE</b> <b>LAS VEGAS, NV 89121</b>

<b>FISCAL YEAR - 2009</b>

<b>RECEIVERSHIP / SPECIAL MASTERSHIP</b>
<b>HYATT vs CALIFORNIA FRANCHISE TAX BOARD</b> <b>(FTB) SPECIAL MASTERSHIP</b>

PROFESSIONAL SERVICES BILLING SUMMARY					
DESCRIPTION	DATE	HOURS	RATE / HR	TOTAL	BALANCE
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
<b>TOTAL ACCOUNTING SERVICES</b>		20.25	\$ 75.00	\$ 1,518.75	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
<b>TOTAL CONSULTING SERVICES</b>		16.65	\$ 75.00	\$ 1,248.75	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
<b>TOTAL GENERAL SERVICES</b>		4.55	\$ 75.00	\$ 341.25	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
<b>TOTAL TAX SERVICES</b>		0.00	\$ 75.00	\$ -	

<b>TOTAL PROFESSIONAL SERVICES</b>	41.45		\$ 3,108.75
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<b>TOTAL REIMBURSABLE EXPENSES</b>			\$ 90.00
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<b>TOTAL DISCOUNT ALLOWED</b>	0.00		\$ -
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<b>TOTAL INVOICE AMOUNT DUE</b>	<b>\$ 3,198.75</b>
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SIGNATURE
<b>DAVID E. LENTES</b>

PLEASE MAKE CHECK PAYABLE TO
<b>ASA MANAGEMENT CORP</b>

## PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

**ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052**

INVOICE DATE	INVOICE NO
04/30/09	2009/04-107
MONTH OF APRIL, 2009	

**FISCAL YEAR - 2009**HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

DESCRIPTION	DATE	G/L	A/P	A/R	P/R
CATEGORIZATION UPDATE FROM ADAMS RECORDS	04/19/09	7.00			
CATEGORIZATION UPDATE FROM ADAMS RECORDS	04/20/09	3.50			
CATEGORIZATION UPDATE FROM ADAMS RECORDS	04/26/09	2.00			
SET UP REPORTS FOR SORTS (DATE / NAME) PER SM	04/26/09	0.50			
SET UP REPORTS FOR CODES SORT PER SM	04/27/09	1.00			
REVIEW SPREADSHEET CHANGES LISTED BY ADAMS	04/28/09	0.25			
SET UP / RUN REPORT - NRS CODES 1-15 (DETAIL)	04/28/09	0.50			
SET UP / RUN REPORT - NRS CODE 17 ONLY (DETAIL)	04/28/09	0.50			
SET UP / RUN REPORT - NRS CODES 1-15 (SUMMARY)	04/28/09	0.50			
SET UP / RUN REPORT - NRS CODE 17 ONLY (SUMM)	04/28/09	0.50			
SET UP / RUN REPORT - ALL NRS CODES (SUMMARY)	04/28/09	0.50			
REVISE REPORTS PER MEETING DISCUSSION	04/28/09	0.50			
RE-CODE G/L FOR NRS CODE 15 ACCOUNTS	04/28/09	2.50			
RE-RUN REPORTS FOR SPC MASTER / ADAMS	04/28/09	0.50			
TOTAL ACCOUNTING SERVICES BY CATEGORY		20.25	0.00	0.00	0.00

**20.25**



<b>ASA MANAGEMENT CORPORATION</b>
<b>PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES</b>

<b>REMIT TO</b>
<b>ASA MANAGEMENT CORPORATION</b> <b>C/O DAVID E. LENTES, ACCOUNTANT</b> <b>2559 BEECHWOOD VILLAGE CT</b> <b>HENDERSON, NV 89052</b>

<b>INVOICE</b>	
<b>INVOICE DATE</b>	<b>INVOICE NO</b>
04/30/09	2009/04-107
<b>MONTH OF APRIL, 2009</b>	

<b>WORKSHEET</b>
<b>#2</b>
<b>FISCAL YEAR - 2009</b>

<b>RECEIVERSHIP / SPECIAL MASTERSHIP</b>
<b>HYATT vs CALIFORNIA FRANCHISE TAX BOARD</b> <b>(FTB) SPECIAL MASTERSHIP</b>

CONSULTING SERVICES BILLING DETAIL (HOURS)					
DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
PHONE CALL FROM SPC MASTER - LEGAL OVERVIEW	04/03/09	0.25			
PHONE CALL FROM SPC MASTER - ASSES / EVALUATE	04/06/09	0.50			
PHONE CALL FROM SPC MASTER - CONFERENCE	04/08/09	0.25			
PHONE CALL FROM SPC MASTER - PRELIMINARY AUDIT	04/10/09	0.25			
PHONE CALL FROM SPC MASTER - PRELIMINARY AUDIT	04/12/09	0.25			
PHONE CALL FROM SPC MASTER - MATRIX / MISC	04/13/09	0.50			
PREPARE MATRIX REPORT FOR SPC MASTER	04/13/09		0.25		
PRINT REPORTS FOR SPC MASTER FOR CONFERENCE	04/13/09		0.50		
CONFERENCE WITH SPC MASTER / ADAMS	04/13/09			2.00	1.00
PHONE CALL FROM SPC MASTER - AUDIT ISSUES	04/14/09	0.25			
MEETING WITH SPC MASTER TO REVIEW REPORTS	04/15/09			0.50	
PHONE CALL FROM SPC MASTER - AUDIT REPORT	04/16/09	0.25			
PHONE CALL FROM SPC MASTER - STATUS UPDATE	04/17/09	0.25			
PHONE CALL FROM SPC MASTER - AUDIT UPDATES	04/18/09	0.50			
PHONE CALL TO SPC MASTER - CATEGORIZATION	04/19/09	0.20			
PHONE CALL FROM SPC MASTER - MEETING	04/20/09	0.25			
CONFERENCE WITH SPC MASTER / ADAMS	04/20/09			2.00	1.00
PHONE CALL FROM SPC MASTER - AUDIT REPORT	04/21/09	0.25			
PHONE CALL FROM SPC MASTER - STATUS UPDATE	04/22/09	0.50			
PHONE CALL FROM SPC MASTER - LEGAL OVERVIEW	04/23/09	0.10			
PHONE CALL FROM SPC MASTER - PHASE II	04/24/09	0.10			
PHONE CALL FROM SPC MASTER - STATUS UPDATE	04/25/09	0.25			
PHONE CALLS FROM SPC MASTER - STATUS UPDATE	04/27/09	0.20			
MEETING WITH SPC MASTER TO REVIEW REPORTS	04/27/09			1.25	
PHONE CALL TO / FROM JAMES ADAMS - CODING	04/27/09	0.20			
CONFERENCE WITH SPC MASTER / ADAMS	04/28/09			1.50	1.00
PHONE CALL TO SPC MASTER - CATEGORIZATION	04/28/09	0.25			
PHONE CALL FROM SPC MASTER - PHASE II	04/30/09	0.10			
<b>TOTAL CONSULTING SERVICES BY CATEGORY</b>		<b>5.65</b>	<b>0.75</b>	<b>7.25</b>	<b>3.00</b>

<b>TOTAL CONSULTING SERVICES HOURS</b>	<b>16.65</b>
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<b>ASA MANAGEMENT CORPORATION</b>
<b>PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES</b>

<b>REMIT TO</b>
<b>ASA MANAGEMENT CORPORATION</b> <b>C/O DAVID E. LENTES, ACCOUNTANT</b> <b>2559 BEECHWOOD VILLAGE CT</b> <b>HENDERSON, NV 89052</b>

<b>INVOICE</b>	
<b>INVOICE DATE</b>	<b>INVOICE NO</b>
04/30/09	2009/04-107
<b>MONTH OF APRIL, 2009</b>	

<b>WORKSHEET</b>
<b>#3</b>
<b>FISCAL YEAR - 2009</b>

<b>RECEIVERSHIP / SPECIAL MASTERSHIP</b>
HYATT vs CALIFORNIA FRANCHISE TAX BOARD
(FTB) SPECIAL MASTERSHIP

<b>GENERAL SERVICES BILLING DETAIL (HOURS)</b>					
DESCRIPTION	DATE	EMAIL	ORG	COPY	FAX
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	04/01/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	04/07/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	04/08/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	04/10/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	04/13/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	04/13/09	0.50			
SEND EMAIL TO ADAMS - COSTS (ALL CATEGORY)	04/13/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	04/14/09	0.10			
RE-SEND EMAIL TO ADAMS - COSTS (ALL CATEGORY)	04/15/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	04/18/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	04/18/09	0.10			
FORMAT / SEND NRS 15 SPREADSHEET TO ASSLY	04/20/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	04/25/09	0.50			
SEND EMAIL TO SPC MASTER - NRS 17 QUESTIONS	04/25/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	04/25/09	0.10			
SEND FAX TO ADAMS - DATA PER REQUEST	04/27/09				0.25
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	04/27/09	0.10			
SEND EMAIL TO SPC MASTER / ADAMS - REPORTS	04/28/09	0.25			
RETRIEVE / REVIEW / FILE EMAILS FROM ASSLY	04/29/09	0.30			
SCAN / SEND EMAIL TO SPC MASTER - PHASE II	04/29/09	0.10		0.10	
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	04/30/09	0.20			
<b>TOTAL GENERAL SERVICES BY CATEGORY</b>		<b>4.20</b>	<b>0.00</b>	<b>0.10</b>	<b>0.25</b>

<b>TOTAL GENERAL SERVICES HOURS</b>	<b>4.55</b>
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<b>ASA MANAGEMENT CORPORATION</b>
<b>PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES</b>

<b>REMIT TO</b>
<b>ASA MANAGEMENT CORPORATION</b> <b>C/O DAVID E. LENTES, ACCOUNTANT</b> <b>2559 BEECHWOOD VILLAGE CT</b> <b>HENDERSON, NV 89052</b>

<b>INVOICE</b>	
<b>INVOICE DATE</b>	<b>INVOICE NO</b>
04/30/09	2009/04-107
<b>MONTH OF APRIL, 2009</b>	

<b>WORKSHEET</b>
<b>#5</b>
<b>FISCAL YEAR - 2009</b>

<b>RECEIVERSHIP / SPECIAL MASTERSHIP</b>
<b>HYATT vs CALIFORNIA FRANCHISE TAX BOARD</b> <b>(FTB) SPECIAL MASTERSHIP</b>

<b>REIMBURSABLE EXPENSES BILLING DETAIL</b>					
DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	04/20/09			\$ 22.00	
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	04/28/09			\$ 22.00	
OFFICE SUPPLIES (TONER / PAPER)	04/30/09	\$ 46.00			
<b>TOTAL REIMBURSABLE EXPENSES BY CATEGORY</b>		\$ 46.00	\$ -	\$ 44.00	\$ -

<b>TOTAL REIMBURSABLE EXPENSES</b>	<b>\$ 90.00</b>
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# EXHIBIT “3”

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of April 30, 2009

Statement No. 20006

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
3/31/2009	AS	Send and receive e-correspondence with counsel regarding setting meeting date and time for special master meeting	0.10	200.00	20.00
4/3/2009	tph	Prepared for attorneys review Notice of Entry of Order to file with District Court. Prepared filing NEO and Certificate of Service to opposing counsel	0.50	145.00	72.50
4/7/2009	AS	Review and analysis of fee reports and status reports from David Lentes and Special Master. Draft supplement to motion for remuneration for March, 2009 fees	0.60	200.00	120.00
4/7/2009	AS	Draft email correspondence to David Lentes providing him remuneration information for accounting purposes	0.10	200.00	20.00
4/12/2009	JRA	Review 7 binders of documents and conduct research to draft legal memorandum on costs for special master	3.50	200.00	700.00
4/13/2009	JRA	Continue research, review spreadsheets and meeting with Ashley and Dave regarding costs	2.50	200.00	500.00
4/13/2009	AS	Prepare with JRA for meeting with all counsel and Special Master to discuss preliminary findings and recommendations	0.20	200.00	40.00
4/14/2009	JRA	Strategy and analysis of review and application of law to various costs with AS	0.10	200.00	20.00
4/14/2009	AS	Strategy and analysis of review and application of law to various costs with JRA	0.10	200.00	20.00
4/15/2009	JRA	Review line by line each item of costs and make preliminary recommendation based on law as to whether the cost is or is not permitted with AS	3.90	200.00	780.00
4/15/2009	AS	Research and review law on costs permitted to prepare for line by line review of each and every cost to advise special master on preliminary recommendations to make	0.20	200.00	40.00
4/15/2009	AS	Review line by line each item of costs and make preliminary recommendation based on law as to whether the cost is or is not permitted with JRA	3.90	200.00	780.00
4/16/2009	AS	Review and analysis of email correspondence from Hyatt Counsel regarding witnesses used during deposition and	0.10	200.00	20.00

		trial for purposes of making initial recommendations on costs			
4/17/2009	JRA	Continue drafting preliminary recommendations for costs with AS	1.70	200.00	340.00
4/17/2009	AS	Continue drafting preliminary recommendations for costs with JRA	1.70	200.00	340.00
4/18/2009	JRA	Continue work in reviewing each and every cost item on spreadsheet against NV cost law to make preliminary recommendations with AS	2.50	200.00	500.00
4/18/2009	JRA	Draft and outline details of criteria for denying or accepting costs for use in reporting to judge and counsel with AS	0.50	200.00	100.00
4/18/2009	JRA	Draft email to Dave Lentes and Ashley Hall regarding criteria, status of preliminary recommendations and issues with supplementation of documents	0.30	200.00	60.00
4/18/2009	AS	Continue work in reviewing each and every cost item on spreadsheet against NV cost law to make preliminary recommendations with JRA	2.50	200.00	500.00
4/18/2009	AS	Draft and outline details of criteria for denying or accepting costs for use in reporting to judge and counsel with JRA	0.50	200.00	100.00
4/20/2009	JRA	Meeting with AS, Ashley Hall, and David Lentes to continue preliminary review and recommendation on all costs. Discuss specifically Subsections 15 and 17	1.00	200.00	200.00
4/20/2009	AS	Meeting with JRA, Ashley Hall, and David Lentes to continue preliminary review and recommendation on all costs. Discuss specifically Subsections 15 and 17	1.00	200.00	200.00
4/24/2009	AS	Send and receive e-correspondence with reciever and David Lentes regarding working and completion of preliminary report and recommendation	0.20	200.00	40.00
4/25/2009	JRA	Complete preliminary review and recommendation on all costs with AS	3.90	200.00	780.00
4/25/2009	JRA	Send and receive e-correspondence with counsel for Hyatt for additional witness list documentation	0.10	200.00	20.00
4/25/2009	JRA	Draft email correspondence to Dave Lentes and Special Master regarding preliminary report, categories used in response to rejecting certain costs, and issues regarding experts and NRS sub category 17	0.20	200.00	40.00
4/25/2009	AS	Complete preliminary review and recommendation on all costs with JRA	3.90	200.00	780.00
4/27/2009	JRA	Telephone call with Dave and Ashley regarding status of report. Telephone call with Ashley regarding correcting several entries in report	0.45	200.00	90.00
4/27/2009	JRA	Review and analysis of additional documents located by Lentes to add further preliminary findings to report on costs requested with AS. Add and make recommendations on cost	0.20	200.00	40.00
4/27/2009	AS	Review and analysis of additional documents located by Lentes to add further preliminary findings to report on	0.20	200.00	40.00

costs requested with JRA. Add and make recommendations on cost

4/28/2009	JRA	Meeting with Ashley Hall, AS, and David Lentes to discuss preliminary report and moving forward regarding the same towards final recommendations to judge	0.90	200.00	180.00
4/28/2009	AS	Meeting with Ashley Hall, JRA, and David Lentes to discuss preliminary report and moving forward regarding the same towards final recommendations to judge	0.60	200.00	120.00
4/29/2009	AS	Send and receive multiple e-correspondence with various counsel in case regarding set up of meeting with special master. (no charge)	0.20	200.00	40.00
4/30/2009	JRA	Telephone call with Ashley regarding status of Phase 2 report	0.20	200.00	40.00
<b>Sub-total Fees:</b>					<b>7,682.50</b>

#### Costs

Monthly administrative expen	307.30
<b>Sub-total Costs:</b>	<b>307.30</b>

#### Payments

4/16/2009	Payment	Payment from Client Check #1269	1,643.20
<b>Sub-total Payments:</b>			<b>1,643.20</b>

This Month Amount Due:	8,071.53
Previous Balance Due:	7,317.14
Interest on Previous Balance Due:	81.73
Less Payments / Credits:	1,643.20

**Total Now Due: 13,745.47**

**THANK YOU FOR USING ADAMS & ROCHELEAU. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month. Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

PETER C. BERNHARD  
E-mail: peter.bernhard@bullivant.com

May 8, 2009

James R. Adams  
Adams Law Group, Ltd.  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117

***Re: Gilbert P. Hyatt v. Franchise Tax Board  
Case No. A382999***

Dear Mr. Adams:

Thanks very much for the report and spreadsheets provided Friday morning. As paragraph 9 of the Cover Memo indicates, the purpose of Monday's meeting is to allow us "to ask questions and/or clarify any items regarding any aspect" of the submitted materials. Upon our quick review of these materials, we understand generally what has been done, and we just had a few questions about your format. To save everyone's time, we are submitting our questions to you below and are comfortable with your responding in writing, eliminating the need for a meeting on Monday. Therefore, unless the FTB has any other questions or needs clarification, Plaintiff will go through your Phase I analysis and respond specifically after receiving your response to these inquiries:

1. Please confirm that you have allowed one copy of each deposition and that no further back-up documentation is needed in this category.

