

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
Plaintiff,	:	
v.	:	
DONALD ANTHONY WALKER YOUNG,	:	Civil Action No.: 2:09-cv-01634-JP
ET AL. ,	:	
Defendants,	:	
OAK GROVE PARTNERS, L.P., NEELY	:	
YOUNG, AND W.B. DIXON STROUD JR.,	:	
Relief Defendants.	:	
	:	

ORDER

AND NOW, this _____ day of _____ 2010, upon consideration of Receiver Louis C. Bechtle’s Motion for Approval of Third Interim Fee Application for the Period January 1, 2010 through March 31, 2010 (“Motion”), it is ORDERED that the Motion is GRANTED.

IT IS THEREFORE ORDERED as follows:

1. The Receiver’s Third Interim Fee Application is APPROVED.
2. Payment to Conrad O’Brien P.C. (“Law Firm”) in the amount of \$249,968 for services performed through March 31, 2010, representing eighty percent (80%) of the Law Firm’s total fee of \$312,460, is APPROVED and may be paid by the Receiver at this time;

3. Payment to Kroll, Inc. (“Accountant”) in the amount of \$285,368 for services performed through March 31, 2010, representing eighty percent (80%) of the Accountant’s total fee of \$356,710, is APPROVED and may be paid by the Receiver at this time;

4. Payment to Conrad O’Brien P.C. in the amount of \$7,241.39 for expenses incurred through March 31, 2010 is APPROVED and may be paid by the Receiver at this time;

5. Payment to Kroll, Inc. in the amount of \$3,667.93 for expenses incurred through March 31, 2010 is APPROVED and may be paid by the Receiver at this time;

6. Payment to Lundy & Flynn, LLP in the amount of \$2,000, representing one hundred percent (100%) of its fees, is APPROVED and may be paid by the Receiver at this time.

The Honorable John R. Padova, U.S.D.J.

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**SECURITIES AND EXCHANGE
COMMISSION**

Plaintiff

v.

**DONALD ANTHONY WALKER YOUNG,
ET AL.**

Defendants

**OAK GROVE PARTNERS, L.P.,
NEELY YOUNG, AND W.B. DIXON
STROUD JR.,**

Relief Defendants

Civil Action No.: 2:09-cv-01634-JP

**RECEIVER LOUIS C. BECHTLE’S MOTION FOR APPROVAL OF THIRD
INTERIM FEE APPLICATION FOR THE PERIOD JANUARY 1, 2010 THROUGH
MARCH 31, 2010 AND BRIEF IN SUPPORT**

Pursuant to the Court’s Order dated June 25, 2009, Louis C. Bechtle, Receiver for the Assets and Records of Acorn II, L.P., Acorn Capital Management, L.L.C., Donald Anthony Walker Young, and Neely A. Young, moves for approval of payment of fees and expenses invoiced by counsel for the receiver, Conrad O’Brien P.C. (“Conrad”), the Court appointed accountant to the Receiver, Kroll, Inc. (“Kroll”) as well as other professionals retained by the Receiver. The Receiver has previously submitted this Application to the SEC, which has advised the Receiver that it does not have any objection to the Application. In support of this Motion, Mr. Bechtle states as follows:

I. BACKGROUND

On April 17, 2009, the Securities and Exchange Commission filed an action against Donald Anthony Walker Young (“DA Young”), Acorn Capital Management, LLC and Acorn II, LP (collectively “the Acorn Entities”), alleging various securities violations arising out of the defendant’s fraudulent investment activity in the nature of a Ponzi scheme.

The Court issued a Temporary Restraining Order on April 17, 2009, *inter alia*, freezing the assets of the Defendants and Relief Defendants, and enjoining further investment activities by the Defendants. On April 23, 2009, DA Young, Neely Young, and the Acorn Entities filed consents to the imposition of a preliminary injunction and other relief. The Court entered a preliminary injunction in accordance therewith on April 24, 2009.

On June 25, 2009 this Court entered an Order Appointing Receiver (“Receivership Order”) pursuant to which the Court took exclusive jurisdiction and possession of the Defendants’ assets, monies, securities, choses in action, and properties, real and personal, tangible and intangible, of whatever kind and description, wherever situated, and any entities that the Defendants own or control or in which either of them have an interest (the “Receivership Assets”), as well as the Defendants' books, records, computers, and documents (the “Receivership Records”). In the same order, Louis C. Bechtle was appointed Receiver for the Receivership Assets and Records (collectively, the “Receivership Estate”), with the goal and purpose of marshalling the Receivership Assets to maximize the recovery of defrauded investors.

