

**STATEMENT OF ADMINISTRATIVE DEDUCTIONS UNDER
SECTION 16 OF THE STIPULATION OF SETTLEMENT**

The trustee Michael G. Kasolas and class counsel hereby agree to the following statement of administrative deductions pursuant to Sections 16 of the court-approved Stipulation of Settlement (the "Stipulation") filed on June 10, 2016 as Docket No. 316-1 in the Fox Ortega Enterprises Inc. bankruptcy case, Case No. 16-40050 (the "Case"). [All references to the docket in the endnotes hereto refer to docket entries in the Case.]

Section 16 of the Stipulation provides that the following categories of expenses may be deducted from gross sale proceeds before they are distributed to sub-classes under the Stipulation. It states:

16. Trustee's Administrative Costs. Trustee shall disburse from the Proceeds Account to an account of the Estate an amount equal to the sum of the following (the "Trustee Administrative Deductions"):

(a) Trustee's direct administrative costs (not including any fees of Trustee or his counsel) in preserving the bottles in the Warehouse, and related documentation, to date, up to maximum amount of the sum of \$100,000;

(b) Fees and costs incurred by Trustee to administer this Stipulation, including those of the Trustee (but not to exceed the amount of \$55,000), Brian Nishi, BMC or any other persons necessary to implement this Stipulation, including but not limited to data analysis and activities in the warehouse related to the sale of wine;

(c) the Noticing Agent's charges in implementation of the noticing required by this Stipulation, including any notice or motion related to Bankruptcy Rule 9019, Bankruptcy Code Section 363 or any notices relating to claim determinations or distributions; and

(d) any expenses incurred by Trustee after July 31, 2016 to preserve the bottles, including rent of the Warehouse, not to exceed \$10,000 per month.

Administrative Deductions

1. Direct Administrative Costs [through May 23, 2016] (\$100,000 cap)

<u>Utilities¹</u>	
PG&E	\$8,811.28
PG&E Refund by Bauman College (est.)	(6,000.00)
Bay Alarm	6,013.22
Aegis Insurance	16,486.40
Comcast	1,371.10
AT&T	516.79
Go Grid	790.71
Sharkeye Tech	4,323.73
Hard Drives	<u>1,538.26</u>
Subtotal	\$33,851.49

<u>Other Expenses</u>		
Brian Nishi ⁱⁱ	\$47,967.76	
West Auctions ⁱⁱⁱ	21,512.00	
Rent (Jan-May 2016) ^{iv}	<u>50,000.00</u>	
Total	\$153,331.25	
Category Total Adjusted by Cap:		\$100,000.00
2.	<u>Fees and Costs to Administer Stipulation</u>	
Michael Kasolas ^v	\$55,000.00	
Brian Nishi ^{vi}	45,557.02	
Category Total		\$100,557.02
3.	<u>Noticing Agent</u>	
BMC ^{vii}		\$30,305.93
4.	<u>Post Agreement Preservation Expenses (\$30,000 cap)</u>	
Rent (Aug.-Oct. 2016)	\$22,500.00	
PG&E	10,312.39	
PG&E Reimbursement by Bauman College	(3,600.00)	
Bay Alarm	9,887.37	
ATT	463.82	
Comcast	902.56	
Go Grid	<u>606.45</u>	
Total	\$41,072.59	
Category Total Adjusted by Cap:		<u>\$30,000.00</u>
Total Administrative Deductions		\$260,862.95

THE FOREGOING EXPENSES ARE APPROVED AS ADMINISTRATIVE DEDUCTIONS:

Dated: 2-28-17

WENDEL, ROSEN, BLACK & DEAN

By:

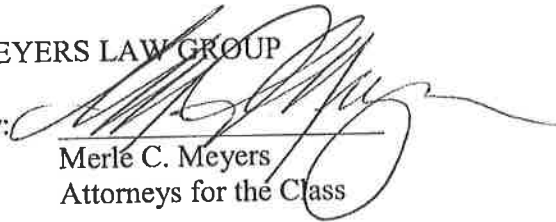

Mark S. Bostick

Attorneys for Trustee/Administrator

Dated: 2-27-17

MEYERS LAW GROUP

By:


Merle C. Meyers

Attorneys for the Class

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- ⁱ See Form 2 (trustee's paid expenses) attached as Exhibit A.
- ⁱⁱ See Declaration of Michael Kasolas in support of Motion for Order Authorizing Payment of Administrative Expense Claim of Brian Nishi filed on October 20, 2016 [Doc #426-1]
- ⁱⁱⁱ See Order Approving Payment of West Auctions Inc. Admin Expense Claim filed on 1-2-17 [Doc #506].
- ^{iv} Under the trustee's compromise with Saul Gevertz, trustee was credited for rent for 7 months, valued at \$10,000 per month, in exchange for release of certain claims. See Order Approving Gevertz Compromise entered on April 13, 2016 [Doc #251].
- ^v Actual fees incurred by Michael G. Kasolas relating to class administration exceed allowed cap of \$55,000. His time on class matters to date total 128 hours and he anticipates incurring another 25 hours to complete distributions.
- ^{vi} See Nishi email to M. Bostick dated February 10, 2017 and exhibits detailing past and estimated future services attached as Exhibit B.
- ^{vii} See V. Bakhshian of BMC Group emails itemizing fees and expenses for class-related past and future notices dated January 26 and February 7, 2017 attached as Exhibit C.