2. Please specify what additional back-up would be acceptable for the computerized legal research expenses that are expressly authorized under NRS 18.005(17). For example, is a summary of motion practice, appellate work, and trial issues, all of which required computerized legal research, sufficient?

3. We have been asked to designate five experts. Does this mean the special master has determined that any experts in excess of five are unrecoverable, under any circumstances? Or will the special master consider whether the remaining experts were reasonable and necessary under the catch-all of NRS 18.005(17)? In any event, please confirm that by designating five experts, Plaintiff is not waiving any arguments that others are also recoverable as taxable costs.



James R. Adams  
May 8, 2008  
Page 2

4. The special master requests justification for multiple people performing work on the expert engagements for Price Waterhouse Cooper and Sjoberg Consulting, LLC. We provided a detailed explanation for this in our opposition to motion to retax costs (basically that it was necessary for others to work under the direction of these experts because of the enormity of the task involved and the very brief deadline imposed by the discovery commissioner to prepare reports). Therefore, please confirm that, since the special master asks for additional justification, he has already determined that the explanations provided in our memorandum of costs and opposition to retax costs were insufficient.

5. Please confirm that Price Waterhouse Cooper, which provided one testifying expert at trial, is counted as one of the five requested designations.

6. On telecopies, the special master indicates that "source documentation used in creating the spreadsheet would qualify as justifying documentation." We are unclear what this means. For example, we have billing software that provides all of the information which was previously provided in our pleadings. Please specify what is meant by "source documentation".

7. On photocopies, as with telecopies, what is meant by "source documentation" on in-house copies? What is the special master's thinking in allowing out-sourced photocopies while provisionally disallowing in-house photocopy costs? Is this just a "source documentation" issue? Or something else?

8. On trial transcripts and other items categorized under NRS 18.005(17), it appears that the documentation was acceptable to the special master, but that more explanation of "necessity" is required to meet the requirements of NRS 18.005(17) (see your spreadsheet, "ALL-Cost Categorization (Summary Analysis) [NRS 17]"). Is this correct?

9. On witness preparation and juror analysis, the special master quotes the Berosini case stating that these costs will be denied until "at some future time, when the practice of law develops to a point where litigation attorneys necessarily incur such expenses as a matter of course." Therefore, it appears that the documentation for these items was acceptable to the special master, but the expenses must be disallowed until a court rules that, since the Berosini case is almost 20 years old, this may be the "future time", in a case of this magnitude, where these preparation tools are necessarily incurred as a matter of course and can therefore be taxable as costs. Please confirm that this is the special master's position.



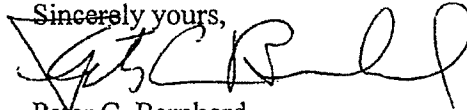
James R. Adams

May 8, 2008

Page 3

Plaintiff reserves any additional questions upon complete review of your materials.  
Again, thank you for your assistance, and we look forward to your responses.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Peter C. Bernhard", written over a horizontal line.

Peter C. Bernhard

PCB/mmd

cc: Judge Jessie Walsh  
Donald J. Kula, Esq.  
Mark A. Hutchison, Esq.  
James Bradshaw, Esq.  
Jeff Silvestri, Esq.  
Robert Eisenberg, Esq.  
Pat Lundvall, Esq.



1 **MOT**  
ADAMS LAW GROUP, LTD.  
2 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
3 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
4 8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
5 Tel: 702-838-7200  
Fax: 702-838-3636  
6 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
[assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
7 *Attorneys for Appointed Special Master*  
*Ashley Hall of Ashley Hall & Associates*

8  
9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 GILBERT P. HYATT,  
12 Plaintiffs,

13 vs.

14 FRANCHISE TAX BOARD OF THE  
STATE OF CALIFORNIA,  
15 Defendant

Case No. A382999  
Dept. No. X

Date of Hearing: 7.8.09  
Time of Hearing: In Chambers

16  
17 **MOTION FOR REMUNERATION OF COURT APPOINTED SPECIAL**  
18 **MASTER**

19 COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through  
20 its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Motion for  
21 Remuneration of Court Appointed Special Master. This Motion is based on the memorandum of  
22 points and authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

23 ///

24 ///

25 ///

26 ///

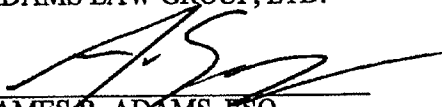
27 ///

28 ///

1 and any oral argument this Honorable Court may permit.

2 Dated this 4<sup>th</sup> day of June, 2009.

3 ADAMS LAW GROUP, LTD.

4  
5   
6 JAMES R. ADAMS, ESQ.  
7 Nevada Bar No. 6874  
8 ASSLY SAYYAR, ESQ.  
9 Nevada Bar No.: 9178  
10 8681 W. Sahara Ave., Suite 280  
11 Las Vegas, NV 89117  
12 Tel: 702-838-7200  
13 Fax: 702-838-3636  
14 Attorneys for Plaintiff

15 NOTICE OF MOTION


16 TO: All Parties; and

17 TO: Their Counsel.

18 YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the undersigned will  
19 bring the foregoing Motion on for hearing before the above titled Court on the 8<sup>th</sup> day of  
20 July, at the hour of 10 Chambers .m. of said date, in Department X.  
21 or as soon thereafter as Counsel can be heard.

22 Dated this 4<sup>th</sup> of June, 2009.

23 ADAMS LAW GROUP, LTD.

24  
25   
26 JAMES R. ADAMS, ESQ.  
27 Nevada Bar No. 6874  
28 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
Tel: 702-838-7200  
Fax: 702-838-3636

26 ///

27 ///

28 ///

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **STATEMENT OF FACTS**

4 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of  
5 Ashley Hall & Associates as a Special Master in this case. The Order states that "the Special  
6 Master will be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket  
7 costs. Payment of these fees and costs shall be divided equally between the above captioned  
8 parties as previously determined by this Court." The Order further states that "The Special  
9 Master may employ counsel (at a rate of \$200.00 per hour) and other professionals necessary to  
10 the special mastership (at rates not exceeding \$200.00 per hour). Payment of these fees and costs  
11 shall be divided equally between the above captioned parties as previously determined by this  
12 Court."

13 This Motion requests that this Honorable Court order that the Special Master receive  
14 remuneration for its services from May 1, 2009 through May 31, 2009 in the amount of  
15 \$17,787.04, inclusive of forensic financial consultant's fees and attorney's fees.<sup>1</sup> Attached hereto  
16 as Exhibit 1 is the Special Masters's Time, Activity, and expense Report for May, 2009,  
17 outlining said fees and costs equaling a total of \$8,800.00. Attached hereto as Exhibit 2 is the  
18 ASA Management Corporation Invoice for May, 2009 outlining said fees and costs equaling a  
19 total of \$3,108.00. Attached hereto as Exhibit 3 is the invoice from Adams Law Group, Ltd. to  
20 the Special Master in the amount of \$5,879.04 for work performed on behalf of the Special  
21 Master in May, 2009.

22 **II.**

23 **ARGUMENT**


24 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
25 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
26 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,

27 \_\_\_\_\_  
28 <sup>1</sup> The Special Master may supplement this motion with fees and costs incurred for June, 2009 or any months thereafter before the hearing date and time given by Master Calendar on this motion.

1 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009).  
2 The Special Master requests an Order authorizing payment to the Receiver for a total sum as  
3 outlined in the attached Exhibits 1, 2, and 3 of \$17,787.04. The Special Master requests the fees  
4 and costs be paid within 10 days of the date of notice of entry of the order. If said fees are not so  
5 paid, the Special Master requests the order be reduced to judgement, incur interest thereon at the  
6 statutory rate, and be payable and collectible on a 50/50 basis between the above captioned  
7 parties pursuant to the Order appointing the Special Master.

8 Dated this 4<sup>m</sup> of June, 2009.

9 ADAMS LAW GROUP, LTD.

10  
11   
12 JAMES R. ADAMS, ESQ.  
13 Nevada Bar No. 6874  
14 ASSLY SAYYAR, ESQ.  
15 Nevada Bar No.: 9178  
16 8681 W. Sahara Ave., Suite 280  
17 Las Vegas, NV 89117  
18 Tel: 702-838-7200  
19 Fax: 702-838-3636  
20  
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1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd.,  
3 and that on this date, I served the following **MOTION FOR REMUNERATION OF COURT**  
4 **APPOINTED SPECIAL MASTER** upon all parties to this action by:

5

6 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
7	Hand Delivery
8	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

9 addressed as follows:

10 Mark A. Hutchison, Esq.  
11 Hutchison & Steffen  
12 10080 Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Attorney for Plaintiff

13 Peter C. Bernhard  
14 Bullivant Houser Bailey PC  
15 3883 Howard Hughes Parkway, suite 550  
Las Vegas, Nevada 89169  
Attorney for Plaintiff

16 James A. Bradshaw, Esq.  
17 McDonald Carano Wilson LLP  
18 100 West Liberty Street, 10<sup>th</sup> Floor  
Reno, Nevada 89501  
Attorney for Defendant

19 Jeffrey Silvestri, Esq.  
20 McDonald Carano Wilson, LLP  
21 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

22 Robert L. Eisenberg, Esq.  
23 Lemons, Grundy & Eisenberg  
24 6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

25 Dated the 4<sup>th</sup> day of June, 2009.

26  
27   
28 An employee of ADAMS LAW GROUP, LTD.

---

# EXHIBIT 1



**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *ajh*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 6.1.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special Mastership for May 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of May 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

---

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**May 2009**

**5.1.09 2.5 HRS**

The Special Master drafted a detailed Cover Memo to the Court and to the Parties conveying the principle information included in the Phase I Audit and Assessment regarding the Memorandum of Costs Case, forwarded it to Mr. Adams to be included in the informational packet containing Phase I Costs Assessment by the Special Master. (1 hr)

The Special Master responded to Mr. Adams informing him that the May 11, 2009 date for the Working Conference with the Parties at 2:00 p.m. was an acceptable time and date for the Special Master. (15 min)

The Special Master communicated with Mr. Lentes to make certain that all of the Phase I Preliminary Audit and Spreadsheet information, including an up-dated copy of the Analytical Matrix that will be forwarded to the Court and the Parties, along with the Legal Brief on Costs by Mr. Adams. (15 min)

The Special Master reviewed his emails regarding the Case and responded to the Parties regarding "why is it taking so long to get the Preliminary Audit Report to us?" The Special Master felt compelled to respond with a brief overview to the Parties as to the pains the Special Master was taking to make certain that the Costs Analysis was both objective and factual. The Special Master informed the Parties that as soon as Mr. Adams completes one final aspect of his Legal Brief, all of the Phase I information will be forwarded to them for their review and response. (1 hr)

**5.2.09 1.5 HRS**

The Special Master received, reviewed and responded to a memo from Mr. Lentes wherein he outlined a spreadsheet that contained the total costs of Phase II items as \$2,407,035.50. These costs reflect the various NRS 18 cost codes with the major cost of \$1,385,211.61 being assigned to Code 5 - Expert Witness Fees. (1 hr)

The Special Master informed Mr. Lentes that upon the Plaintiff's identification of the five (5) witnesses they wish to have applied to the Phase II Costs, as requested in the Phase I Analytical Matrix, Preliminary Audit Report and the Legal Brief, then the Special Mastership can proceed with the cost categories that will reflect only those costs that are associated with the five (5) selected witnesses. The Special Master directed Mr. Lentes to identify all of the invoices and other documentation that was provided containing the financial information related to Phase II in binders 4 & 5. (30 min)

**5.3.09 0 HRS**

**5.4.09 2 HRS**

The Special Master researched, reviewed his operational reports, the Phase I and II assessments and evaluations that have been completed as of this date, conferenced with Mr. Adams and Mr. Lentes regarding several issues, and begin his draft of the April Status Report to the Court and to the Parties. (2 hrs)

**5.5.09 1.5 HRS**

The Special Master finalized his April Status Report, conferenced with Mr. Adams and Mr. Lentes on both Legal and Accounting issues and forwarded to them a copy of the Status Report for the Court and the Parties. (1.5 hrs)

5.6.09 2.5 HRS

The Special Master received a communication from Mr. Lundvall, Legal Counsel for the Defendant, requesting that the Conference be moved up in order to accommodate her later flight to Reno in the late afternoon. Initially, the meeting was set for 2:00 p.m.; however, the Special Master provided Mr. Adams with his schedule in the morning of May 11<sup>th</sup> and determined that with the Court Hearings Mr. Adams has to attend that morning, the best time to reschedule the Working Conference would be 12:00 noon on Monday, May 11, 2009. The Special Master requested that Mr. Adams advise the Parties of the time change. (30 min)

The Special Master communicated with Mr. Lentes, directing him to provide both the Special Master and Mr. Adams with the most recent up-dated Analytical Matrix Spreadsheet, as per our Phase II work. (15 min)

The Special Master received, reviewed and clarified certain elements of the Exhibit 6 with both Mr. Adams and Mr. Lentes; which included Mr. Adams' legal review of the Exhibit 6 of the Category 5 assessment, evaluation and recommendation. (1 hr 45 min)

5.7.09 2.5 HRS

The Special Master begin his review of Exhibit 7 from Mr. Adams, along with the Preliminary Findings and Report issued to the Court and to the Parties for Phase I. (2 hrs)

The Special Master conferenced with Mr. Lentes, in preparation for the Special Master's Working Conference with the Parties now scheduled for 12:00 noon on Monday, May 11, 2009 at the law offices of Mr. Adams. (30 min)

5.8.09 2.5 HRS

The Special Master communicated with Mr. Adams and Mr. Lentes to discuss the contents and format of the Preliminary Findings and Report pertaining to the Memorandum of Costs being assessed, evaluated and recommended to the Court based on the criteria outlined in the Analytical Matrix established by the Special Mastership. (30 min)

The Special Master received and reviewed the Preliminary Finding and Report issued to the Court and to the Parties containing all of the Phase I Assessment, Evaluation & Recommendations regarding the Memorandum of Costs submitted by the Plaintiff in the Case as part of the Special Master's Initial Presentation and Review of the subject Preliminary Findings and Report to the Court and to the Parties. (2 hrs)

5.9.09 2 HRS

The Special Master finalized his review of the Phase I and partial Phase II information generated by the Special Mastership as of this date, in preparation for the Special Master's Working Conference with the Parties on May 11<sup>th</sup>. (2 hrs)

5.10.09 3.5 HRS

The Special Master compiled his file on the Phase I and Phase II work preformed by the Special Mastership; conferenced with Mr. Adams and Mr. Lentes at the offices of Mr. Adams for the purpose of reviewing, discussing and mapping out the presentation agenda for the Working Conference with the Parties on Monday, May 11<sup>th</sup> at 12:00 noon. (3 hrs)

The Special Master reviewed the comments from the Parties regarding the need for the SM's Working Conference on Monday at 1200 noon, communicated with both Mr. Adams and Mr. Lentes regarding the schedule and the agenda for the meeting. (30 min)

5.11.09 3.5 HRS

The Special Master prepared an Agenda for the Working Conference with the Parties, forwarded it to Mr. Adams and Mr. Lentes for their review and comment prior to finalization. (1 hr)

The Special Master traveled to the offices of Mr. Adams, met with he and Mr. Lentes prior to the Working Conference with the Parties in the Case to review the Phase I and partial Phase II Report that has been issued to the Court and to the Parties regarding the Memorandum of Costs submitted by the Plaintiff and opposed by the Defendant in the Case. The Special Mastership reviewed the subject Informational Materials submitted to the Court and to the Parties, explained our line of reasoning for the Special Master's Preliminary Conclusions in the Phase I Audit and Phase II Assessment, responded to questions and requested the additional Supporting Documentation requested by the Special Master in order for the Phase III final evaluation and recommendation to be made to the Court. (2.5 hrs)

5.12.09 1 HR

The Special Master reviewed his notes from the Working Conference with the Parties in preparation to move forward in responding to the anticipated additional feedback from the Parties based on the informational packet that was provided as part of the Special Master's Phase I Preliminary Analysis, Audit, Assessment, Evaluation & Recommendation. (1 hr)

5.13.09 2 HRS

The Special Master met with Mr. Lentes to review the final version of the Preliminary Audit Report that went to the Court and the Parties and to analyze its format to make certain that all of the information presented in the Analytical Matrix Spreadsheet is easy to read and make complete sense. (1 hr)

The Special Master reviewed his notes from the Working Conference presentation to the Parties in preparation for the additional supporting materials that are anticipated from the Parties. (1 hr)

5.14.09 2 HRS

The Special Master conferenced with Mr. Adams and Mr. Lentes for the purpose of reviewing in detail all of the Categories posted in the Analytical Matrix evaluated against NRS 18, Supreme Court Rulings, Case Law and the issue of Reasonableness. The Special Master also outlined several recommendations regarding the Presentation of Recommendations that will be made to the Court at the conclusion of the remaining Phase II feedback assessment and the Phase III final evaluations, based on the criteria established by the Special Mastership. (2 hrs)