The Receivership Order also authorizes the Receiver to retain the law firm of Conrad O’Brien, P.C. (the “Law Firm”) and Kroll, Inc. (the “Accountant”) as his counsel and accountant, respectively, in connection with this appointment, and further provides that, subject to the

Court's approval, the Receiver, the Law Firm, and the Accountant shall be compensated from the Receivership Assets for all reasonable fees and costs.

The Court approved fee schedules, which provide substantial discounts from the standard rates of the Law Firm and the Accountant, and which hourly fee rates the Court has already found to be reasonable, are as follows¹:

Receiver

<u>Name</u>	<u>Rate</u>
Louis C. Bechtle	\$495

The Law Firm

<u>Name/ Position</u>	<u>Rate</u>
P. Hamill	\$350
K. Kent	\$325
Associates	Up to \$200
Paralegals	\$100

The Accountant

<u>Name</u>	<u>Rate</u>
W. Nugent/J. Slavek	\$375
Senior Manager	\$205
Manager	\$175
Senior Associate	\$150
Associate	\$150
Junior Staff	\$135

Pursuant to the Court's Order, the reasonable costs and expenses of the Receiver, the Law Firm, and the Accountant are to be paid from Receivership Assets. Upon Order of this Court

¹ Notably, there has been no request by the Receiver, Conrad O'Brien, or Kroll for annual increases of their rates.

approving such application, the Receiver may pay up to 80% of the compensation and professional fees and 100% of the expenses of the applicants.²

This is the third application for approval of fees and expenses by the Receiver, for the period covering January 1, 2010 through March 31, 2010. The Receiver submitted a First Interim Fee Application on October 30, 2009 for the period covering June 25, 2009 through September 30, 2009. In that application the Receiver sought and obtained approval for fees in the following amounts:

- The total fee compensation requested by the Receiver and the Law Firm in the First Application was \$306,267.00, subject to a twenty percent (20%) holdback, for a total payment of \$245,013.60.
- The total fee compensation requested by the Accountant in the First Application was \$202,435.00 subject to a twenty percent (20%) holdback for a total payment of \$161,948.00.
- The total expense compensation requested by the Law Firm in the First Application and supplement thereto was \$12,871.85.
- The total expense compensation requested by the Accountant in the First Application was \$8,188.39.

The Court approved the First Interim Fee Application (as corrected by the Receiver's supplement and reflected above³) on November 18, 2009. On December 16, 2009 the Receiver submitted a second supplement to the First Fee Application requesting approval of additional compensation

² At the close of the Receivership, the Receiver must file with the Court a final application for compensation, fees, and expenses, describing in detail the costs and benefits associated with all litigation and other actions pursued in the course of the Receivership. At that time, any amounts held back during the course of the Receivership will be paid at the discretion of the Court.

³ Prior to obtaining court approval of the First Fee Application, the Receiver filed a supplement to correct and reduce the amount of expenses requested in the application.

by the Accountant to correct amounts inadvertently not included in the original application. On December 24, 2009 the Court approved the Second Supplement to the First Fee Application in the requested amount of \$14,470.00, subject to a (20%) holdback for a total payment of \$11,576.00.

The Receiver submitted a Second Interim Fee Application on February 19, 2010 for the period covering October 1, 2009 through December 31, 2009. In that Application the Receiver sought compensation in the following amounts:

- The total fee compensation requested by the Receiver and the Law Firm in the Second Application was \$306,841.50, subject to a twenty percent (20%) holdback, for a total payment of \$245,473.20.
- The total fee compensation requested by the Accountant in the Second Application was \$471,412.75 subject to a twenty percent (20%) holdback for a total payment of \$377,130.20.
- The total expense compensation requested by the Law Firm in the Second Application and supplement thereto was \$13,399.25.
- The total expense compensation requested by the Accountant in the Second Application was \$6,885.25.

The Court approved the Second Interim Fee Application on March 10, 2010.

The total amount of allowed compensation to date which remains unpaid pursuant to the Court ordered 20% holdback, with respect to the Receiver and the Law Firm is \$122,621.20, and with respect to the Accountant is \$137,663.55.

