

**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.)	

**SECOND 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 Second 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 “Commission”) initiated this securities fraud enforcement action on May 4, 2005. At the request of the Commission 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 has recovered approximately \$2,876,000 in investor funds. The Receiver has also identified and obtained an Order directing the return of an additional \$10 million in investor funds in US and European banks. In addition, the Receiver has identified an additional

\$2,375,000 of potential investor funds in foreign and US banks which he is investigating and evaluating for recovery for the benefit of the investors.

3. 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.

4. The Receiver has engaged counsel to assist in his efforts. The Receiver's work during the first three months of this receivership suggests the total defrauded investors may exceed several thousand in number and involve in excess of \$10 million. 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.

5. 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 and others.

6. Between June 1, 2005 and July 31, 2005, the Receiver has incurred expenses in the amount of \$3,111.52 and fees in the amount of \$57,760, for a total amount of \$60,871.52. Attached hereto as **Exhibit A** are true and correct copies of the invoices for services and expenses for Larry E. Cook, Receiver.

7. 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.

8. 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.

9. Between June 1, 2005 and July 31, 2005, the Receiver has incurred expenses in the amount of \$2,563.78 and fees in the amount of \$46,648.50, for a total of \$49,212.28 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.

10. The Receiver has also employed the law firm of Jones Vargas to assist him in the collection, preservation, maintenance and operation of the Receivership Assets and Receivership Records.

11. Between July 5, 2005 and July 31, 2005, the Receiver has incurred expenses in the amount of \$801.68 and fees in the amount of \$5,242.50, for a total of \$6,044.18 from Jones Vargas. Attached hereto as **Exhibit C** are true and correct copies of the invoices for services and expenses for Jones Vargas.

12. This Application has been reviewed by counsel for the Commission 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 \$60,871.52 for his fees and expenses through July 31, 2005;

(ii) Authorizing the Receiver to pay Lathrop & Gage, L.C. the sum of \$49,212.28 for its fees and expense through July 31, 2005;

(iii) Authorizing the Receiver to pay Jones Vargas the sum of \$6,044.18 for its fees and expense through July 31, 2005; and

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of August, 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, Co-Counsel for Relief Defendant Vectra Resources, LLC;

Christopher Bebel, Co-Counsel for Relief Defendant Vectra Resources, LLC;

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

Robert L. Herskovits, Counsel for Defendant Tanner; and

Thomas D. Haney, Counsel for Defendant Tanner.

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:

Omnibus LLC
c/o Rox Anne Wark, Registered Agent
7380 S. Eastern Ave, #124-279
Las Vegas, NV 89123
Relief Defendant

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