5.15.09 1 HR

The Special Master communicated with Mr. Adams to determine if the Phase I Packet of Information that was provided to the Parties had also been forwarded to the Court? Mr. Adams indicated he thought that a copy of the electronic file had been forwarded, but he would make certain that a Hard Copy of the entire Informational Packet of Phase I would be delivered to the Court. (20 min)

The Special Master communicated with Mr. Lentes to discuss several of the OPTIONS available in the Electronic Files containing all of the Analytical Data associated to the Memorandum of Costs. The Special Master directed Mr. Lentes to develop a list of Information Options that may be helpful to the Court and to the Parties in their review, assessment and agreement/challenge of the Special Master's Final Report and Recommendations. (40 min)

5.16.09 1 HR

The Special Master reviewed and noted several items regarding the completion of the Phase II Assessment & Evaluation that will result in the completion of the Special Mastership as he completes the Phase III and

final segment of the assessment, evaluation and recommendation of Costs as set forth in the Memorandum of Costs as submitted by the Plaintiff and as responded to by the Defendant. (1 hr)

5.17.09 0 HRS

5.18.09 1.5 HRS

The Special Master begin his review of the Preliminary Audit Recommendations in preparation to finalize the Phase II element as soon as the Parties in the Case respond to the presentation provided to them by the Special Mastership in our Working Conference with them on May 11<sup>th</sup>. The Special Master reviewed the Audit by category as outlined in the Preliminary Report. (1.5 hrs)

5.19.09 1.5 HRS

The Special Master met with Mr. Lentes to review each of the elements of the Preliminary Audit Report and Spreadsheets, in anticipation of the feedback from the Parties, and to identify any additional possible structural elements that will make the final Phase III Recommendations Report is understandable and completes all of the duties and responsibilities assigned to the Special Master in the Order Appointing Special Master. (1.5 hrs)

5.20.09 1 HR

As a result of the Special Master's conference with Mr. Lentes on Tuesday, he reviewed each of the Costs Categories except Categories 15 and 17. (1 hr)

5.21.09 1.5 HRS

The Special Master continued his review and assessment of the Categories listed in the Analytical Matrix with a focus on Category 15. The Special Master informed Mr. Lentes that following his review of Category 15, there are still improvements in both the lay-out and the content of the information that can make the Special Master's assessment and evaluation more understandable and better read. (1.5 hrs)

5.22.09 1 HR

The Special Master communicated with the offices of Mr. Adams to determine if any feedback has been forthcoming from the Plaintiff or Defendant in the Case regarding the Phase I – Preliminary Audit & Spreadsheets supplied to them as part of the Special Master's Working Conference with the Parties on May 11<sup>th</sup>. The Special Master was informed that no information has been forth coming as of this date. (30 min)

The Special Master finalized his review of the Preliminary Audit Report and the Spreadsheets, including the Analytical Matrix used to layout the initial assessment, evaluation and recommendation as to the Costs through the Phase I process. (30 min)

5.23.09 0 HRS

5.24.09 0 HRS

5.25.09 .5 HRS

The Special Master drafted a memo to Mr. Adams to determine if either of the Parties in the Case have submitted any feedback as per the Special Master's directions at the conclusion of the Working Conference with the Parties in mid-May. The Special Master informed Mr. Adams that he will take the time to review the additional submittals from the Parties as soon as they are received, in that finalizing the Special Mastership Case is a priority for the Special Master at the present time. (30 min)

5.26.09 .5 HRS

The Special Master inquired of Mr. Adams if any of the Parties have submitted any additional supporting information as outlined in the Working Conference with them on May 11, 2009? Mr. Adams informed the Special Master that there has been no additional information forthcoming. (20 min)

The Special Master notified Mr. Lentes that we are still on hold with Phase II until the additional supporting information is forthcoming from the Parties in the Case. (10 min)

5.27.09 1 HR

The Special Master began his review and drafting of the Status Report for the Special Mastership for the month of May 2009. (1 hr)

5.28.09 0 HRS

5.29.09 1.5 HRS

The Special Master reviewed his file information for the month of May 2009 in preparation for drafting the Status Report to the Court and to the Parties for the month. (1.5 hrs)

5.30.09 2 HRS

The Special Master outlined and drafted his initial May Status Report in the Hyatt vs. FTB Memorandum of Costs Case. (1.5 hrs)

The Special Master forwarded a copy of the preliminary draft of the May Status Report to Mr. Adams and Mr. Lentes for their review prior to finalizing the Report. (30 min)

5.31.09 1 HR

The Special Master reviewed and finalized his daily Time, Activity & Expense Report file and forwarded it to Mr. Adams for submission to the Court. (1 hr)

**INVOICED AMOUNT FOR**  
**HYATT VS. FTB SPECIAL MASTERSHIP**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	6.1.09	44 X \$200	=	<u>\$8,800</u>
<b>TOTAL</b>				<b>\$8,800</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT VS. FTB SPECIAL MASTERSHIP

---

# EXHIBIT 2

**ASA MANAGEMENT CORPORATION**  
**PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES**

**MEMIT TO**  
**ASA MANAGEMENT CORPORATION**  
**C/O DAVID E. LENTES, ACCOUNTANT**  
**2559 BEECHWOOD VILLAGE CT**  
**HENDERSON, NV 89052**

Phone (702) 256-6657  
 Fax (702) 256-4393  
 Cell (702) 498-1170

**FISCAL YEAR - 2009**

**INVOICE**

INVOICE DATE	INVOICE NO
05/31/09	2009/05-107
MONTH OF MAY, 2009	

**BILL TO**

**ASHLEY HALL & ASSOCIATES, INC.**  
**ATTN: ASHLEY HALL, SPECIAL MASTER**  
 4651 WHITE ROCK DRIVE  
 LAS VEGAS, NV 89121

**RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
 (FTB) SPECIAL MASTERSHIP

**PROFESSIONAL SERVICES BILLING SUMMARY**

DESCRIPTION	DATE	HOURS	RATE / HR	TOTAL	BALANCE
<b>ACCOUNTING SERVICES</b>					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
<b>TOTAL ACCOUNTING SERVICES</b>		22.50	\$ 75.00	\$ 1,687.50	
<b>CONSULTING SERVICES</b>					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
<b>TOTAL CONSULTING SERVICES</b>		13.95	\$ 75.00	\$ 1,046.25	
<b>GENERAL SERVICES</b>					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
<b>TOTAL GENERAL SERVICES</b>		3.70	\$ 75.00	\$ 277.50	
<b>TAX SERVICES</b>					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
<b>TOTAL TAX SERVICES</b>		0.00	\$ 75.00	\$ -	

<b>TOTAL PROFESSIONAL SERVICES</b>	40.15		<b>\$ 3,011.25</b>
------------------------------------	-------	--	--------------------

<b>TOTAL REIMBURSABLE EXPENSES</b>			<b>\$ 96.75</b>
------------------------------------	--	--	-----------------

<b>TOTAL INVOICE ADJUSTMENTS</b>	0.00		<b>\$ -</b>
----------------------------------	------	--	-------------

<b>TOTAL INVOICE AMOUNT DUE</b>	<b>\$ 3,108.00</b>
---------------------------------	--------------------

**SIGNATURE**  
**DAVID E. LENTES**

PLEASE MAKE CHECK PAYABLE TO  
**ASA MANAGEMENT CORP**



<b>ASA MANAGEMENT CORPORATION</b>
<b>PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES</b>

<b>REMIT TO</b>
<b>ASA MANAGEMENT CORPORATION</b> <b>C/O DAVID E. LENTES, ACCOUNTANT</b> <b>2559 BEECHWOOD VILLAGE CT</b> <b>HENDERSON, NV 89052</b>

<b>INVOICE</b>	
<b>INVOICE DATE</b>	<b>INVOICE NO</b>
05/31/09	2009/05-107
<b>MONTH OF MAY, 2009</b>	

<b>WORKSHEET</b>
<b>#1</b>
<b>FISCAL YEAR - 2009</b>

<b>RECEIVERSHIP / SPECIAL MASTERSHIP</b>
HYATT vs CALIFORNIA FRANCHISE TAX BOARD
(FTB) SPECIAL MASTERSHIP

<b>ACCOUNTING SERVICES BILLING DETAIL (HOURS)</b>					
DESCRIPTION	DATE	G/L	A/P	A/R	P/R
CATEGORIZATION UPDATE - ADAMS RECORDS (EXH 6)	05/06/09	7.00			
REVISE / RERUN REPORTS - ADAMS - PHASE I	05/07/09	1.00			
CATEGORIZATION UPDATE - ADAMS RECORDS (EXH 6)	05/07/09	11.00			
FINAL RECONCILIATION - REPORTS (EXHIBIT 6)	05/08/09	1.00			
SET UP / RUN REPORTS FOR RECEIVER (EXHIBIT 6)	05/08/09	1.00			
CODE / POST A/R - AHA QB ACCOUNTING SYSTEM	05/31/09			0.75	
CODE / POST A/P - AHA QB ACCOUNTING SYSTEM	05/31/09		0.75		
<b>TOTAL ACCOUNTING SERVICES BY CATEGORY</b>		<b>21.00</b>	<b>0.75</b>	<b>0.75</b>	<b>0.00</b>

<b>TOTAL ACCOUNTING SERVICES HOURS</b>	<b>22.50</b>
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<b>ASA MANAGEMENT CORPORATION</b>
<b>PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES</b>

<b>REMIT TO</b>
<b>ASA MANAGEMENT CORPORATION</b> <b>C/O DAVID E. LENTES, ACCOUNTANT</b> <b>2559 BEECHWOOD VILLAGE CT</b> <b>HENDERSON, NV 89052</b>

<b>INVOICE</b>	
<b>INVOICE DATE</b>	<b>INVOICE NO</b>
05/31/09	2009/05-107
MONTH OF MAY, 2009	

<b>WORKSHEET</b>
#2
FISCAL YEAR - 2009

<b>RECEIVERSHIP / SPECIAL MASTERSHIP</b>
HYATT vs CALIFORNIA FRANCHISE TAX BOARD (FTB) SPECIAL MASTERSHIP

CONSULTING SERVICES BILLING DETAIL (HOURS)					
DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
PHONE CALL FROM SPC MASTER - PHASE I AUDIT	05/01/09	0.25			
PHONE CALL FROM SPC MASTER - PHASE II AUDIT	05/02/09	0.50			
CONFERENCE WITH SPC MASTER - PHASE I & II	05/04/09	0.25			
CONFERENCE WITH SPC MASTER - ACCOUNTING	05/05/09	0.25			
CONFERNENC WITH SPC MASTER / ADAMS - MATRIX	05/06/09	0.25			
PHONE CALL FROM ADAMS - DISCUSS PHASE I	05/07/09	0.25			
CONFERENCE WITH SPC MASTER - CONFERENCE	05/07/09	0.25			
PHONE CALL FROM SPC MASTER - FINDINGS / REPORT	05/08/09	0.50			
CONFERENCE WITH SPC MASTER / ADAMS	05/10/09			2.50	1.00
PHONE CALL FROM SPC MASTER / ADAMS - AGENDA	05/11/09	0.10			
CONFERENCE WITH SPC MASTER / ADAMS	05/11/09			1.50	1.00
MEETING WITH SPC MASTER - REVIEW AUDIT REPORT	05/13/09			1.00	
CONFERENCE WITH SPC MASTER / ADAMS	05/14/09			1.00	1.00
PHONE CALL FROM SPC MASTER - DATA OPTIONS	05/15/09	0.50			
CONFERENCE WITH SPC MASTER - REVIEW CASE	05/19/09			1.50	
PHONE CALL FROM SPC MASTER - CATEGORY 15	05/21/09	0.25			
PHONE CALL FROM SPC MASTER - PHASE II STATUS	05/26/09	0.10			
TOTAL CONSULTING SERVICES BY CATEGORY		3.45	0.00	7.50	3.00

<b>TOTAL CONSULTING SERVICES HOURS</b>	<b>13.95</b>
--	--------------



## PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

**ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052**

**INVOICE DATE**

05/31/09

**INVOICE NO**

**2009/05-107**

**MONTH OF MAY, 2009**

## WORKSHEET

## #5

**FISCAL YEAR - 2009**

## RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## REIMBURSABLE EXPENSES BILLING DETAIL

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	05/10/09			\$ 22.00	
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	05/11/09			\$ 22.00	
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	05/14/09			\$ 22.00	
OFFICE SUPPLIES (TONER / PAPER / MISC)	05/31/09	\$ 30.75			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 30.75	\$ -	\$ 66.00	\$ -

**NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE**

**TOTAL REIMBURSABLE EXPENSES BY CATEGORY**

**\$ 30.75**

\$ -

**\$ 66.00**

\$ -

**TOTAL REIMBURSABLE EXPENSES**

**\$ 96.75**

---

# EXHIBIT 3

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of May 31, 2009

Statement No. 20183

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
5/1/2009	JRA	Research and draft legal memorandum regarding costs	4.90	200.00	980.00
5/1/2009	AS	Send and receive multiple e-correspondence with counsel for all parties to set meeting to go over preliminary report and discuss procedure for the same. (no charge)	0.30	0.00	0.00
5/1/2009	AS	Edit and assist in drafting memo outlining and detailing criteria for preliminary report to all counsel	1.40	200.00	280.00
5/5/2009	JRA	Begin review of expert costs and additional costs to being phase 2 of the review and preliminary recommendations for costs with AS. Conference with Ashley	1.00	200.00	200.00
5/5/2009	AS	Begin review of expert costs and additional costs to being phase 2 of the review and preliminary recommendations for costs with JRA	1.00	200.00	200.00
5/6/2009	JRA	Complete review of expert costs and additional costs as part of phase 2 of the review and preliminary recommendations for costs with AS	3.60	200.00	720.00
5/6/2009	AS	Complete review of expert costs and additional costs as part of phase 2 of the review and preliminary recommendations for costs with JRA	3.60	200.00	720.00
5/7/2009	JRA	Review spreadsheets and continue to draft legal memo	1.60	200.00	320.00
5/8/2009	JRA	Review and analysis of law memo for preliminary report and discuss final edits and contents with AS. Conference with Ashley	0.40	200.00	80.00
5/8/2009	JRA	Conclude report and email	0.80	200.00	160.00
5/8/2009	AS	Review and analysis of law memo for preliminary report and discuss final edits and contents with JRA	0.40	200.00	80.00
5/10/2009	JRA	Meeting with ASHley and Dave regarding preliminary report and response thereto and agenda for monday's meeting	2.20	200.00	440.00
5/11/2009	JRA	Prepare for meeting with all counsel regarding preliminary report with AS, David Lentes, and Ashley Hall. Review agenda an draft questions from Bullivant Houser Bailey	1.60	200.00	320.00
5/11/2009	JRA	Special Master meeting with all counsel to review preliminary report, preliminary legal memo and take questions and discuss phase 2 and 3 of audit. JRA, David Lentes, Ashley Hall, AS, and all counsel either present or	1.50	200.00	300.00

		there via teleconference		
5/11/2009	AS	Prepare for meeting with all counsel regarding preliminary report with JRA, David Lentos, and Ashley Hall. Review agenda and draft questions from Bullivant Houser Bailey	0.50	200.00 100.00
5/11/2009	AS	Special Master meeting with all counsel to review preliminary report, preliminary legal memo and take questions and discuss phase 2 and 3 of audit. JRA, David Lentos, Ashley Hall, AS, and all counsel either present or there via teleconference	1.50	200.00 300.00
5/12/2009	AS	Draft order granting motion for remuneration per call from Clerk's office	0.20	200.00 40.00
5/14/2009	JRA	Meeting with Ashley and Dave regarding categorization and phase II of audit	1.50	200.00 300.00
5/15/2009	AS	Conference with Ashley regarding Phase I	0.25	200.00 50.00
5/18/2009	AS	Draft NOE for recent order	0.10	200.00 20.00
		<b>Sub-total Fees:</b>		<b>5,610.00</b>

**Costs**

Monthly administrative expen	224.40
<b>Sub-total Costs:</b>	<b>224.40</b>

**Payments**

6/1/2009	Payment	1/2 Pay for Hyatt-March & April	2,316.50
6/3/2009	Payment	Other 1/2 pay for Hyatt-March&April	3,190.32
6/3/2009	Payment	Payment from Client	6,784.75
		<b>Sub-total Payments:</b>	<b>12,291.57</b>

This Month Amount Due:	5,856.72
Previous Balance Due:	13,745.47
Interest on Previous Balance Due:	22.32
Less Payments / Credits:	12,291.57

**Total Now Due: 7,310.62**

**THANK YOU FOR USING ADAMS LAW GROUP. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month. Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

1 **MOT**  
2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 6874  
5 ASSLY SAYYAR, ESQ.  
6 Nevada Bar No.: 9178  
7 8681 W. Sahara Ave., Suite 280  
8 Las Vegas, NV 89117  
9 Tel: 702-838-7200  
10 Fax: 702-838-3636  
11 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
12 [assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
13 *Attorneys for Appointed Special Master*  
14 *Ashley Hall of Ashley Hall & Associates*

15 **DISTRICT COURT**  
16 **CLARK COUNTY, NEVADA**

17 GILBERT P. HYATT,  
18  
19 Plaintiffs,

20 vs.