II. CASE STATUS

A. Cash on Hand, Administrative Expenses, and Unencumbered Funds

Through the liquidation of bank accounts and brokerage accounts, the Receiver has consolidated substantially all liquid funds into a central Receivership Account and an Operating Account. As of March 31, 2010 the balance of the Receivership Account was \$8,422,321.00. As of that same date the balance of the Operating Account was \$171,246.00. The Receiver also has control and possession of two brokerage accounts held in the names of the Young's children each with a current balance of \$20,771.00. The Receiver also maintains an Individual Retirement Account held in the name of Mr. Young with a current balance of \$5,176.62. This application is also made during the pendency of the liquidation of significant assets, including real estate property located in West Palm Beach, a marine craft and other miscellaneous items of personal property. The Receiver anticipates that the liquidation of these assets will result in sizeable increases of cash. For further details, the Receiver has attached the SEC's Standardized Fund Accounting Report ("SFAR") as Exhibit A to this Application.

The Receivership has incurred expenses of approximately \$23,681.98 in connection with the maintenance of the Receivership assets since the filing of the last fee application. These expenses, described in more detail below include, *inter alia*: insurance premiums on real and personal property, utilities and taxes with respect to real properties; payments to professional consultants; payments to appraisers for real and personal properties in Maine, Florida and Pennsylvania; caretaking expenses associated with property maintenance, payment of storage fees for boats and other property; payments to publish notification of various sales and auctions in multiple newsprint media; and payments to a professional auctioneer to appraise and conduct the sale of numerous items of personal property.

B. Administration of the Case to Date

On June 25, 2009, the Receiver was appointed to assume control of, marshal, pursue, and preserve the Receivership Assets with the objective of maximizing the recovery of defrauded investors and, to the extent that the assets recovered may be inadequate to make them whole, ensuring that the distribution of those assets is as just and equitable as practicable. To accomplish the foregoing, the Receiver Order provided the Receiver with various powers, including, *inter alia* the power to: take immediate possession of various assets, including real and personal property located in Pennsylvania, Florida and Maine; take all reasonable steps to secure and protect those assets; take control of and secure records and files of the Receivership; obtain exclusive control over bank and brokerage accounts owned or otherwise controlled by the Defendants; take appropriate steps to secure the mail addressed to any of the Receivership entities; make necessary payments to preserve Receivership property; compromise and settle claims; and retain professionals including appraisers and financial advisors to assist the Receiver in carrying out his duties.

Since the filing of the Second Interim Fee Application, the Receiver has made significant progress toward the liquidation of real and personal property of the Defendants as outlined below. Securing and preparing these and other assets for liquidation has required substantial time and effort and involved numerous legal and administrative tasks. The Receivership Estate includes tangible and intangible property, all of which the Receiver has had to investigate, secure, maintain, and/or liquidate since his appointment on June 25, 2009. To fulfill his obligations to the Court, the Receiver has undertaken the following tasks with respect to the

various forms of property in the Receivership Estate, since the filing of the First Interim Fee Application:⁴

1. Tangible Property in Pennsylvania

Receivership tangible property in Pennsylvania included a 57 acre parcel of real property, with improvements, located at 475 Thouron Road, Coatesville, Pennsylvania, personal property located at that address, including, among other things, common household items, antiques, fine art, farm equipment, and automobiles.

The Receiver closed on the sale of the property on January 13, 2010. The net proceeds to the Receivership Estate on the sale was \$3,480,406.65. The Receiver's activities related to the negotiation and preparation for sale of the Pennsylvania property are more fully described in the previous fee application.

2. Tangible Property in Maine

Receivership tangible property in Maine included a parcel of real property, about an acre in size, with improvements, located at 30 Tennis Club Road, Mt. Desert, Maine, and personal property that had been located at that address, including, among other things, common household items, antiques, fine art, and a car. The Receivership property in Maine also includes three boats.

(a) Maintenance and Sale of the Maine Real Property

The sale on the Maine real property closed on January 22, 2010. The net proceeds to the Receivership Estate on the sale were \$1,180,435.21. Throughout the sale process for the Maine real property, the Receiver's counsel worked with counsel for the buyers to address a number of issues, including title insurance, language for the deed, and other tasks to facilitate the sale such

⁴ Items that were fully disposed during the period covered by the Second Interim Fee Application have not been included in the narrative descriptions below.

as the filing of certain court orders in the United States District Court for the District of Maine. Those efforts along with the Receiver's other efforts related to the sale are more fully described in the previous fee application.

