

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS**

SECURITIES EXCHANGE COMMISSION)	
)	
Plaintiff,)	
)	
vs.)	
)	
DAVID TANNER, et al.,)	Civil Action No.: 05-4057-SAC
)	
Defendants,)	
)	
and)	
)	
MARGARET F. SPENCER, et al.,)	
)	
Relief Defendants.)	

**APPLICATION FOR APPROVAL OF PAYMENT OF RECEIVER
PENDENTE LITE'S PROFESSIONAL FEES AND EXPENSES**

COMES NOW the Receiver *Pendente Lite*, Larry E. Cook, by and through his undersigned counsel, and for his Application for Approval of Payment of Receiver *Pendente Lite's* Professional Fees and Expenses, respectfully states as follows:

1. The United States Securities and Exchange Commission (the "SEC") initiated this securities fraud enforcement action on May 4, 2005. At the request of the SEC and, based upon a preliminary showing of securities fraud, the Court established an asset freeze and appointed Larry E. Cook as Receiver.

2. Since his appointment, the Receiver has investigated the assets, liabilities and business operations of the defendants and relief defendants. The Receiver, in conjunction with the Commission, has defended a challenge to the entry of the Preliminary Injunction in this case. The Receiver has recovered approximately \$766,000 in investor funds. The Receiver has also identified an additional US\$2 million in investor

funds within the U.S. and an approximately an additional US\$4.2 million of investor funds located off-shore. The Receiver is working to obtain a complete investor list and database, has established a receivership website, and is investigating and pursuing additional recovery of investor funds.

3. The Receiver has engaged counsel in the U.S. and in Riga, Latvia to assist in his efforts. The Receiver's work during the first six weeks of this receivership suggests the total defrauded investors may exceed several thousand in number and tens of millions in dollars. The Receiver submits that he and his counsel will devote significant time and expense in sorting through the numerous transfers before being prepared to propose an equitable distribution to the defrauded investors.

4. Pursuant to the Order Appointing Receiver, the Receiver is directed to file, on at least a quarterly basis, an application for approval of the disbursements for professional fees and expenses to himself or others.

5. Between May 4, 2005 and May 31, 2005, the Receiver has incurred expenses in the amount of \$1,757.41 and fees in the amount of \$37,600.00, for a total amount of \$39,357.41. Attached hereto as **Exhibit A** are true and correct copies of the invoices for services and expenses for Larry E. Cook, Receiver.

6. The Order Appointing Receiver also authorized the Receiver to employ such attorneys as are necessary and proper for the collection, preservation, maintenance and operation of the Receivership Assets and Receivership Records.

7. The Receiver has employed the law firm of Lathrop & Gage, L.C. to assist him in the collection, preservation, maintenance and operation of the Receivership Assets and Receivership Records.

8. Between May 4, 2005 and May 31, 2005, the Receiver has incurred expenses in the amount of \$2,828.26 and fees in the amount of \$38,520.50, for a total of \$41,348.76 from Lathrop & Gage, L.C.. Attached hereto as **Exhibit B** are true and correct copies of the invoices for services and expenses for Lathrop & Gage, L.C.

9. The Receiver has also employed the law firm of Sorainen Law Offices in Riga, Latvia to assist him in the collection, preservation, maintenance and operation of the Receivership Assets and Receivership Records.

10. Between May 4, 2005 and May 31, 2005, the Receiver has incurred expenses in the amount of €4.09 and fees in the amount of €840.00, for a total of €854.09 from Sorainen Law Offices. Attached hereto as **Exhibit C** are true and correct copies of the invoices for services and expenses for Sorainen Law Offices.

11. This Application has been reviewed by counsel for the SEC who concurs in the relief sought in this Application.

WHEREFORE, the Receiver respectfully requests the Court enter its Order:

(i) Authorizing the Receiver to pay Larry E. Cook the sum of \$39,357.41 for his fees and expenses through May 31, 2005;

(ii) Authorizing the Receiver to pay Lathrop & Gage, L.C. the sum of \$41,348.76 for its fees and expense through May 31, 2005;

(iii) Authorizing the Receiver to pay Sorainen Law Offices the sum of €854.09 for its fees and expense through May 31, 2005; and

(iv) For such other and further relief as the Court deems just and appropriate.

Respectfully submitted,

Dated: June 30, 2005

Lathrop & Gage L.C.

By: /s/ Brian M. Holland

Kenneth L. Weltz KS #9134
Brian M. Holland KS #19989
10851 Mastin Boulevard, Suite
Overland Park, KS 66210-1669
Telephone: 913.451.5100
Telecopier: 913.451.0875

Attorneys for Larry E. Cook, Receiver

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of June, 2005, I electronically filed the foregoing, with the Clerk of the Court for the District of Kansas, Topeka Division, by using the CM/ECF system which will send a notice of electronic filing to the following CM/ECF participants:

Timothy P. Davis, SEC;

Christopher M. Joseph and Stephen M. Joseph, Counsel for Spencer Defendants;

Roger N. Walter, Local Counsel for Relief Defendant Vectra Resources, LLC;
and

Randall J. Forbes and Kevin M. Fowler; Counsel for Relief Defendant Dynamic Environmental Solutions.

I further certify that I mailed the foregoing document and the notice of electronic filing by depositing a correct copy thereof in the United States mail, first class, postage prepaid and addressed to the following non-CM/ECF participants:

Michael Bachner
Robert L. Herskovits
Bachner & Herskovits, PC
26 Broadway, Suite 2310
New York, NY 10004
Counsel for Defendant Tanner
Omnibus LLC
c/o Rox Anne Wark, Registered Agent
7380 S. Eastern Ave, #124-279
Las Vegas, NV 89123
Relief Defendant

Christopher Bebel
440 Louisiana, Suite 900
Houston, TX 77002
Co-Counsel for Relief Defendant Vectra
Resources, LLC

Richard P. Kringen
10120 SW 10th Ave.
Topeka, KS 66615
Defendant

/s/ Brian M. Holland
An attorney for Larry E, Cook, Receiver