21 FRANCHISE TAX BOARD OF THE  
22 STATE OF CALIFORNIA,  
23 Defendant

Case No. A382999  
Dept. No. X

Date of Hearing:  
Time of Hearing:

24 **MOTION FOR REMUNERATION OF COURT APPOINTED SPECIAL**  
25 **MASTER**

26 COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through  
27 its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Motion for  
28 Remuneration of Court Appointed Special Master. This Motion is based on the memorandum of  
points and authorities below, the pleadings and papers on file herein, the exhibits attached hereto,

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1 and any oral argument this Honorable Court may permit.

2 Dated this 7<sup>th</sup> day of July, 2009.

3  
4 ADAMS LAW GROUP, LTD.

5   
6 JAMES R. ADAMS, ESQ.  
7 Nevada Bar No. 6874  
8 ASSLY SAYYAR, ESQ.  
9 Nevada Bar No.: 9178  
10 8681 W. Sahara Ave., Suite 280  
11 Las Vegas, NV 89117  
12 Tel: 702-838-7200  
13 Fax: 702-838-3636  
14 Attorneys for Plaintiff

15 **NOTICE OF MOTION**

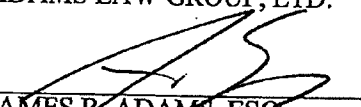
16 TO: All Parties; and

17 TO: Their Counsel.

18 YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the undersigned will  
19 bring the foregoing Motion on for hearing before the above titled Court on the 12<sup>th</sup> day of  
20 Aug, at the hour of 9:00 A.m. of said date, in Department X  
21 or as soon thereafter as Counsel can be heard.

22 Dated this 7<sup>th</sup> of July, 2009.

23 ADAMS LAW GROUP, LTD.

24   
25 JAMES R. ADAMS, ESQ.  
26 Nevada Bar No. 6874  
27 ASSLY SAYYAR, ESQ.  
28 Nevada Bar No.: 9178  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
Tel: 702-838-7200  
Fax: 702-838-3636

29 ///

30 ///

31 ///

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **STATEMENT OF FACTS**

4 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of Ashley  
5 Hall & Associates as a Special Master in this case. The Order states that "the Special Master will  
6 be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket costs. Payment  
7 of these fees and costs shall be divided equally between the above captioned parties as previously  
8 determined by this Court." The Order further states that "The Special Master may employ counsel  
9 (at a rate of \$200.00 per hour) and other professionals necessary to the special mastership (at rates  
10 not exceeding \$200.00 per hour). Payment of these fees and costs shall be divided equally between  
11 the above captioned parties as previously determined by this Court."

12 This Motion requests that this Honorable Court order that the Special Master receive  
13 remuneration for its services from June 1, 2009 through June 30, 2009 in the amount of \$4,427.04,  
14 inclusive of forensic financial consultant's fees and attorney's fees.<sup>1</sup> Attached hereto as Exhibit 1  
15 is the Special Masters's Time, Activity, and expense Report for June, 2009, outlining said fees and  
16 costs equaling a total of \$2,400.00. Attached hereto as Exhibit 2 is the ASA Management  
17 Corporation Invoice for June, 2009 outlining said fees and costs equaling a total of \$950.00.  
18 Attached hereto as Exhibit 3 is the invoice from Adams Law Group, Ltd. to the Special Master in  
19 the amount of \$1,077.04 for work performed on behalf of the Special Master in June, 2009.

20 **II.**

21 **ARGUMENT**


22 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
23 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
24 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,  
25 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009). The  
26 Special Master requests an Order authorizing payment to the Receiver for a total sum as outlined in  
27

28 <sup>1</sup> The Special Master may supplement this motion with fees and costs incurred for  
August, 2009 or any months thereafter before the hearing date and time given by Master  
Calendar on this motion.

1 the attached Exhibits 1, 2, and 3 of \$4,427.04. The Special Master requests the fees and costs be  
2 paid within 10 days of the date of notice of entry of the order. If said fees are not so paid, the Special  
3 Master requests the order be reduced to judgement, incur interest thereon at the statutory rate, and  
4 be payable and collectible on a 50/50 basis between the above captioned parties pursuant to the  
5 Order appointing the Special Master.

6 Dated this 7<sup>th</sup> of July, 2009.

7 ADAMS LAW GROUP, LTD.

8  
9   
10 JAMES R. ADAMS, ESQ.  
11 Nevada Bar No. 6874  
12 ASSLY SAYYAR, ESQ.  
13 Nevada Bar No.: 9178  
14 8681 W. Sahara Ave., Suite 280  
15 Las Vegas, NV 89117  
16 Tel: 702-838-7200  
17 Fax: 702-838-3636  
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1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCp 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and  
3 that on this date, I served the following **MOTION FOR REMUNERATION OF COURT**  
4 **APPOINTED SPECIAL MASTER** upon all parties to this action by:

5

6 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
7	Hand Delivery
8	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

9 addressed as follows:

10 Mark A. Hutchison, Esq.  
11 Hutchison & Steffen  
12 10080 Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Attorney for Plaintiff

13 Peter C. Bernhard  
14 Bullivant Houser Bailey PC  
15 3883 Howard Hughes Parkway, suite 550  
Las Vegas, Nevada 89169  
Attorney for Plaintiff

16 James A. Bradshaw, Esq.  
17 McDonald Carano Wilson LLP  
18 100 West Liberty Street, 10<sup>th</sup> Floor  
Reno, Nevada 89501  
Attorney for Defendant

19 Jeffrey Silvestri, Esq.  
20 McDonald Carano Wilson, LLP  
21 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

22 Robert L. Eisenberg, Esq.  
23 Lemons, Grundy & Eisenberg  
24 6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

25 Dated the 7th day of July, 2009.

26  
27  
28   
An employee of ADAMS LAW GROUP, LTD.

---

# EXHIBIT 1

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 7.1.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special  
Mastership for June 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of June 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**June 2009**

**6.1.09 1.5 HRS**

The Special Master received a communication from Mr. Adams to meet him at his office to discuss the status of the Hyatt vs. FTB Case, the approved payment amount by the Court and to pick up and disperse the ½ payment of the approved amount by the Plaintiff in the Case in the amount of \$28,877.75. The Special Master inquired as to the status of an equal amount due and payable by the Defendant in the Case. Mr. Adams indicated that he would inquire of the Defendant and let the Special Master know. The Special Master deposited the Plaintiff's ½ for February, March & April in the Special Masters Account and dispersed ½ of the amounts due to Mr. Adams and Mr. Lentes via checks from Ashley Hall & Associates, Inc., Account. (1.5 hrs)

**6.2.09 0 HRS**

**6.3.09 1 HR**

The Special Master met in conference with Mr. Adams and Mr. Lentes to review the current status of feedback from the Parties, particularly the Plaintiff, as has been requested by the Special Master at the Working Conference held with the Parties on May 11<sup>th</sup>. The Special Master directed Mr. Adams to send a memo to the Parties informing them that in order for the Receiver to move the Case forward and bring it to a timely conclusion, the Special Mastership requires the additional feedback from the Parties. (1 hr)

**6.4.09 0 HRS**

**6.5.09 .5 HRS**

The Special Master discussed the issue of the additional information discussed at the Working Conference, wherein the Special Master requested additional information regarding the issues Categorization and Additional Documentation with Legal Counsel in hopes that the requested information will be forthcoming in order for the Special Master to move the Special Mastership to a speedy conclusion. (30 min)

**6.6.09 0 HRS**

**6.7.09 0 HRS**

**6.8.09 .5 HRS**

The Special Master met with Mr. Lentes to discuss the method and means of finalizing the Phase II process for the Hyatt vs. FTB Case. The Special Master informed Mr. Lentes that he has directed Mr. Adams to inquiry of the Parties to determine when the Special Master can expect the feedback and additional requested information regarding the Memorandum of Costs requested at the May 11, 2009 Working Conference with the Parties. (30 min)

**6.9.09 0 HRS**

**6.10.09 1.5 HRS**

The Special Master forwarded a memo to Mr. Adams directing him to seek clarification from the Parties in the Case as to their timing for submitting the additional categorization and documentation

for the Memorandum of Costs discussed with them at the Special Master's Conference on May 11, 2009. (30 min)

The Special Master received, reviewed and responded to a memo from the law office of Mr. Adams which was forwarded to the Parties requesting a schedule of events in meeting the request for additional information requested by the Special Master at the Working Conference in early May. The memo from Mr. Adams also details his legal response to 9 questions that had been raised by the Plaintiff regarding the Preliminary Report & Spreadsheets provided to the Parties prior to the Working Conference. The Special Master forwarded a copy of the legal correspondence to the Court for their information. (1 hr)

6.11.09 .5 HRS

The Special Master was called by Ms. Sayyar to discuss the timing of the Motion for Remuneration on the Case, and to make certain that all of the details pertaining to the Case have been included in the Special Masters Time, Activity & Expense Report. The Special Master informed Ms. Sayyar that July 8<sup>th</sup> is a good day for the Motion to be heard by the Court. (30 min)

6.12.09 1 HR

The Special Master received and reviewed an email from Mr. Adams and Ms. Sayyar regarding the proposed schedule date by the Plaintiff and Defendant regarding the supplemental information requested by the Special Master at the May 11<sup>th</sup> Working Conference. The dates recommended by the Plaintiff of July 31<sup>st</sup> for them and September 5<sup>th</sup> for the Defendant is far to distant and need to be tightened up considerably – the Special Master responded to the email recommending July 10<sup>th</sup> for the Plaintiff and July 20<sup>th</sup> for the Defendant. (30 min)

In consultation with Mr. Adams, the Special Master directed him to inform the Parties of the Special Master's desire to wrap up the Hyatt vs. FTB Memorandum of Costs Case in a timely manner; therefore, the Special Master directed Mr. Adams to outline the Points of Authority of the Special Master in the Order Appointing Special Master; wherein, it outlines the role, function and authority of the Special Master to prescribed the method and means to accomplish the duties and responsibilities assigned to the Special Master. The Special Master forwarded a note to Mr. Adams approving the draft memo to be sent to the Parties. (30 min)

6.13.09 0 HRS

6.14.09 0 HRS

6.15.09 1 HR

The Special Master received a copy of a memo from the Plaintiff indicating that the dates they had suggested were most appropriate because of the amount of materials they needed to supplement their Memorandum of Costs requested by the Special Master at the conclusion of the May 11<sup>th</sup> Working Conference. The Special Master communicated with Mr. Adams, informing him that it is the hope and desire of the Special Master to move the progress of the Phase II Assessment, Evaluation and Recommendation forward as quickly as practical in order to finalize the Phase III effort to Recommend to the Court the conclusions reached by the Special Master regarding the Memorandum of Costs. (1 hr)



6.16.09 1 HR

The Special Master received a communicated from Mr. Adams to inform him that the Special Masters decision regarding submission dates of July 15<sup>th</sup> for the Plaintiff and August 14<sup>th</sup> for the Defendant were acceptable, as discussed. (20 min)

The Special Master reviewed all of the correspondence regarding timely scheduling of the follow-on information from the Plaintiff and the Defendant in order for the Phase II evaluation and recommendation to be such that the Special Master can finalize Phase III regarding the recommendation to the Court, based on all of the information and evidence presented and opposed by the Parties in the Case. (40 min)

6.17.09 .5 HRS

The Special Master communicated with Mr. Adams and Mr. Lentes regarding the Categorization process of the additional information that is forth coming from the Parties, along with the additional small make-up payment from the Defendant for the approved costs through April 2009. (30 min)

6.18.09 0 HRS

6.19.09 0 HRS

6.20.09 0 HRS

6.21.09 0 HRS

6.22.09 .5 HRS

The Special Master communicated with Mr. Adams and Mr. Lentes to determine the value of an additional Special Master's meeting prior to the submission of the additional materials and/or re-categorization of already submitted Memorandum of Costs materials reviewed and discussed with the Parties at the Working Conference in May. (30 min)

6.23.09 .5 HRS

The Special Master followed-up with Mr. Adams and Mr. Lentes regarding a specific date that would work for all members of the Special Mastership to meet and review the details needed to complete the Phase II Summaries and the Final Phase III Report containing the Recommendations of the Special Master. (30 min)

6.24.09 .5 HRS

The Special Master communicated with Mr. Adams and Mr. Lentes in an attempt to determine the best day to meet and conduct a working conference with the members of the Special Mastership team in preparation for additional and revised materials that are expected from the Plaintiff on July 15<sup>th</sup> and the Defendant on August 15<sup>th</sup>. (30 min)

6.25.09 0 HRS

6.26.09 0 HRS

6.27.09 0 HRS

6.28.09 0 HRS

6.29.09 .5 HRS

The Special Master communicated with Mr. Adams to discuss additional details of the finalization process of the Special Master duties in the current Memorandum of Costs case and determined that a review of the current status of the Special Master's Phase I and Phase II be done, with focus on finalizing Phase III that will include the final review, assessment, evaluation and recommendation of all of the information that is presented in the Case by the Parties, following the guidelines of the Order Appointing Special Master and NRS 18 and related references. (30 min)

6.30.09 1 HR

The Special Master communicated with Mr. Adams to inform him that the Time, Activity & Expense Report for the month of June 2009 would be prepared by the Special Master and forwarded to his office on July 1, 2009. (15 min)

The Special Master prepared reviewed all of his notes and finalized his Time, Activity and Expense Report the Hyatt vs. FTB Case for the month of June 2009 in preparation to email a copy to Mr. Adams for submission to the Court and to the Parties, informing Mr. Adams that the Special Master's Status Report for June 2009 would be prepared and submitted by July 5, 2009. (45 min)

**INVOICED AMOUNT FOR  
HYATT VS. FTB SPECIAL MASTERSHIP  
JUNE 2009**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	7.1.09	12 X \$200	=	<u>\$2,400.00</u>
<b>TOTAL</b>				<b>\$2,400.00</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lenten, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT VS. FTB SPECIAL MASTERSHIP

---

# EXHIBIT 2

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING/FINANCIAL/TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICED DATE: 06/30/09  
INVOICE NO: 2009/06-107

MONTH OF JUNE, 2009

Phone (702) 256-6657

Fax (702) 256-4393

Cell (702) 498-1170

SHIP TO: ASHLEY HALL & ASSOCIATES, INC.

ATTN: ASHLEY HALL, SPECIAL MASTER

4651 WHITE ROCK DRIVE

LAS VEGAS, NV 89121

FISCAL YEAR - 2009

RECEIVERSHIP/SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## PROFESSIONAL SERVICES BILLING SUMMARY

DESCRIPTION	DATE	HOURS	RATE/HR	TOTAL	REMARKS
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
TOTAL ACCOUNTING SERVICES		1.00	\$ 75.00	\$ 75.00	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
TOTAL CONSULTING SERVICES		2.75	\$ 75.00	\$ 206.25	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
TOTAL GENERAL SERVICES		8.35	\$ 75.00	\$ 626.25	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
TOTAL TAX SERVICES		0.00	\$ 75.00	\$ -	
TOTAL PROFESSIONAL SERVICES		12.10		\$ 907.50	
TOTAL REIMBURSABLE EXPENSES				\$ 42.50	
TOTAL INVOICE ADJUSTMENTS		0.00		\$ -	
TOTAL INVOICE AMOUNT DUE				\$ 950.00	

SIGNATURE

DAVID E. LENTES

PLEASE MAKE CHECK PAYABLE TO

ASA MANAGEMENT CORP

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING FINANCIAL TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE	INVOICE NO.
06/30/09	2009/06-107

MONTH OF JUNE, 2009

### WORKSHEET

#1

FISCAL YEAR - 2009

### RECEIVERSHIP SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## ACCOUNTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	ACT	W/P	W/P	W/P
CODE / POST SPC MASTER A/R TO AHA QB - 06/2009	06/01/09			0.25	
CODE / POST SPC MASTER A/P TO AHA QB - 06/2009	06/01/09		0.25		
CODE / POST SPC MASTER A/R TO AHA QB - 06/2009	06/03/09			0.25	
CODE / POST SPC MASTER A/P TO AHA QB - 06/2009	06/03/09		0.25		
TOTAL ACCOUNTING SERVICES BY CATEGORY		0.00	0.50	0.50	0.00

## TOTAL ACCOUNTING SERVICES HOURS

1.00

# ASA MANAGEMENT CORPORATION

277 PROFESSIONAL ACCOUNTING FINANCIAL TAX SERVICES

## INVOICE

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

INVOICE DATE: 06/30/09  
INVOICE NO: 2009/06-107

MONTH OF JUNE, 2009

### WORKSHEET

#2

FISCAL YEAR - 2009

### RECOVERY/SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## CONSULTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
PREPARE T&A REPORT FOR SPC MASTER - 05/2009	06/01/09		0.25		
CONFERENCE WITH SPC MASTER / ADAMS - STATUS	06/03/09			1.00	
MEETING WITH SPC MASTER - PHASE II DISCUSSION	06/08/09			0.50	
COMMUNICATION WITH SPC MASTER - CATEGORIZE	06/17/09	0.25			
COMMUNICATION WITH SPC MASTER - GENERAL	06/22/09	0.25			
COMMUNICATION WITH SPC MASTER - GENERAL	06/23/09	0.25			
COMMUNICATION WITH SPC MASTER - GENERAL	06/24/09	0.25			
TOTAL CONSULTING SERVICES BY CATEGORY		1.00	0.25	1.50	0.00