(b) Personal Property in Maine

In conjunction with the sale of the real property in Maine, the Receiver's counsel negotiated extensively with counsel for the buyers of the Maine real property, for the purchase of certain items of personal property in the Maine house. At the conclusion of those negotiations, the buyers agreed to pay \$24,000 for a significant percentage of the personal property in the Maine house, which was approximately the same value as the combined appraised value for that property.

During the period covered by this fee petition, the Receiver obtained Court approval and arranged for three boats that are part of the Receivership Estate and located in Maine to be put on the market. The boats, an International One Design, a Steve Spurling skiff, and an inflatable rubber dingy, were put on the market in mid-November, 2009. The International One Design sailing sloop named SAGARA, was sold with Court approval for \$62,500 on March 22, 2010. After the deduction of a broker's commission and costs, the Receivership Estate netted \$53,767.21 on the sale of SAGARA. The Steve Spurling skiff was put on the market for \$4,700, along with the inflatable dingy for \$1,000.

Also during the period covered by this fee petition, a small number of personal items in Maine were offered for sale at an auction held on March 27, 2010, with Court approval. The items for auction included decorative pieces, kitchenware, small appliances, books, and some art work. The final dollar amount for the items sold is being calculated by the auction house, but is

estimated to be approximately \$1,984.33. An additional auction for the remaining personalty in Maine, including certain pieces of valuable artwork will be held this summer.

3. Tangible Property in Florida

Receivership tangible property in Florida includes a parcel of improved real property located at 280 Sanford Avenue, Palm Beach, Florida, as well as personal property such as common household items, antiques, and several boats and automobiles.

During the prior application period, the Receiver's staff removed several cars from the Florida property and had them placed in storage pending auction. The Receiver's staff also arranged for surveys to be conducted on two boats in Florida which are part of the Receivership Estate: an Angler and a Hinckley Picnic Boat. The Hinckley Picnic Boat was placed on the market on February 24, 2010, with an asking price of \$175,000.

During the current application period the Receiver has undertaken significant additional efforts to liquidate the Receivership Estate's real and personal property in Florida. With Court approval, the Receiver authorized the auction of a wide variety of personalty, most of which was located at the Youngs' former property at 280 Sanford Avenue, Palm Beach, Florida. Included among the personalty were the following items: four automobiles; one boat; valuable and costume jewelry; flatware; firearms; decorative items; furniture; antiques; and common household items. The auction was held on March 7, 2010, and netted the Receivership Estate \$111,325. The Receiver placed the Florida real property on the market on April 13, 2010 for an asking price of \$2,100,000.00.

4. Intangible Property

The Receivership Estate includes intangible property resulting from D.A. Walker Young's use of Ponzi scheme funds to invest, for his own benefit, in the following entities:

- Monteagle Media, Inc. (a closely held ticket brokerage business)
The Receiver has recovered \$7985.58 as part of a bankruptcy liquidation proceeding with respect to Mr. Young's 30.7% interest in that entity. The Receiver has retained the law firm of Jones & Walden regarding additional claims related to Monteagle Media. Those claims involve the collection of a personal guarantee made in connection with a loan made to Monteagle Media by Mr. Young and three other investors. Jones & Walden issued a demand on April 1, 2010 in the amount of \$140,800 plus interest, fees and costs, from which the receivership would receive 30.7% (less legal fees and expenses) if full recovery were obtained.
- Red Abbey Venture Partners, L.P. (a partnership that invests in the securities of entities in the life sciences industry)
The Receiver has been in contact with counsel for the Red Abbey partnership and is attempting to negotiate a potential assignment of Mr. Young's partnership interest.
- Milestone Partners (a limited partnership that purchases, holds, sells, and invests in interests in lower middle market companies)
The Receiver is attempting to negotiate an assignment of Mr. Young's partnership interest in this entity.
- Pipex Pharmaceutical, Inc. (successor by merger of Effective Pharmaceuticals, Inc.)
The Receiver has identified that fraudulent proceeds were used to purchase stock for the Young's children worth approximately \$50,000 and is in the process of attempting to recover and liquidate those assets.
- N2DD, Inc. (a Delaware corporation with one asset, a Lear Jet 24E aircraft, that it leases to shareholders for use.)
The Receiver is attempting to negotiate a sale of Mr. Young's interest in this entity.

In addition to these assets, the Receiver has identified numerous private clubs with which the Youngs may have had an affiliation. Specifically, the Receiver's investigation identified fifteen (15) private clubs throughout Pennsylvania, Delaware, Maine and Florida in which the Youngs may have maintained dues-paying membership. In or around December 2009, in accordance with his duties under the Receivership Order, the Receiver served initial requests for documents on the private clubs the Youngs held a membership with and/or had any other affiliation. After additional follow-up by the Receiver, the majority of the private clubs provided documents concerning the Youngs membership(s) and the expenses that were incurred therewith.

Certain clubs still refused to comply with the Receivership Order, requiring the Receiver to prepare and serve subpoena(s).

The Receiver has received and reviewed an initial production of documents from each of the clubs he believes the Youngs were affiliated. With regard to the nature and costs associated with the Youngs membership or affiliation with the private club, the Receiver learned that the Youngs held an equity-type position in two of the private clubs. The Receiver is attempting to recover for the Receivership Estate the capital contributions associated with these interests. As discussed in the prior fee application, one club has returned the Young's capital contribution to the Receiver. The Receiver has made a request of the other clubs for a similar return. The Receiver is further analyzing the extent to which additional expenditures may be recoverable on behalf of the Estate, and may make further demands on the private clubs once this analysis is complete.

5. Other Tasks

In addition to the administrative and legal tasks outlined above, the Receiver has performed and/or authorized the performance of the following tasks:⁵

- The Receiver has drafted and filed a comprehensive First Receiver's Report and is in the process of drafting a comprehensive Second Receiver's Report detailing the ongoing receivership activities.
- The Receiver has maintained a website at www.acornreceiver.com to provide updates to investors and others of the progress of the Receivership.
- The Receiver has undertaken considerable efforts with regard to discovery, including serving sixty five (65) third party subpoenas and document requests in multiple jurisdictions, as well undertaking the

⁵ The volume and diversity of tasks necessary to administer the Receivership are not easily categorized. This list presents examples of activities undertaken on behalf of the Receivership. For the benefit of the Court's review, a more complete description of all activities undertaken through March 31, 2010 are included in the detailed time and expense reports attached to this petition as Exhibits B & C. These exhibits are being submitted under seal because their contents include privileged, confidential, work-product protected, and other sensitive information.

Receivership assets or for the operation of the Receivership estate, including payments related to the retention of appraisers, professional money managers, caretakers, and others.

- The Receiver has demanded the return of cash donations made by one or more of the Receivership Entities from Ponzi scheme funds.
- The Receiver has extensively researched and analyzed legal issues involved in potential litigation to recover Receivership assets.
- The Receiver is in the process of analyzing the state and federal tax issues pertaining to Receivership Entities.
- The Receiver has had conversations or correspondence with investors regarding the status of Receivership activities and investor accounts. The Receiver has also handled numerous inquiries from persons interested in purchasing Receivership Assets.
- The Receiver has reviewed and catalogued hundreds of thousands of documents found in the homes, offices and storage facilities of DA Young and the Acorn Entities.
- The Receiver has analyzed and performed various administrative tasks in connection with terminating the Acorn Entities including employment matters for a number of former employees.
- The Receiver is in the process of conducting a comprehensive forensic investigation of the DA Young and Acorn Entities' business dealings and financial activity in an effort to identify additional recoverable amounts, reconstruct investor capital accounts, evaluate tax issues and prepare necessary tax returns, and evaluate creditor claims against the estate.

6. Claims against Receivership Assets Compromised

Other than creditor claims submitted to the Receiver, which will be addressed through a proposed claims resolution process to be submitted to the court, no claims are currently pending against the Receivership, and no claims were otherwise settled or resolved during this application period.

7. Analysis of Tax Issues

The Receiver has retained Certified Public Accountant Alan Winikur of Zelnick, Mann and Winikur to advise the Receiver with respect to Federal and State tax issues, and to analyze and prepare necessary tax forms on behalf of the Receivership. The Youngs and the Acorn Entities failed to file tax returns for many years as required by the Internal Revenue Code. The Receiver, through his tax advisor, has been working together with the Receiver's forensic accountants to reconstruct the partnership balance sheets and individual financial information based on available data in order to address tax matters relating to the Receivership entities. In addition the Receiver, through Mr. Winikur, has conferred with the Internal Revenue Service (IRS) and the Pennsylvania Department of Revenue to resolve past due payroll and other tax obligations of the Acorn Entities. Certain tax issues related to potential IRS liens on receivership property have also arisen during the liquidation proceedings, requiring communication with IRS officials and collection officers to ensure the Receiver's unrestricted ability to dispose of property.