TOTAL CONSULTING SERVICES HOURS

2.75

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING, FINANCIAL, TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE: 2009/06-107

06/30/09

2009/06-107

MONTH OF JUNE, 2009

### WORKSHEET

#3

FISCAL YEAR - 2009

RECEIVED BY SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD

(FTB) SPECIAL MASTERSHIP

## GENERAL SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	EMAIL	ORG	SCPT	TOTAL
SEND EMAIL TO SPC MASTER - ASA T&A - 05/2009	06/01/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/02/09	0.20			
SEND EMAIL TO RECEIVER - PAYMENT SHORT	06/03/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/03/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/09/09	0.20			
ORGANIZE / SCAN / ARCHIVE CASE RECORDS	06/09/09		0.25	0.75	
ORGANIZE / SCAN / ARCHIVE CASE RECORDS	06/10/09		0.25	0.75	
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	06/10/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/11/09	0.20			
SEND EMAIL TO ASSLY - BILLINGS / MOTIONS	06/11/09	0.20			
ORGANIZE / SCAN / ARCHIVE CASE RECORDS	06/11/09		0.25	0.75	
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	06/11/09	0.30			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	06/12/09	0.20			
ORGANIZE / SCAN / ARCHIVE CASE RECORDS	06/12/09		0.25	0.75	
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/12/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	06/12/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM STEFFEN	06/15/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	06/15/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/16/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	06/16/09	0.20			
SEND EMAIL TO ASSLY - LUNDVALL REPLY	06/16/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	06/17/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/23/09	0.20			
SEND REPLY EMAIL TO SPC MASTER - CONFERENCE	06/23/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	06/30/09	0.20			
TOTAL GENERAL SERVICES BY CATEGORY		4.35	1.00	3.00	0.00

TOTAL GENERAL SERVICES HOURS

8.35

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE: 06/30/09

INVOICE NO: 2009/06-107

MONTH OF JUNE, 2009

### WORKSHEET

#5

FISCAL YEAR - 2009

RECEIPT / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## REIMBURSABLE EXPENSES BILLING DETAIL

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	06/03/09			\$ 22.00	
OFFICE SUPPLIES (TONER / PAPER / MISC)	06/30/09	\$ 20.50			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 20.50	\$ -	\$ 22.00	\$ -

TOTAL REIMBURSABLE EXPENSES

\$ 42.50



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# EXHIBIT 3

**Adams Law Group, Ltd.**8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of June 30, 2009

Statement No. 20429

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

**Professional Fees**

			Hours	Rate	Amount
6/4/2009	AS	Ra reports and invoices from Special Master, ASA and ALG. Draft motion for remuneration	0.70	200.00	140.00
6/10/2009	JRA	Review, revise and supplement email to all parties regarding status of special mastership and to answer outstanding questions	0.75	200.00	150.00
6/10/2009	AS	Draft responses to Bullivant letter and begin drafting lengthy status email and memo to all counsel	0.80	200.00	160.00
6/10/2009	AS	Edit and revise email in response to Bullivant questions and scheduling issues with JRA and send out the same	0.40	200.00	80.00
6/10/2009	AS	Telephone call with special master regarding scheduling of remaining supplementation	0.10	200.00	20.00
6/11/2009	AS	Send and receive multiple e-correspondence with Special Master in response to Hyatt's proposed briefing schedule. Review and analysis of email correspondence and issues raised by FTB and Hyatt Counsel on supplementation	0.40	200.00	80.00
6/12/2009	AS	Strategy and analysis of scope of order appointing Special Master with JRA. Review and analysis of emails from Special Master regarding scheduling and need to resolve matter quickly	0.20	200.00	40.00
6/12/2009	AS	Review and analysis of order appointing special master for scope of authority regarding scheduling and briefing and scope of ability to make recommendations based on email from FTB	0.20	200.00	40.00
6/12/2009	AS	Telephone call with Ashley Hall regarding scheduling for supplemental briefing	0.10	200.00	20.00
6/12/2009	AS	Draft and outline email response to all clients on Special Master scheduling and briefing	0.40	200.00	80.00
6/15/2009	AS	Review and analysis of email from counsel for Hyatt regarding and in response to objections raised by FTB	0.10	200.00	20.00
6/15/2009	AS	Strategy and analysis of potential scheduling with JRA and confirm dates via email with Special Master	0.20	200.00	40.00
6/16/2009	AS	Review and analysis of email from opposing counsel regarding unilateral reduction of order regarding fees	0.10	200.00	20.00
6/16/2009	AS	Strategy and analysis of with JRA regarding FTB's claims in support of reducing the receivership remuneration	0.10	200.00	20.00

6/16/2009	AS	Draft preliminary response to FTB's refusal to pay all fees pursuant to Court Order	0.10	200.00	20.00
<b>Sub-total Fees:</b>					<b>930.00</b>

**Costs**

Monthly administrative expen	37.20
<b>Sub-total Costs:</b>	<b>37.20</b>

This Month Amount Due:	1,077.04
Previous Balance Due:	7,311.14
Interest on Previous Balance Due:	109.84
Less Payments / Credits:	0.00

**Total Now Due: 8,388.18**

**THANK YOU FOR USING ADAMS LAW GROUP. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month.  
Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

1 SUPP  
ADAMS LAW GROUP, LTD.  
2 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
3 ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
4 8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
5 Tel: 702-838-7200  
Fax: 702-838-3636  
6 james@adamslawnevada.com  
assly@adamslawnevada.com  
7 Attorneys for Appointed Special Master  
Ashley Hall of Ashley Hall & Associates

8  
9 DISTRICT COURT  
CLARK COUNTY, NEVADA

10  
11 GILBERT P. HYATT,  
12 Plaintiffs,

13 vs.

14 FRANCHISE TAX BOARD OF THE  
STATE OF CALIFORNIA,  
15 Defendant

Case No. A382999  
Dept. No. X

Date of Hearing: August 12, 2009  
Time of Hearing: 9:00 am

16  
17 **FIRST SUPPLEMENT TO THE MOTION FOR REMUNERATION OF COURT**  
**APPOINTED SPECIAL MASTER**

18 COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through its  
19 attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its First Supplement to  
20 the Motion for Remuneration of Court Appointed Special Master. This Supplement which provides  
21 and requests remuneration for July 2009, is based on the memorandum of points and authorities  
22 below, the pleadings and papers on file herein, the exhibits attached hereto,

23 ///

24 ///

25 ///

26 ///

27 ///

28

1 and any oral argument this Honorable Court may permit.

2 Dated this 6<sup>th</sup> day of August, 2009.

3 ADAMS LAW GROUP, LTD.

4   
5 JAMES R. ADAMS, ESQ.

6 Nevada Bar No. 6874

7 ASSLY SAYYAR, ESQ.

8 Nevada Bar No.: 9178

9 8681 W. Sahara Ave., Suite 280

10 Las Vegas, NV 89117

11 Tel: 702-838-7200

12 Fax: 702-838-3636

13 Attorneys for Plaintiff

14 **MEMORANDUM OF POINTS AND AUTHORITIES**

15 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of Ashley  
16 Hall & Associates as a Special Master in this case. The Order states that "the Special Master will  
17 be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket costs. Payment  
18 of these fees and costs shall be divided equally between the above captioned parties as previously  
19 determined by this Court." The Order further states that "The Special Master may employ counsel  
20 (at a rate of \$200.00 per hour) and other professionals necessary to the special mastership (at rates  
21 not exceeding \$200.00 per hour). Payment of these fees and costs shall be divided equally between  
22 the above captioned parties as previously determined by this Court."

23 The Motion requests fees from June 1, 2009 through June 30, 2009 in the amount of  
24 \$4,427.04. This Supplement requests that in addition to the amount sought in the Motion, that fees  
25 in the amount of \$8,458.85 also be awarded, inclusive of forensic financial consultant's fees and  
26 attorney's fees. Attached hereto as Exhibit 1 is the Special Masters's Time, Activity, and expense  
27 Report for July, 2009, outlining said fees and costs equaling a total of \$5,000.00. Attached hereto  
28 as Exhibit 2 is the ASA Management Corporation Invoice for July, 2009 outlining said fees and costs  
equaling a total of \$1,095.00. Attached hereto as Exhibit 3 is the invoice from Adams Law Group,  
Ltd. to the Special Master in the amount of \$2,363.85 for work performed on behalf of the Special  
Master in July, 2009.

The Special Master requests the fees and costs for June and July, 2009 be paid within 10

1 days of the date of notice of entry of the order. If said fees are not so paid, the Special Master  
2 requests the order be reduced to judgement, incur interest thereon at the statutory rate, and be  
3 payable and collectible on a 50/50 basis between the above captioned parties pursuant to the Order  
4 appointing the Special Master.

5 Dated this 6<sup>th</sup> of August, 2009.

6 ADAMS LAW GROUP, LTD.

7  
8   
JAMES R. ADAMS, ESQ.

9 Nevada Bar No. 6874

ASSLY SAYYAR, ESQ.

10 Nevada Bar No.: 9178

8681 W. Sahara Ave., Suite 280

11 Las Vegas, NV 89117

Tel: 702-838-7200

12 Fax: 702-838-3636

13 Attorneys for Plaintiff  
14  
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1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I certify that I am an employee of the Adams Law Group, Ltd., and  
3 that on this date, I served the following **FIRST SUPPLEMENT TO THE MOTION FOR**  
4 **REMUNERATION OF COURT APPOINTED SPECIAL MASTER** upon all parties to this  
5 action by:

6

7 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
8	Hand Delivery
9	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

10 addressed as follows:

11 Mark A. Hutchison, Esq.  
12 Hutchison & Steffen  
13 10080 Alta Drive, Suite 200  
14 Las Vegas, Nevada 89145  
15 Attorney for Plaintiff


16 Peter C. Bernhard  
17 Bullivant Houser Bailey PC  
18 3883 Howard Hughes Parkway, suite 550  
19 Las Vegas, Nevada 89169  
20 Attorney for Plaintiff

21 James A. Bradshaw, Esq.  
22 McDonald Carano Wilson LLP  
23 100 West Liberty Street, 10<sup>th</sup> Floor  
24 Reno, Nevada 89501  
25 Attorney for Defendant

26 Jeffrey Silvestri, Esq.  
27 McDonald Carano Wilson, LLP  
28 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

Robert L. Eisenberg, Esq.  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

26 Dated the 6<sup>th</sup> day of August, 2009.

27   
28 An employee of ADAMS LAW GROUP, LTD.

---

# EXHIBIT 1



**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 8.1.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special  
Mastership for July 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of July 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff

**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**July 2009**

**7.1.09 1 HR**

The Special Master drafted and communicated to Mr. Adams and Mr. Lentes regarding the Time, Activity & Expense Report for the month of June that will be forth coming from the Special Master by July 2, 2009, as well as the Status Report for June that should be forth coming by July 5, 2009. (1 hr)

**7.2.09 1.5 HRS**

The Special Master reviewed his time, activity and expense report, drafted out a June Status Report of the Special Mastership, and forwarded it to Mr. Adams and Mr. Lentes for their review and feedback. (1.5 hrs)

**7.3.09 0 HRS**

**7.4.09 0 HRS**

**7.5.09 0 HRS**

**7.6.09 .5 HRS**

The Special Master communicated with Mr. Adams regarding the scheduled timing to review the additional submittal information from the Plaintiff that is due on July 15<sup>th</sup>, in order to accommodate additional work scheduled events during the latter half of July and early August. It was determined that as soon as the supplemental information is forthcoming from the Plaintiff, the Special Master, along with Mr. Adams and Mr. Lentes will review the additional materials in detail, and as soon as practical, the Special Master will make additional findings regarding this material closing out Phase II, pending the submission and review of the Defendants response to the Plaintiffs additional submittals. The Special Master conveyed this information to Mr. Lentes for his scheduling. (30 min)

**7.7.09 0 HRS**

**7.8.09 0 HRS**

**7.9.09 0 HRS**

**7.10.09 0 HRS**

**7.11.09 0 HRS**

**7.12.09 0 HRS**

**7.13.09 .5 HRS**

The Special Master met in conference with Mr. Adams and Mr. Lentes to discuss the anticipated submission of the additional materials by the Plaintiff's Legal Counsel, the process of assumption of this information into the Phase II and III processes the Special Master is currently engaged in, and the need to complete as much of Phase II as possible, and begin the process of Phase III, in anticipation of the Defendants submission on August 15, 2009. The Special Master has informed Mr. Adams and Mr. Lentes that he expects to finalize his work by the end of August or early September 2009 and make his Conclusions and Recommendations to the Court. (30 min)

7.14.09 0 HRS

7.15.09 .5 HRS

The Special Master communicated with Mr. Adams to determine if the Plaintiff has submitted the additional materials and clarifications requested by the Special Master resulting from the Working Conference with the Parties in the Case. Mr. Adams informed the Special Master that he had received a memorandum, with back up materials from the Plaintiff in the Case, that he would review the material submitted and provide a legal summary as soon as possible. The Special Master notified Mr. Lentes that the additional material has been submitted by the Plaintiff and as soon as Mr. Adams has had an opportunity to conduct an initial review of it, he will provide the Special Mastership with his summary, at which time the Special Master will work out a schedule for completing the Phase II and beginning the Phase III effort in the Case. (30 min)

7.16.09 2.5 HRS

The Special Master begin his electronic review of the supplementary materials containing Re-Categorization, Additional Information, Clarification and Further Definitions from the Plaintiff in the Case regarding the Memorandum of Costs, which contains 3 major Spreadsheet Files, containing a significant amount of forwarded information. (2 hrs)

The Special Master communicated with both Mr. Adams and Mr. Lentes regarding the supplemental information from the Plaintiff, with the Special Master scheduling a Working Conference with the Special Mastership members on Tuesday, July 21<sup>st</sup> at the Conference Room of Mr. Adams' law offices. (30 min)

7.17.09 1.5 HRS

The Special Master continued his electronic review of the additional materials submitted by the Plaintiff in the Case, paying particular attention to the re-categorization and additional documentation submitted. (1.5 hrs)

7.18.09 1 HR

The Special Master received via Federal Express two packets from the Legal Counsel for Mr. Hyatt including both the Response to the Special Master's Phase I Assessment, Additional Clarification Materials, as well as Spreadsheets, with additional transmittal memos. The Special Master inspected each of the File Boxes and began his physical review of the submitted materials. (1 hr)

7.19.09 0 HRS

7.20.09 2 HRS

The Special Master continued his review and assessment of the supplemental materials supplied by the Plaintiff's Legal Counsel. (1.5 hrs)

The Special Master set a meeting time on Tuesday, July 21, 2009 to meet with Mr. Adams and Mr. Lentes for the purpose of beginning his Formal Review of the Supplemental Materials/Clarifications submitted by the Plaintiffs Legal Counsel. (30 min)

7.21.09 2.5 HRS

The Special Master conferenced with Mr. Lentes and Mr. Adams regarding the Memorandum containing Hyatt's Response to Phase I Draft of Special Master. Following the assessment of the response, the Special Master directed Mr. Adams to review each of the Legal issues raised and that Mr. Lentes direct his attention strictly to the established MATRIX format that will help provide the Court with a quick and timely Recommendation at the end of the Phase III process. (2.5 hrs)

7.22.09 1.5 HRS

The Special Master continued to review, assess, evaluate and note the supplemental information forwarded by the Plaintiff and conference with Mr. Adams and Mr. Lentes to properly qualify each of the individual responses to the proper category, based on Nevada Law, Court President and Nevada Supreme Court rulings. (1.5 hrs)

7.23.09 1.5 HRS

The Special Master continued his review, assessment, evaluation of the additional information provided by the Plaintiff, discussing some of the details with both Mr. Adams and Mr. Lentes. The Special Master focused his attention to the Spreadsheets provided by the Plaintiff. (1.5 hrs)

7.24.09 0 HRS

7.25.09 0 HRS

7.26.09 0 HRS

7.27.09 3 HRS

The Special Master continued to review both Hyatt's Response to Phase I Draft of Special Master Cover Memorandum submitted by the Plaintiff, along with the Spreadsheet Information provided, focusing on the issue of the Categorization outlined in the Spreadsheets. (1 hr)

The Special Master conferenced with Mr. Adams, Ms. Sayyar & Mr. Lentes at the conference room of Mr. Adams' law firm. It was determined that Mr. Adams, nor Ms. Sayyar, had been provided with a copy of the Hyatt's Response to Phase I Draft of Special Master Cover Memorandum in the package they had received from the Plaintiff; therefore, the Receiver provided a copy of the Memorandum to Mr. Adams and Ms. Sayyar. The Receiver then reviewed the contents of the subject Memorandum with Mr. Adams, Ms. Sayyar and Mr. Lentes as we began the formal review of the additional supplemental information submitted by the Plaintiff, including a legal assessment, an audit assessment, along with the Special Master's review, comments and questions related to the supplemental information as it impacts the Special Master's finalization of Phase II audit, evaluation and assessment Matrix Criteria. (2 hrs)

7.28.09 1.5 HRS

The Special Master continued his review of the issues outlined in Hyatt's Response to Phase I Draft of Special Master Cover Memorandum, along with the additional information submitted on the Spreadsheets by the Plaintiff, communicating with Mr. Lentes to discuss and clarify the issue the different category's outlined in the Analytical Matrix, to make certain that in the analytical process, the same Categories were being utilized. (1.5 hrs)

7.29.09 1.5 HRS

The Special Master conferenced with Mr. Adams regarding the Spreadsheets provided by the Plaintiff, as well as Hyatt's Response to Phase I Draft of Special Master. (30 min)

The Special Master continued his review, assessment and evaluation of the Spreadsheet Information provided by the Plaintiff. (1 hr)

7.30.09 1.5 HRS

The Special Master continued to review, assess and evaluate the information contained on the Spreadsheets submitted by the Plaintiff. (1.5 hrs)

7.31.09 1 HR

The Special Master continued his review, assessment and evaluation of the Spreadsheet information provided by the Plaintiff. (1 hr)

**INVOICED AMOUNT FOR  
HYATT VS. FTB SPECIAL MASTERSHIP  
JULY 2009**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	8.1.09	25 X \$200	=	<u>\$5,000.00</u>
<b>TOTAL</b>				<b>\$5,000.00</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentz, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT vs. FTB SPECIAL MASTERSHIP

---

# EXHIBIT 2

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

SENT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

07/31/09

INVOICE NO

2009/07-107

MONTH OF JULY, 2009

Phone (702) 256-6657

Fax (702) 256-4393

Cell (702) 498-1170

BILL TO

ASHLEY HALL & ASSOCIATES, INC.