The Receiver has also retained the law firm of Lundy & Flynn LLP to assist the Receiver in addressing various tax obligations, both federal and state, including the drafting of a potential stipulation proposed to the IRS in order to resolve various outstanding tax matters. Toward that end Lundy & Flynn have been involved in communications with the IRS regarding these matters.⁶

8. Lawsuit Against Receivership Entities

On June 11, 2009, after the Court froze the assets of D.A. Young, et al., John H. Flournoy and Benjamin H. Hardaway filed suit against D.A. Young and Acorn Capital Management, LLC

⁶ Lundy & Flynn's invoice is submitted under seal herewith at Exhibit D. Because of the relatively low amount of the invoice, and the discrete engagement involved, the Receiver seeks approval of that invoice in its entirety, rather than subject to a 80% holdback. The SEC does not object to the payment of this invoice in full.

in the United States District Court for the Middle District of Georgia, No. 4-09-cv-67 (CDL) (“Flournoy Action”). In their complaint, Messrs. Flournoy and Hardaway allege to have been investors in “Acorn LP.” Messrs. Flournoy and Hardaway allege claims against Mr. Young and Acorn Capital Management under Georgia common law, the Georgia RICO Act, the Georgia Securities Act, and the Pennsylvania Securities Act.

After Mr. Bechtle’s appointment as Receiver, his counsel contacted Betsy Collins, counsel for Messrs. Flournoy and Hardaway, regarding the prosecution of the Flournoy action in the wake of the June 25, 2009, Receivership Order and the Court’s exclusive jurisdiction over this action and the assets of the Receivership Entities. Ms. Collins and the Receiver’s counsel subsequently negotiated an agreement to stay the Flournoy Action pending resolution of the Receivership and submitted the stay agreement for approval and adoption to Judge Clay D. Land, the judge presiding over the Flournoy Action. On November 6, 2009, Judge Land issued an Order staying the Flournoy Action pending the resolution of the Receivership.

9. Potential Lawsuits By The Receiver

(a). Discovery Efforts

The Receiver has engaged in significant discovery efforts during the current application period. Due to certain gaps that existed in the books and records and in furtherance of his initial analysis of potential claims on behalf of the Estate, the Receiver has prepared and served sixty five (65) document subpoenas and requests for production in approximately fifteen (15) federal districts throughout the country. In addition the receiver has retained DiscoveryWorks Global (“DiscoveryWorks”) a litigation support services firm that specializes in electronic discovery, to assist the receiver in managing and reviewing the voluminous documents recovered/produced to date. The Receiver has recovered more than 800,000 electronic documents from the Youngs, the

Acorn Entities, and other parties through the subpoena process and is in the process of a targeted analysis and review of those documents in support of potential litigation and resolution of creditor claims.

(b). Net-Winner Investors

The Receiver has identified approximately twenty-two (22) investors (the “Net-Winner Investors”) who received disbursements from the Source Entities that exceed the amount of their principal contribution(s) (herein, the “False Profits”). The lack of accounting records for the Source Entities has caused the Receiver and his forensic accountant to undertake substantial work at the outset in order to properly identify the investors in the Defendants’ scheme and understand the actual contributions and disbursements attributable thereto. To obtain the necessary information and documentation, the Receiver utilized investor questionnaires that sought information directly from each Investor. The Receiver was able to obtain certain information through this process, yet his efforts in obtaining a comprehensive depiction from the investors in the Source Entities were hampered by a lack of responsive documentation and other information. The Receiver and his Accountant worked to diligently recover financial records from additional sources such as the banks and brokerages in which the Acorn Entities and the Youngs maintained accounts. The Receiver issued numerous subpoenas to banking institutions, brokerages and government entities, and reviewed the extensive records produced in response thereto. The Receiver’s conclusions with regard to the Net-Winners’ False Profits are based on an analysis and reconciliation by Kroll of the documents and information received from each of the foregoing sources and are subject to change as third parties continue to provide documentation.

The Receiver and Accountant have spent considerable time reconstructing the investment activities of the known investors who received disbursements from the Receivership Entities in excess of the total sum of principal contributions they made with respect to their investment(s). Based on his review of the relevant documentation, the Receiver's preliminary conclusion is that the Net Winner Investors received, collectively, in excess of \$6,400,000 in false profits from the Source Entities, which the Receiver believes is recoverable on behalf of the Receivership Estate. The Receiver also believes that certain Net Winner Investors may be subject to further claims for the return of their principal contributions to the Receivership Estate, and is actively pursuing further documents and information from numerous sources in regard to such claims.

Because some Net Winner Investors did not voluntarily provide information and documentation directly to the Receiver concerning his or her investment transactions, on or about March 1, 2010, the Receiver wrote to each Net Winner Investor (the "March Correspondence") to conclusively establish the total sum of funds each Net Winner Investor received in excess of his or her principal contribution(s) with the Receivership Entities.

The March Correspondence provided the Net Winner Investor with notice of the Receivership Order and set forth the Receiver's preliminary conclusions concerning the Net Winner Investor's investment(s) with the Receivership Entities. In connection therewith, the Receiver provided a schedule which (a) detailed each contribution and withdrawal the Receiver believes to have been associated with the Net Winner Investor's investment(s) with the Receivership Entities (the "Transactional Activity"), and (b) set forth the total sum of false profits the Receiver believes each Net Winner Investor received in excess of his or her principal contribution(s) (the "Transaction Net"). The March Correspondence sought the confirmation or rejection from each Net Winner Investor of his or her Transactional Activity and Transaction

Net, and placed each Net Winner Investor on notice of a potential claim by the Receiver on behalf of the Receivership Estate for disgorgement of, at a minimum, the false profits associated with his or her investment(s) with the Source Entities.

The March Correspondence required the Net Winner Investor to submit the completed schedule concerning his or her Transactional Activity to the Receiver within fourteen (14) days of the date of the March Correspondence. Notwithstanding the benefits in establishing certainty with regard to investor Transactional Activity and Transaction Net at this stage in the litigation, and Receiver's right and duty to obtain a proper accounting pursuant to Section X, Paragraph P of the Receivership Order, the majority of the Net Winner Investors have not submitted the completed schedule to the Receiver. A small number of Net Winner Investors received a reasonable extension in order to submit their response. Three (3) of the twenty-two (22) Net Winner Investors submitted a completed response to the Receiver. One such Net Winner Investor indicated complete agreement with the Receiver's conclusions concerning the Transactional Activity and the Transaction Net, while the remaining two indicated minimal disagreement with certain Transactional Activity. The Receiver is working towards resolving the outstanding issues with these Net Winner Investors.

The Receiver is exploring potential claim(s) for the return of the principal contribution(s) from certain investors. In this regard, he has begun the process of subpoenaing many Net Winner Investors, and certain professionals affiliated with them, for documents related to their investment(s) and/or relationships with the Source Entities.

(c). Gifts and Donations to Charitable, Religious and Political Organizations

The Receiver has begun the process of pursuing charitable "clawback" claims, and to date has recouped approximately \$65,000.00 from charitable organizations that received investor

funds, without the need for formal litigation. It is anticipated that additional funds will be obtained through litigation and/or further settlement activity in connection with a number of charitable recipients of investor funds. Through a review of the books and records of the Source Entities and records received from financial institutions, the Receiver and his forensic accountants identified an initial register of sixty-two (62) organizations that potentially received charitable transfers from the Youngs and/or the Source Entities during the relevant time-period. In total, the initial register reflects disbursements by the Youngs of at least \$434,000 to different charitable, religious and political organizations (collectively, the “Charities”) from 2002 through April 2009. Based on information learned throughout the course of the Receiver’s investigation to date, the Receiver has determined that the majority, if not all, of these transfers to the Charities are subject to clawback claims by the Receiver and has taken steps toward their recovery.

In or around October 2009, the Receiver made his demand to the Charities for disgorgement of the full amount of identified transfers. Approximately one-third of the Charities returned the transfers identified by the Receiver in full, resulting in recovery of approximately \$65,000 at minimal cost to the Receivership Estate. Charities that have disgorged the full amount of the transfers known to the Receiver have signed a settlement agreement and limited release⁷ in connection with the identified transfers and in addition have been asked to certify whether additional transfers are known to exist.