ATTN: ASHLEY HALL, SPECIAL MASTER

4651 WHITE ROCK DRIVE

LAS VEGAS, NV 89121

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD

(FTB) SPECIAL MASTERSHIP

## PROFESSIONAL SERVICES BILLING SUMMARY

DESCRIPTION	DATE	HOURS	RATE/HR	TOTAL	BALANCE
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
TOTAL ACCOUNTING SERVICES		0.60	\$ 75.00	\$ 45.00	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
TOTAL CONSULTING SERVICES		9.90	\$ 75.00	\$ 742.50	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
TOTAL GENERAL SERVICES		3.25	\$ 75.00	\$ 243.75	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
TOTAL TAX SERVICES		0.00	\$ 75.00	\$ -	

TOTAL PROFESSIONAL SERVICES

13.75

\$ 1,031.25

TOTAL REIMBURSABLE EXPENSES

\$ 63.75

TOTAL INVOICE ADJUSTMENTS

0.00

\$ -

**TOTAL INVOICE AMOUNT DUE**

**\$ 1,095.00**

SIGNATURE

DAVID E. LENTES

PLEASE MAKE CHECK PAYABLE TO

ASA MANAGEMENT CORP

**ASA MANAGEMENT CORPORATION**  
PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

**ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052**

# INVOICE

INVOICE DATE	INVOICE NO
07/31/09	2009/07-107
MONTH OF JULY, 2009	

# WORKSHEET #1 FISCAL YEAR - 2009

# WORKSHEET #1 FISCAL YEAR - 2009

RECEIVERSHIP SPECIAL MASTERSHIP
HYATT vs CALIFORNIA FRANCHISE TAX BOARD (FTB) SPECIAL MASTERSHIP

### ACCOUNTING SERVICES BILLING DETAIL (HOURS)

[illegible]

<b>TOTAL ACCOUNTING SERVICES HOURS</b>	<b>0.60</b>
--	-------------



# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE	INVOICE NO
07/31/09	2009/07-107
MONTH OF JULY, 2009	

### WORKSHEET

#2

FISCAL YEAR - 2009

### RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## CONSULTING SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
PREPARE T&A REPORT FOR SPC MASTER - 06/2009	07/01/09		0.25		
REVIEW SPC MASTER STATUS REPORT - 06/2009	07/02/09		0.25		
PHONE CALL FROM SPC MASTER - SCHEDULING	07/06/09	0.20			
CONFERENCE WITH SPC MASTER / ADAMS - STATUS	07/13/09			0.50	
PHONE CALL FROM SPC MASTER - STATUS UPDATE	07/16/09	0.20			
REVIEW DOCUMENTS FROM ADAMS - HYATT RESPOND	07/20/09		2.00		
PHONE CALLS FROM SPC MASTER - MEETING	07/20/09	0.20			
CONFERENCE WITH SPC MASTER - REVIEW / DISCUSS	07/21/09			1.50	1.00
PRINT SPREADSHEETS FOR SPC MASTER MEETING	07/21/09		1.00		
PHONE CALL FROM SPC MASTER - PLAINTIFF INFO	07/22/09	0.20			
PHONE CALL FROM SPC MASTER - PLAINTIFF INFO	07/22/09	0.20			
PHONE CALL FROM SPC MASTER - CONFERENCE	07/27/09	0.20			
CONFERENCE WITH SPC MASTER / ADAMS - REPORT	07/27/09			1.00	1.00
PHONE CALL FROM SPC MASTER - INFO CLARITY	07/28/09	0.20			
TOTAL CONSULTING SERVICES BY CATEGORY		1.40	3.50	3.00	2.00

TOTAL CONSULTING SERVICES HOURS

9.90

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE: 07/31/09  
INVOICE NO: 2009/07-107

MONTH OF JULY, 2009

WORKSHEET  
#3

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

### GENERAL SERVICES BILLING DETAIL (HOURS)

DESCRIPTION	DATE	EMAIL	ORC	COPY	PAGE
SEND EMAIL TO SPC MASTER - ASA T&A - 06/2009	07/01/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	07/01/09	0.20			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	07/01/09		0.10	0.10	
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	07/03/09		0.20	0.30	
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	07/07/09		0.10	0.10	
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	07/16/09	0.10			
DOWNLOAD SPREADSHEETS - KUMMER KAEMPFER	07/16/09	0.40			
SEND EMAIL TO SPC MASTER - STATUS UPDATE	07/16/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	07/16/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	07/16/09	0.10			
RETRIEVE / REVIEW / FILE MAIL FROM ADAMS - MOTION	07/17/09		0.25		
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	07/18/09		0.10	0.20	
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	07/20/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	07/20/09	0.10			
SEND EMAIL TO ADAMS / SPC MASTER - MEETING	07/20/09	0.10			
ORGANIZE PRIOR SPREADSHEETS FOR MEETING	07/21/09		0.25		
TOTAL GENERAL SERVICES BY CATEGORY		1.55	1.00	0.70	0.00

TOTAL GENERAL SERVICES HOURS

3.25

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

07/31/09

INVOICE NO

2009/07-107

MONTH OF JULY, 2009

WORKSHEET

#5

FISCAL YEAR - 2009

RECEIVERSHIP / SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## REIMBURSABLE EXPENSES BILLING DETAIL

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
OFFICE SUPPLIES (LEGAL SIZE PAPER - 1 REAM)	07/21/09	\$ 9.93			
TRAVEL TO / FROM SM OFFICE (20 Miles @ \$.55)	07/21/09			\$ 11.00	
TRAVEL TO / FROM ADAMS OFFICE (40 Miles @ \$.55)	07/27/09			\$ 22.00	
OFFICE SUPPLIES (TONER / PAPER / MISC)	07/31/09	\$ 20.82			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 30.75	\$ -	\$ 33.00	\$ -

TOTAL REIMBURSABLE EXPENSES

\$ 63.75

---

# EXHIBIT 3

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of July 31, 2009

Statement No. 20586

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
7/1/2009	JRA	Conference with Ashley regarding time and activity report. review june time and activity report	0.25	200.00	50.00
7/6/2009	JRA	Conference with Ashley regarding status of special mastership	0.40	200.00	80.00
7/7/2009	AS	Review and analysis of special master report, time and activity sheet and ASA billing. Draft motion for remuneration for June, 2009 fees and costs	0.70	200.00	140.00
7/13/2009	JRA	Conference with Ashley and Dave to discuss materials needed to conclude phase II and III and issues related to conclusions of recommendations	0.40	200.00	80.00
7/16/2009	JRA	Conference with Ashley regarding supplemental information received from H&S	0.45	200.00	90.00
7/27/2009	JRA	Strategy and status meeting regarding Phase 3, arguments and justifying documentation of Hyatt counsel, procedure for spreadsheets and final recommendations to the judge with AS, Hall and Lentes	1.80	200.00	360.00
7/27/2009	AS	Strategy and status meeting regarding Phase 3, arguments and justifying documentation of Hyatt counsel, procedure for spreadsheets and final recommendations to the judge with JRA, Hall and Lentes	1.80	200.00	360.00
7/28/2009	JRA	Review response brief from H&S and review NRS and research case law to determine merits of counsel's arguments. Confer with co-counsel regarding same	1.80	200.00	360.00
7/28/2009	AS	Review and analysis of Hyatt's response to Phase draft of special master report and outline arguments raised to consider legally when performing Phase 3 of the review of costs	1.60	200.00	320.00
7/29/2009	JRA	Telephone call with Ashley regarding spreadsheets	0.10	200.00	20.00
7/29/2009	JRA	Strategy and analysis of Hyatt report and arguments raised and proof given with AS to determine procedure of reviewing and conducting Phase III either before or after FTB makes its response	0.40	200.00	80.00
7/29/2009	AS	Strategy and analysis of Hyatt report and arguments raised and proof given with JRA to determine procedure of reviewing and conducting Phase III either before or after FTB makes its response	0.40	200.00	80.00

7/29/2009	AS	Review and analysis of status of motions for remuneration and orders regarding the same	0.10	200.00	20.00
7/31/2009	JRA	Review all 7 documents to be up loaded to BK court. Make revisions to declaration of JRA. Review declarations of COR Adams Law Group and Hall, Lentes	0.50	200.00	100.00
<b>Sub-total Fees:</b>					<b>2,140.00</b>

**Costs**

		Monthly administrative expen		85.60
7/8/2009		Postage		6.95
7/29/2009		Postage		6.95
<b>Sub-total Costs:</b>				<b>99.50</b>

This Month Amount Due:	2,363.85
Previous Balance Due:	8,388.18
Interest on Previous Balance Due:	124.35
Less Payments / Credits:	0.00

**Total Now Due: 10,752.03**

**THANK YOU FOR USING ADAMS LAW GROUP. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month. Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO  
3800 Howard Hughes Pkwy., Seventh Floor  
Las Vegas, Nevada 89169  
Telephone: (702) 792-7000

1 NTC  
Mark A. Hutchison (4639)  
2 Hutchison & Steffen  
10080 Alta Drive, Suite 200  
3 Las Vegas, NV 89145  
(702) 385-2500

4 Peter C. Bernhard (734)  
5 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
3800 Howard Hughes Parkway, Seventh Floor  
6 Las Vegas, Nevada 89169  
Telephone: (702) 792-7000

7 *Attorneys for Plaintiff Gilbert P. Hyatt*

8  
9 **DISTRICT COURT**  
10 **CLARK COUNTY, NEVADA**

11 GILBERT P. HYATT,

12 Plaintiffs,

13 v.

14 FRANCHISE TAX BOARD OF THE STATE  
15 OF CALIFORNIA, and DOES 1-100 inclusive,

16 Defendants.

Case No.: A382999

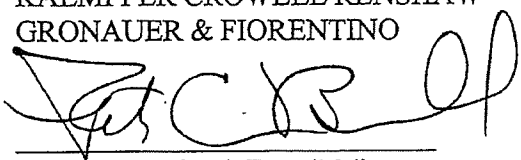
Dept. No.: X

**NOTICE OF PAYMENT OF SPECIAL  
MASTER ASHLEY HALL & ASSOCIATE'S  
JUNE AND JULY, 2009 FEES AND COSTS**

17 Pursuant to this Court's Order entered after the hearing on August 12, 2009, Plaintiff  
18 Gilbert P. Hyatt ("Hyatt"), has submitted payment in the amount of \$6,392.95 to the Special  
19 Master. This payment is one-half of the amounts due for Special Master Ashley Hall's June and  
20 July, 2009 fees and costs. The total due is \$12,785.90.

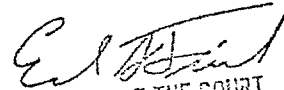
21 DATED this 1st day of September, 2009

22  
23 KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO

24   
25 Peter C. Bernhard, Esq. (734)  
26 3800 Howard Hughes Pkwy., Seventh Floor  
27 Las Vegas, Nevada 89169  
28 (702) 792-7000  
*Attorneys for Plaintiff Gilbert P. Hyatt*

**FILED**

2009 SEP -1 P 3:34

  
CLERK OF THE COURT

KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO  
3800 Howard Hughes Pkwy., Seventh Floor  
Las Vegas, Nevada 89169  
Telephone: (702) 792-7000

CERTIFICATE OF SERVICE

I certify that I am an employee of KAEMPFER CROWELL RENSHAW  
GRONAUER & FIORENTINO and that on this 14 day of September, 2009, I caused the  
above and foregoing document to be served as follows:

NOTICE OF PAYMENT OF SPECIAL MASTER ASHLEY HALL &  
ASSOCIATE'S JUNE AND JULY, 2009 FEES AND COSTS

- ☒ by placing same to be deposited for mailing in the United States, in a sealed  
envelope upon which postage was prepaid in Las Vegas Nevada; and/or
- ☐ by delivering same to a commercial carrier for delivery within 3 calendar days;  
and/or
- ☐ to be hand-delivered;

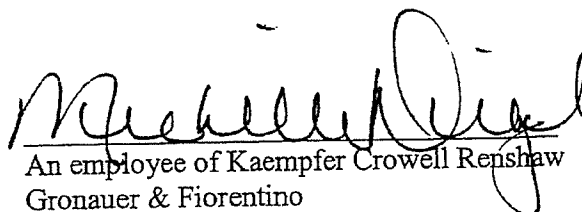
to the attorney(s) listed below at the address and/or facsimile number indicated below:

James A. Bradshaw, Esq.  
Patricia Lundvall, Esq.  
McDonald Carano Wilson LLP  
100 West Liberty Street, 10<sup>th</sup> Floor  
Reno NV 89501

Jeffrey Silvestri, Esq.  
McDonald Carano Wilson LLP  
2300 West Sahara Avenue, Suite 1000  
Las Vegas, Nevada 89102

Robert L. Eisenberg  
Lemons, Grundy & Eisenberg  
6005 Plumas Street, Suite 300  
Reno, NV 89509

James R. Adams, Esq.  
Adams Law Group, Ltd.  
8681 W. Sahara Avenue, Suite 280  
Las Vegas, NV 89117

  
An employee of Kaempfer Crowell Renshaw  
Gronauer & Fiorentino



KUMMER KAEMPFER BONNER RE HAW &amp; FERRARIO

74157

VENDOR: A0735 Ashley Hall and Associates

CHECK NO: 74157

OUR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
125280	2971 Special Master Fees	08/31/2009	6,392.95	6,392.95	

Check Total

\$6,392.95

<b>KUMMER KAEMPFER BONNER RENSHAW &amp; FERRARIO</b> ATTORNEYS AT LAW SEVENTH FLOOR 3800 HOWARD HUGHES PARKWAY LAS VEGAS, NV 89169 TEL (702) 792-7000		WELLS FARGO BANK, N.A. LAS VEGAS, NV 89101 94-7074-3212		CHECK NO. 74157	CHECK DATE 08/31/2009	VENDOR NO. A0735
PAY Six thousand three hundred ninety-two and ninety-five/100		CHECK AMOUNT \$6,392.95				
TO THE ORDER OF Ashley Hall and Associates		TWO SIGNATURES REQUIRED OVER \$10,000.00 <i>Donna Wirth</i> AUTHORIZED SIGNATURE				

⑈074157⑈-⑈321270742⑈0035101088⑈

KUMMER KAEMPFER BONNER RENSHAW &amp; FERRARIO

74157

VENDOR: A0735 Ashley Hall and Associates

CHECK NO: 74157

OUR REF. NO.	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
125280	2971 Special Master Fees	08/31/2009	6,392.95	6,392.95	

Check Total

\$6,392.95

1 **MOT**  
2 ADAMS LAW GROUP, LTD.  
3 JAMES R. ADAMS, ESQ.  
4 Nevada Bar No. 6874  
5 ASSLY SAYYAR, ESQ.  
6 Nevada Bar No.: 9178  
7 8681 W. Sahara Ave., Suite 280  
8 Las Vegas, NV 89117  
9 Tel: 702-838-7200  
10 Fax: 702-838-3636  
11 [james@adamslawnevada.com](mailto:james@adamslawnevada.com)  
12 [assly@adamslawnevada.com](mailto:assly@adamslawnevada.com)  
13 *Attorneys for Appointed Special Master*  
14 *Ashley Hall of Ashley Hall & Associates*

DISTRICT COURT  
CLARK COUNTY, NEVADA

GILBERT P. HYATT,  
Plaintiffs,

vs.

FRANCHISE TAX BOARD OF THE  
STATE OF CALIFORNIA,  
Defendant

Case No. A382999  
Dept. No. X

Date of Hearing: 10.07.09  
Time of Hearing: IN CHAMBERS

**MOTION FOR REMUNERATION OF COURT APPOINTED SPECIAL  
MASTER**

COMES NOW, the Appointed Special Master Ashley Hall & Associates, by and through  
its attorney of record ADAMS LAW GROUP, LTD., and respectfully submits its Motion for  
Remuneration of Court Appointed Special Master seeking recovery of August, 2009 fees and  
costs. This Motion is based on the memorandum of points and authorities below, the pleadings

///

///

///

///

///


///

28

1 and papers on file herein, the exhibits attached hereto, and any oral argument this Honorable  
2 Court may permit.

3 Dated this 30 day of September, 2009.

4  
5 ADAMS LAW GROUP, LTD.

6  
7   
8 JAMES R. ADAMS, ESQ.  
9 Nevada Bar No. 6874  
10 ASSLY SAYYAR, ESQ.  
11 Nevada Bar No.: 9178  
12 8681 W. Sahara Ave., Suite 280  
13 Las Vegas, NV 89117  
14 Tel: 702-838-7200  
15 Fax: 702-838-3636  
16 Attorneys for Plaintiff

17 **NOTICE OF MOTION**

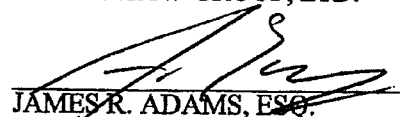
18 TO: All Parties; and

19 TO: Their Counsel.

20 YOU, AND EACH OF YOU, WILL PLEASE TAKE NOTICE that the undersigned will  
21 bring the foregoing Motion on for hearing before the above titled Court on the 7th day of  
22 Oct, at the hour of In Chambers m. of said date, in Department X  
23 or as soon thereafter as Counsel can be heard.

24 Dated this 30 of September, 2009.

25  
26 ADAMS LAW GROUP, LTD.

27   
28 JAMES R. ADAMS, ESQ.  
Nevada Bar No. 6874  
ASSLY SAYYAR, ESQ.  
Nevada Bar No.: 9178  
8681 W. Sahara Ave., Suite 280  
Las Vegas, NV 89117  
Tel: 702-838-7200  
Fax: 702-838-3636

29 ///

30 ///

31 ///

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **STATEMENT OF FACTS**

4 On January 29, 2009, this Honorable Court ordered the appointment of Ashley Hall of  
5 Ashley Hall & Associates as a Special Master in this case. The Order states that "the Special  
6 Master will be reimbursed for his time at the rate of \$200.00 per hour and for his out-of-pocket  
7 costs. Payment of these fees and costs shall be divided equally between the above captioned  
8 parties as previously determined by this Court." The Order further states that "The Special  
9 Master may employ counsel (at a rate of \$200.00 per hour) and other professionals necessary to  
10 the special mastership (at rates not exceeding \$200.00 per hour). Payment of these fees and costs  
11 shall be divided equally between the above captioned parties as previously determined by this  
12 Court."

13 This Motion requests that this Honorable Court order that the Special Master receive  
14 remuneration for its services from August 1, 2009 through August 31, 2009 in the amount of  
15 \$13,082.78, inclusive of forensic financial consultant's fees and attorney's fees.<sup>1</sup> Attached hereto  
16 as Exhibit 1 is the Special Master's Time, Activity, and expense Report for August, 2009,  
17 outlining said fees and costs equaling a total of \$6,300.00. Attached hereto as Exhibit 2 is the  
18 ASA Management Corporation Invoice for August, 2009 outlining said fees and costs equaling a  
19 total of \$1,945.00. Attached hereto as Exhibit 3 is the invoice from Adams Law Group, Ltd. to  
20 the Special Master in the amount of \$4,837.78 for work performed on behalf of the Special  
21 Master in August, 2009. Also attached hereto as Exhibit 4 is the Special Master's Status Report  
22 to this Honorable Court and all counsel.

23 **II.**

24 **ARGUMENT**


25 NRCP 53(a) states that "the court in which any acting is pending may appoint a special  
26 master therein [ . . . ] The compensation to be allowed to a master shall be fixed by the court, and  
27 \_\_\_\_\_

28 <sup>1</sup> The Special Master may supplement this motion with fees and costs incurred for  
September, 2009 or any months thereafter before the hearing date and time given by Master  
Calendar on this motion.

1 shall be charged upon such of the parties or paid out of any fund or subject matter of the cation,  
2 which is in the custody and control of the court as the court may direct." NRCP 53(a) (2009).  
3 The Special Master requests an Order authorizing payment to the Receiver for a total sum as  
4 outlined in the attached Exhibits 1, 2, and 3 of \$13,082.78. The Special Master requests the fees  
5 and costs be paid within 10 days of the date of notice of entry of the order. If said fees are not so  
6 paid, the Special Master requests the order be reduced to judgement, incur interest thereon at the  
7 statutory rate, and be payable and collectible on a 50/50 basis between the above captioned  
8 parties pursuant to the Order appointing the Special Master.

9 Dated this 30 of September, 2009.

10 ADAMS LAW GROUP, LTD.

11   
12 JAMES R. ADAMS, ESQ.  
13 Nevada Bar No. 6874  
14 ASSLY SAYYAR, ESQ.  
15 Nevada Bar No.: 9178  
16 8681 W. Sahara Ave., Suite 280  
17 Las Vegas, NV 89117  
18 Tel: 702-838-7200  
19 Fax: 702-838-3636  
20  
21  
22  
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24  
25  
26  
27  
28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCp 5(b), I certify that I am an employee of the Adams Law Group, Ltd.,  
3 and that on this date, I served the following **MOTION FOR REMUNERATION OF COURT**  
4 **APPOINTED SPECIAL MASTER** upon all parties to this action by:

5

6 X	Placing an original or true copy thereof in a sealed enveloped place for collection and mailing in the United States Mail, at Las Vegas, Nevada, postage paid, following the ordinary business practices;
7	Hand Delivery
8	Facsimile
	Overnight Delivery
	Certified Mail, Return Receipt Requested.

9 addressed as follows:

10 Mark A. Hutchison, Esq.  
11 Hutchison & Steffen  
12 10080 Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Attorney for Plaintiff

13 Peter C. Bernhard  
14 Kaempfer Crowell Renshaw Gronauer & Fiorentino  
3800 Howard Hughes Parkway, 7<sup>th</sup> floor  
15 Las Vegas, NV 89169  
Attorney for Plaintiff

16 James A. Bradshaw, Esq.  
17 McDonald Carano Wilson LLP  
18 100 West Liberty Street, 10<sup>th</sup> Floor  
Reno, Nevada 89501  
Attorney for Defendant

19 Jeffrey Silvestri, Esq.  
20 McDonald Carano Wilson, LLP  
21 2300 West Sahara Ave, Suite 100  
Las Vegas, Nevada 89102  
Attorney for Defendant

22 Robert L. Eisenberg, Esq.  
23 Lemons, Grundy & Eisenberg  
24 6005 Plumas Street, Suite 300  
Reno, Nevada 89509  
Attorney for Defendant

25 Dated the 3<sup>rd</sup> day of September, 2009.

26   
27 An employee of ADAMS LAW GROUP, LTD.

---

# EXHIBIT 1

---

**ASHLEY HALL & ASSOCIATES**  
**INCORPORATED**

---

COURT APPOINTED RECEIVER, SPECIAL MASTER & MEDIATION SPECIALISTS

2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
FR: Ashley J. Hall, Special Master *ajh*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 9.1.09  
SB: The Special Master's Time, Activity & Expense Report for the HYATT vs. FTB Special  
Mastership for August 2009

**MESSAGE:**

Enclosed, please find the Special Master's TIME, ACTIVITY & EXPENSE Report for the HYATT vs. FTB Special Mastership, Case Number A382999 for the months of August 2009.

The Special Master has also attached the invoice for Mr. James Adams, Receiver's Legal Counsel and Mr. David Lentes, Forensic Financial Analyst for the same period of time. The Special Master has reviewed, approved and affirms that the enclosed Time, Activity & Expense Reports are true and accurate.

If there are any questions related to this invoice, please feel free to call me at (702) 592-3953.

cc. Mr. James Adams, Esq., Legal Counsel for the Special Master  
Mr. David Lentes, Forensic Financial Analyst for the Special Master  
Mr. Mike Kern, Accountant for the Plaintiff



**INVOICE**  
**HYATT vs. FTB SPECIAL MASTERSHIP**  
**TIME, ACTIVITY & EXPENSE REPORT**  
**August 2009**

8.1.09 2 HRS

The Special Master finalized his time, activity & expense report for submission to the Court and the Parties, and prepared his electronic and hard file for August 2009. The Receiver began his review and draft of his Status Report for July 2009 for submission to the Court and to the Parties. (2 hrs)

8.2.09 0 HRS

8.3.09 1.5 HRS

The Special Master conferenced with Mr. Lentes regarding the status of the audit of additional information submitted by the Plaintiff. (30 min)

The Special Master continued his review, assessment and evaluation of the Supplemental Material provided by the Plaintiff; i.e. Spreadsheets. (1 hr)

8.4.09 1.5 HRS

The Special Master reviewed his file, including his time, activity and expense report, drafted his July Status Report for the Case, coordinated the information contained in the Report with Mr. Adams and Mr. Lentes, directing Mr. Adams to forward the Status Report to the Court upon his final legal review. (1.5 hrs)

8.5.09 .5 HRS

The Special Master conferenced with Mr. Adams and Mr. Lentes, discussing the progress and formatting of the Phase II Analytical Matrix process. (30 min)

8.6.09 1 HR

The Special Master continued his review, assessment and evaluation of the supplemental Spreadsheet materials forwarded by the Plaintiff.

8.7.09 1 HR

The Special Master continued his review of the supplemental Spreadsheets submitted by the Plaintiff. (1 hr)

8.8.09 1 HR

The Special Master continued to review all of the explanation section of the supplemental materials submitted by the Plaintiff. (1 hr)

8.9.09 0 HRS

8.10.09 1 HR

The Special Master communicated with Mr. Adams and Mr. Lentes to request when the Legal Review & Assessment of the supplemental materials submitted by the Plaintiff would be ready for the Special Master's review. The Special Master directed Mr. Adams to finalize his review of the supplemental materials by Monday, August 17<sup>th</sup>, to enable the Special Master and Team to review the Defendants Response to the Supplemental Materials submitted by the Plaintiff (1 hr)

8.11.09 1.5 HRS

The Special Master conferenced with Mr. Adams regarding the progress he is making in his legal review of the supplemental materials submitted by the Plaintiff. With the anticipation of the response from the Defendant on August 15<sup>th</sup>, the Special Master requested that the Plaintiff information be reviewed as soon as possible, in order to conduct the follow-on review of the Defendants submission. (30 min)

The Special Master continued his review of the Supplemental Material Spreadsheets provided by the Plaintiff. (1 hr)

8.12.09 1.5 HRS

The Special Master conferenced with Mr. Adams and Mr. Lentes regarding the legal up-dating of the Plaintiff's additional input regarding the Memorandum of Costs, determined a time schedule that the Special Master felt would be appropriate and agreed to meet following the submission of the Defendants response to the additional supplemental materials supplied by the Plaintiff, at the request of the Special Master. (30 min)

The Special Master continued his review of the Supplemental Spreadsheets that were submitted by the Plaintiff, discussing the nature of many of the listings with both Mr. Adams and Mr. Lentes. (1 hr)

8.13.09 1 HR

The Special Master continued his review of the Supplemental Spreadsheets submitted by the Plaintiff. (1 hr)

8.14.09 2.5 HRS

The Special Master completed his initial review of the supplemental materials submitted by the Plaintiff, including the spreadsheets. (1 hr)

The Special Mastership received Part I & II of the Defendants Response to Hyatt's Response to the Special Master's Preliminary Phase I Report. The Special Master forwarded a copy of the two memos from the Defendant to Mr. Lentes for the Master Files of the Special Mastership. The Special Master began to read the Defendant's Response. (1.5 hrs)

8.15.09 1 HR

The Special Master continued his review of the Defendants Response to Hyatt's Response to the Special Master Preliminary Phase I Report on the Memorandum of Costs. (1 hr)

8.16.09 0 HRS

8.17.09 3 HRS

The Special Master continued his review of the Defendants Response to Hyatt's Response to the Special Master's Preliminary Phase I Report on the Memorandum of Costs. (1 hr)

The Special Master received a memo from Mr. Adams regarding his preliminary draft response to the Hyatt Response. The Receiver reviewed the information provided and responded to the draft comments and forward a memo back to Mr. Adams containing the Special Master's observations. (30 min)

The Special Master received a draft copy of the Legal update on Categories 1 through 15 from Mr. Adams for his review. The Special Master reviewed the update Categorization 1-15, conferencing with Mr. Adams and Mr. Lentes. (1 hr)

The Special Master reviewed and approved the Special Master's Legal Counsel's response to the Phase I Supplemental responses from Hyatt and from FTB. As noted in the Legal Memo to the Counsels, the Special Master noted three areas of concern that require initial and immediate response by the Special Master. The Special Master will await the response from each of the respective Legal Counsel's prior to making a final determination regarding the issues raised by each of the Counsel's in their response to the Special Master. (30 min)

8.18.09 1 HR

The Special Master continued his review of the additional materials submitted by the Parties, conferencing with Mr. Adams and Mr. Lentes regarding both the legal response to the Parties and the details of the additional supplemented information. (1 hr)

8.19.09 1 HR

The Special Master continued his review, assess and evaluate the additional supplemental materials submitted by the Parties. (1 hr)

8.20.09 0 HRS

8.21.09 1.5 HRS

The Special Master received, reviewed and assessed the Updated Exhibit 6 spreadsheet received from Mr. Adams. (1.5 hrs)

8.22.09 0 HRS

8.23.09 0 HRS

8.24.09 1 HR

The Special Master conferenced with Mr. Adams and Mr. Lentes regarding the Receiver's Working Conference scheduled for 2:00 p.m. at Mr. Adams' office on Tuesday, August 25<sup>th</sup> and the detail information that the Receiver feels is critical to review, including the Legal Brief from Mr. Adams. (1 hr)

8.25.09 1.5 HRS

The Special Master conferenced with Mr. Adams, Ms. Sayyar and Mr. Lentes in reviewing both the legal brief and the "Reasonable" issue relating to the supplemental information that was forwarded by the Parties, focusing specifically on "Expert Witnesses" determinations, Proper Categorization and Timing of the Final Report. (1.5 hrs)

8.26.09 1 HR

The Special Master conferenced with Mr. Adams regarding the timing for finalizing the final legal review of the issues of Special Witness Fees and Categorization. The Special Master has requested that Mr. Adams complete his legal review and recommendations by September 2<sup>nd</sup>, because the Special Master wants to submit his Final Report and Recommendations by mid-September. (1 hr)

8.27.09 1.5 HRS

The Special Master received the recommended Expert Witness spreadsheet from Mr. Adams,

outlining those Expert Witnesses that met the legal provision and those that did not. The Receiver reviewed, evaluated the recommendation by Mr. Adams, making notes on those Expert Witnesses contained on the list, both Recommended and Non-Recommended. (1 hr & 15 min)

The Special Master discussed the spreadsheet outline as to Recommended & Non-Recommended in an attempt to determine the final dollar value associated with the Recommended Group. (15 min)

8.28.09 2 HRS

The Special Master reviewed the summary information provided to him by both Mr. Adams and Mr. Lentes in an effort to determine any additional review, assessment, and evaluation in order to recommend to the Court what is both within the scope of NRS 18, Supreme Court Rulings, additional Case Law and to determine what is Reasonable based on all of this information by the Special Master. (1.5 hrs)

The Special Master communicated with both Mr. Adams and Mr. Lentes to schedule a working conference at the beginning of next week in an attempt to finalize the duties and responsibilities set forth in the Order Appointing Special Master. (30 min)

8.29.09 HRS

8.30.09 HRS

8.31.09 1 HR

The Special Master compiled his notes and began preparing his Time & Activity and Status Reports to the Courts and to the Parties. (1 hr)

**INVOICED AMOUNT FOR  
HYATT vs. FTB SPECIAL MASTERSHIP  
AUGUST 2009**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>HOURS</u>		<u>AMOUNT</u>
Invoice	9.1.09	31.5 X \$200	=	<u>\$6,300.00</u>
<b>TOTAL</b>				<b>\$6,300.00</b>

The Special Master affirms that this Time and Activities Report is a true and accurate representation of the Special Master's services rendered on behalf of the subject Special Mastership for the time period identified. Also attached is the invoice for Mr. James Adams, Legal Counsel for the Special Master (\$) and Mr. David Lentes, Forensic Financial Analyst for the Special Master (\$).

*Ashley J. Hall*  
Ashley J. Hall, Special Master  
HYATT vs. FTB SPECIAL MASTERSHIP

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# EXHIBIT 2

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE**

INVOICE DATE

08/31/09

INVOICE NO

2009/08-107

MONTH OF AUGUST, 2009

Phone (702) 256-6657

Fax (702) 256-4393

Cell (702) 498-1170

**BILL TO**

ASHLEY HALL & ASSOCIATES, INC.  
ATTN: ASHLEY HALL, SPECIAL MASTER  
4651 WHITE ROCK DRIVE  
LAS VEGAS, NV 89121

**FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**PROFESSIONAL SERVICES BILLING SUMMARY**

DESCRIPTION	DATE	HOURS	RATE / HR	TOTAL	REMARKS
ACCOUNTING SERVICES					
SEE DETAIL WORKSHEET (1) LISTED BELOW					
TOTAL ACCOUNTING SERVICES		12.95	\$ 75.00	\$ 971.25	
CONSULTING SERVICES					
SEE DETAIL WORKSHEET (2) LISTED BELOW					
TOTAL CONSULTING SERVICES		6.70	\$ 75.00	\$ 502.50	
GENERAL SERVICES					
SEE DETAIL WORKSHEET (3) LISTED BELOW					
TOTAL GENERAL SERVICES		6.00	\$ 75.00	\$ 450.00	
TAX SERVICES					
SEE DETAIL WORKSHEET (4) LISTED BELOW					
TOTAL TAX SERVICES		0.00	\$ 75.00	\$ -	

**TOTAL PROFESSIONAL SERVICES**

25.65

**\$ 1,923.75****TOTAL REIMBURSABLE EXPENSES****\$ 21.25****TOTAL INVOICE ADJUSTMENTS**

0.00

**\$ -****TOTAL INVOICE AMOUNT DUE****\$ 1,945.00**

SIGNATURE

**DAVID E. LENTES**

PLEASE MAKE CHECK PAYABLE TO

**ASA MANAGEMENT CORP**

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO**

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

**INVOICE****INVOICE DATE**

08/31/09

**INVOICE NO**

2009/08-107

**MONTH OF AUGUST, 2009****WORKSHEET**

#1

**FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP**

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

**ACCOUNTING SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	CLERK	A/P	A/R	P/R
CODE / POST SP MASTER A/P-A/R TO AHA QB - 07/2009	08/01/09		0.10	0.10	
SET UP ADAMS REPORT/SPREADSHEET TO CODE QB	08/17/09	0.25			
SET UP COPY OF QB DATABASE FILE (V2009-2)	08/17/09	0.25			
ADD NEW CATEGORIES / CLASSES PER ADAMS	08/17/09	0.25			
CODE / RECLASS CATEGORIES / COSTS (CODE 1-15)	08/17/09	2.50			
CODE / RECLASS CATEGORIES / COSTS (CODE 1-15)	08/18/09	5.00			
CODE / POST A/P PAYMENTS (PROF SERVICES)	08/26/09		0.25		
CODE / POST A/R PAYMENTS (PROF SERVICES)	08/26/09			0.25	
CODE / RECLASS CATEGORIES / COSTS (EXHIBIT 6)	08/31/09	4.00			
<b>TOTAL ACCOUNTING SERVICES BY CATEGORY</b>		<b>12.25</b>	<b>0.35</b>	<b>0.35</b>	<b>0.00</b>

**TOTAL ACCOUNTING SERVICES HOURS****12.95**

**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO****ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052****INVOICE****INVOICE DATE****08/31/09****INVOICE NO.****2009/08-107****MONTH OF AUGUST, 2009****WORKSHEET****#2****FISCAL YEAR - 2009****RECEIVERSHIP SPECIAL MASTERSHIP****HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP****CONSULTING SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	PHONE	REPORT	MEETING	TRAVEL
PREPARE T&A REPORT FOR SPC MASTER - 07/2009	08/01/09		0.25		
REVIEW / FILE T&A FROM SPC MASTER - 07/2009	08/01/09		0.25		
CONFERENCE WITH SPC MASTER - AUDIT STATUS	08/03/09			0.50	
CONFERENCE WITH SPC MASTER - PHASE II UPDATE	08/05/09			0.50	
COMMUNICATION WITH SPC MASTER - LEGAL REVIEW	08/10/09			0.50	
CONFERENCE WITH SPC MASTER - PHASE II UPDATE	08/12/09			0.50	
PHONE CALLS TO / FROM SPC MASTER - ADAMS RPT	08/17/09	0.25			
PHONE CALL TO ADAMS - CONFIRM DATA FOR INPUT	08/17/09	0.25			
CONFERENCE WITH SPC MASTER - PHASE II UPDATE	08/18/09			0.50	
CONFERENCE WITH SPC MASTER - STATUS UPDATE	08/24/09			1.00	
CONFERENCE WITH SPC MASTER / ADAMS - STATUS	08/25/09			1.50	
PHONE CALL FROM SPC MASTER - BILLING PAYMENTS	08/26/09	0.20			
COMMUNICATION WITH SPC MASTER - STATUS UPDATE	08/28/09			0.50	
<b>TOTAL CONSULTING SERVICES BY CATEGORY</b>		<b>0.70</b>	<b>0.50</b>	<b>5.50</b>	<b>0.00</b>

**TOTAL CONSULTING SERVICES HOURS****6.70**



**ASA MANAGEMENT CORPORATION****PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES****REMIT TO****ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052****INVOICE****INVOICE DATE****08/31/09****INVOICE NO****2009/08-107****MONTH OF AUGUST, 2009****WORKSHEET****#3****FISCAL YEAR - 2009****RECEIVERSHIP / SPECIAL MASTERSHIP****HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP****GENERAL SERVICES BILLING DETAIL (HOURS)**

DESCRIPTION	DATE	EMAIL	ORG	COPY	FAX
SEND EMAIL TO SPC MASTER - ASA T&A - 07/2009	08/01/09	0.25			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS	08/04/09			0.50	
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	08/12/09	0.10			
SEND EMAIL TO SPC MASTER - BILLING PAYMENTS	08/12/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	08/14/09	0.50			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	08/14/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM ADAMS	08/17/09	0.25			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	08/17/09	0.20			
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	08/17/09	0.20			
SCAN / EMAIL MODIFIED CLASS LIST TO ADAMS	08/17/09	0.20		0.10	
RETRIEVE / REVIEW / FILE EMAIL FROM LUNDVALL	08/19/09	0.10			
RETRIEVE / REVIEW / FILE EMAIL FROM ASSLY	08/26/09	0.40			
SEND EMAIL TO SPC MASTER - BILLING PAYMENTS	08/26/09	0.30			
SEND EMAIL TO ASSLY - BILLING PAYMENTS	08/26/09	0.20			
SEND EMAIL TO SPC MASTER - PAYMENT DISTRIBUTION	08/26/09	0.10			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS - BILLING	08/26/09		0.10	0.10	
RETRIEVE / REVIEW / FILE EMAIL FROM SPC MASTER	08/28/09	0.10			
ORGANIZE / SCAN / ARCHIVE DOCUMENTS - RSPN (2)	08/29/09		0.25	0.50	
ORGANIZE / SCAN / ARCHIVE DOCUMENTS - MISC	08/29/09		0.25	1.00	
<b>TOTAL GENERAL SERVICES BY CATEGORY</b>		<b>3.20</b>	<b>0.60</b>	<b>2.20</b>	<b>0.00</b>

**TOTAL GENERAL SERVICES HOURS****6.00**

# ASA MANAGEMENT CORPORATION

PROFESSIONAL ACCOUNTING / FINANCIAL / TAX SERVICES

## REMIT TO

ASA MANAGEMENT CORPORATION  
C/O DAVID E. LENTES, ACCOUNTANT  
2559 BEECHWOOD VILLAGE CT  
HENDERSON, NV 89052

## INVOICE

INVOICE DATE

08/31/09

INVOICE NO

2009/08-107

MONTH OF AUGUST, 2009

WORKSHEET

#5

FISCAL YEAR - 2009

RECEIVERSHIP/SPECIAL MASTERSHIP

HYATT vs CALIFORNIA FRANCHISE TAX BOARD  
(FTB) SPECIAL MASTERSHIP

## REIMBURSABLE EXPENSES BILLING DETAIL

DESCRIPTION	DATE	SUPPLIES	POSTAGE	MILEAGE	OTHER
OFFICE SUPPLIES (TONER / PAPER / MISC)	08/31/09	\$ 21.25			
NOTE: IRS BUSINESS MILEAGE RATE = \$.55 PER MILE					
TOTAL REIMBURSABLE EXPENSES BY CATEGORY		\$ 21.25	\$ -	\$ -	\$ -

TOTAL REIMBURSABLE EXPENSES

\$ 21.25

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# EXHIBIT 3

**Adams Law Group, Ltd.**

8681 W. Sahara Ave., Suite 280

Las Vegas, NV 89117

(702) 838-7200

Fax (702) 838-3636

Statement as of August 31, 2009

Statement No. 20619

Ashley Hall, Sr.  
4651 White Rock Drive  
Las Vegas, NV 89121-5908

1370-031: Hyatt v. Franchise Tax Board (Ashley Hall)

Professional Fees			Hours	Rate	Amount
8/6/2009	JRA	Review, reconcile and edit time and activity reports of Ashley Hall, ASA Management, and ALG for July, 2009	0.30	200.00	60.00
8/7/2009	AS	Draft supplemental motion for remuneration for July 2009	0.70	200.00	140.00
8/11/2009	AS	Prepare for motion for remuneration hearing previously on calendar. Confirm it is off calendar and email all parties accordingly. Draft email to all counsel accordingly. (no charge)	0.20	0.00	0.00
8/12/2009	AS	Draft order granting remuneration	0.20	200.00	40.00
8/12/2009	AS	Draft order granting remuneration for May, 2009	0.20	200.00	40.00
8/13/2009	AS	Review and analysis of pending motions and case and remuneration status to ensure deadlines are met, when additional motions for remuneration can and should be filed, and payment on orders for remuneration are forthcoming	0.10	200.00	20.00
8/14/2009	AS	Review and analysis of FTB's response to Hyatt's Phase I response	0.30	200.00	60.00
8/14/2009	AS	Strategy and analysis of pending requests for additional supplementation, evidentiary hearing and exhibit issues with Hall, Lentes and JRA via email	0.20	200.00	40.00
8/16/2009	JRA	Conduct Phase III review of supplemented responses and request for costs and disallowing costs to provide final legal analysis to Special Master and Judge with JRA	5.00	200.00	1,000.00
8/16/2009	AS	Draft outline of email to all counsel regarding immediate issues raised by Phase I responses	0.30	200.00	60.00
8/16/2009	AS	Conduct Phase III review of supplemented responses and request for costs and disallowing costs to provide final legal analysis to Special Master and Judge with JRA	5.00	200.00	1,000.00
8/17/2009	AS	Finalize and draft email response to all clients as authorized by Special Master to resolve immediate issues from Phase I supplementation	0.10	200.00	20.00
8/17/2009	AS	Telephone call with David Lentes regarding final coding based on phase three legal review of recoverable and recommended costs. Discuss coding and organization for uniformity	0.30	200.00	60.00
8/21/2009	JRA	Continue Phase III legal analysis of costs with AS	3.10	200.00	620.00

8/21/2009	AS	Continue Phase III legal analysis of costs with JRA	3.10	200.00	620.00
8/25/2009	JRA	Conference with Lentes, Hall and AS regarding pending orders and remuneration. Strategize on law governing recovery of costs for experts and review standards for justifying documentation. Outline need for additional spreadsheets and updates	0.50	200.00	100.00
8/25/2009	AS	Review status and pending deadlines and requirements left in the the Special Mastership to prepare for meeting to update Hall and Lentes on legal status	0.20	200.00	40.00
8/25/2009	AS	Conference with Lentes, Hall and JRA regarding pending orders and remuneration. Strategize on law governing recovery of costs for experts and review standards for justifying documentation. Outline need for additional spreadsheets and updates	0.50	200.00	100.00
8/26/2009	AS	Draft notice of entry of order on May, 2009 fees	0.10	200.00	20.00
8/27/2009	JRA	Continue Phase 3 evaluation and final recommendation on legal grounds with AS	1.20	200.00	240.00
8/27/2009	AS	Continue Phase 3 evaluation and final recommendation on legal grounds with JRA	1.20	200.00	240.00
<b>Sub-total Fees:</b>					<b>4,520.00</b>

#### Costs

	Monthly administrative expen	180.80
8/7/2009	Postage	3.75
<b>Sub-total Costs:</b>		<b>184.55</b>

#### Payments

8/26/2009	Payment	Payment for June and July 09	1,670.45
<b>Sub-total Payments:</b>			<b>1,670.45</b>

This Month Amount Due:	4,837.78
Previous Balance Due:	10,752.03
Interest on Previous Balance Due:	133.23
Less Payments / Credits:	1,670.45

**Total Now Due: 13,919.36**

**THANK YOU FOR USING ADAMS LAW GROUP. WE APPRECIATE YOUR BUSINESS!**

*Statements are due upon receipt. A late fee of \$25 will be assessed for any payments not received by the 15th of each month.  
Interest will accrue at the rate of 18% APR for all unpaid charges after 25 days.*

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# EXHIBIT 4

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# ASHLEY HALL & ASSOCIATES

## INCORPORATED

---

COURT APPOINTED RECEIVER, SPECIAL MASTER, CUSTODIAN & MEDIATION SPECIALISTS  
2255-A Renaissance Drive  
Las Vegas, NV 89119  
[AshleyHall1@cox.net](mailto:AshleyHall1@cox.net)

BG ASHLEY J. HALL, USA (Ret.), President  
JAMES R. ADAMS, ESQ., Legal Counsel  
DAVID LENTES, Forensic Financial Analyst

TELEPHONE:  
(702) 592-3953  
FACSIMILE  
(702) 433-7875

TO: The Honorable Jessie Walsh, Judge Department 10  
Mr. Mark A. Hutchison, Esq., Legal Counsel for the Plaintiff  
Mr. John T. Steffen, Legal Counsel for the Plaintiff  
Mr. Pete Bernhard, Esq., Legal Counsel for the Plaintiff  
Ms. Pat Lundvall, Esq., Legal Counsel for the Defendant  
Ms. Carla B. Higginbotham, Esq., Legal Counsel for the Defendant  
Mr. James R. Adams, Esq., Legal Counsel for the Special Master  
FR: Ashley J. Hall, Special Master *AJH*  
HYATT vs. FTB SPECIAL MASTERSHIP: Case No.: A382999  
DT: 9.5.09  
SB: Special Master's August 2009 Status Report for the HYATT vs. FTB "Memorandum of Costs" Case

The Special Master is pleased to provide the Court and the Parties with his Status Report in the Hyatt vs. FTB's – Plaintiff's "Memorandum of Costs" Case for August 2009.

First, the Special Master continued his analytical, assessment & evaluation process in the submission by the Plaintiff & the Defendant of their resubmission of the information and reclassifications of Categories resulting from the Special Master Working Conference with the Parties in May.

Second, the additional supplemental information submitted by the Plaintiff and the Defendant, is in the final stages of review, with the application of the Analytical Matrix being applied to all aspects of the final submittal by the Parties, including the Legal Review by Mr. Adams.

Third, following a the Special Masterships final review of the submitted materials by the Plaintiff and Defendant to the Special Master, the Special Master, Mr. Adams will submit his final legal review of the materials, including the appropriateness of Re-categorization, documentation and other legal requirements that must be met in order for the Special Master to provide his final Recommendation to the Court, as set forth in the Order Appointing Special Master.

Fourth, the Special Master is in the process of conducting his final review, assessment and evaluation, including the acceptance of the Legal Review and the resulting Re-Categorization of subject submissions to the initial Memorandum of Costs.

Fifth, to provide a brief review of the process in which the Special Master has utilized up to this point in the Hyatt vs. FTB Memorandum of Costs Case, the Special Master has provides the following:

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a. The Process -

- The establishment of the Special Master's Analytical Matrix for assessment & evaluation.
- The Legal Brief Mr. James R. Adams, Esq., Legal Counsel to the Special Master provided the Plaintiff & Defendant regarding the issue of Costs.
- The Phase I Preliminary Audit Report & Spreadsheets assembled by Mr. David Lentes, Forensic Financial Analyst to the Special Master was submitted to the Parties for their review and feedback.
- The Phase II review, assessment and evaluation of the Re-Submitted materials by the Parties.
- The Phase II assessment of the additional supporting documents to the Memorandum of Costs as submitted by the Parties.
- The final Phase III allows the Special Master to determine the relevance of the Memorandum of Costs and Back-up Materials submitted by the Plaintiff, and responded by the Defendant, to be finalized in a memorandum of recommendation by the Special Master to the Court for final disposition.

b. Again, the Analytical Matrix that was designed to allow the Special Mastership to assemble, review, audit, assess, evaluate and conclude the Preliminary Findings for submittal to the Court and to the Parties for their initial review and feedback (Working Conference) related to the substantive areas.

c. The Legal Brief & Review by Mr. Adams addressed the legal basis upon which the Preliminary Audit Report & Spreadsheets have been assembled, reviewed, audited, assessed, evaluated and concluded by the Special Master and submitted to the Parties for their review and feedback.

d. The completion of Phase I (Preliminary Audit Report & Spreadsheets) within the parameters of NRS 18, Supreme Court Rulings, Existing Case Law and the Special Masters consideration of what constitutes "Reasonable Costs" will reflect the Special Mastership's conclusions through the Phase I analytical process regarding the Memorandum of Costs.

e. The completion of Phase II by Special Master is now complete, resulting from feedback from the Parties as requested during the Working Conference, including NRS 18, et al).

f. The Special Master is now proceeding with the finalization of Phase III, based on the Conclusions & Recommendations that have resulted from the previous Phase I and Phase II reviews, assessments and evaluations, based on NRS 18, et al, thus concluding the duties and responsibilities of the Special Master in this Case.

In conclusion, at the finalization of Phase III, the Special Master is prepared to review his conclusion and recommendations with the Parties, should there be a need, prior to his finalization of the Recommendations to the Court.

If there are any questions, please advise the Special Master.

cc: Mr. Lentes  
Mr. Kern