Less than one-half of the Charities have either disputed the recoverability of the full amount of the transfers or have provided the Receiver with offers to settle the Receiver’s demand for less than the full amount of the transfers. The Receiver is in the process of reviewing and

⁷ The settlement agreement and release relates solely to the transfers identified in the Receiver’s demand, and does not release the Charities from additional claims that could be made by the Receiver relative to later discovered transfers.

analyzing the disputes and all documentation provided by the Charities in support of their contentions.

The Receiver also anticipates issuing a second set of demands for the return of transfers from Charities that the Receiver has subsequently identified. Through a preliminary review, the Receiver's forensic accountant believes that the approximate sum of the supplemental register will result in additional demands in the amount of \$248,000. Confirmation of this estimate is currently in progress.

Since the last application period the Receiver has reviewed and considered the substantive responses provided by the charitable, religious and political organizations ("Charitable Organizations") in response to the Receiver's October 2009 demand for the return of the gifts and donations the Source Entities made to the Charitable Organizations. All offers to settle the Receiver's demands were carefully considered and analyzed in accordance with applicable law and all other relevant circumstances. The Receiver accepted one (1) partial settlement offer with respect to his demand to a Charitable Organization. This offer presented, and fully documented, an exchange in value for the purported gifts and donations the Charitable Organization received from the Source Entities. The Receiver is presently working with counsel for this Charitable Organization to resolve the outstanding portion of this demand.

The Receiver rejected seven (7) settlement offers, which proposed no greater than fifty-percent recovery and failed to submit any basis in law or fact to support the Charitable Organization's refusal to return the full sum to the Receivership Estate. In connection with his notification, the Receiver requested that any Charitable Organization that might claim a hardship in remitting the full sum of the demand disclose certain financial information in order for the Receiver to properly evaluate any such claim. None of the Charitable Organizations remitted

this information to the Receiver. Consequently, the Receiver has begun drafting complaints and is preparing to commence litigation to recover the sums owed to the Receivership Estate.

(d). Loans to Various Third Parties

The Receiver has recently reviewed documentation that appears to evidence loans made by the Source Entities to certain third parties. The Receiver is in the process of examining the financial arrangements between the Source Entities and the known third party recipients, as well as investigating the potential existence of similar financial arrangements between the Source Entities and other third parties. The Receiver has made one demand for the disgorgement of loan proceeds, and anticipates issuing additional demands once he has an understanding of all of the facts surrounding these financial arrangements. The Receiver will file suits as necessary if full repayment is not received.

(e). Accounting Firm Liability

The Receiver is analyzing potential claims against an accounting firm, and several of its employees, that provided auditing, book keeping and other accounting services to the Acorn Entities. The Receiver is currently analyzing documents produced by various parties relating to the accounting firm's potential liability. The Receiver has reviewed documents obtained from the SEC, Acorn's offices, the personal residences and offices of DA Young, and storage facilities maintained by DA Young. The Receiver has also had discussions with the accounting firm's counsel pertaining to potential claims against the firm and several of its employees.

The Receiver issued a subpoena to the accounting firm on February 16, 2010, seeking the production of additional relevant documents and information related to its potential claims and the recovery of additional assets belonging to the Receivership. The subpoenaed documents have been produced and the Receiver's counsel is now conducting a substantive analysis of those

documents in connection with the potential causes of action under consideration by the Receiver. The causes of action under consideration include, but are not limited to, claims for malpractice (i.e., professional negligence), aiding and abetting a breach of fiduciary duty, and breach of contract.

(f). Damages Claims Against Other Third Parties

In addition to clawback litigation with regard to charities, investors and the recipients of loans, the Receiver is analyzing potential lawsuits against various third parties for damages. Toward that end the Receiver has issued numerous third party Subpoenas to various persons and entities to recover documents and information in support of potential causes of action. The Receiver has undertaken substantial preliminary analysis with respect to potential causes of action against various persons/entities, including professional firms and other institutions, which are connected in some way to the Acorn business, may be in possession of Receivership assets, and/or may have liability to the Receivership Estate. The investigation regarding potential lawsuits is ongoing. The Receiver is investigating these causes of action, both factually and legally, and they are not described in detail here due to legal privileges and work product concerns. The Receiver and his team have spent substantial time recovering and analyzing documents and data associated with the Acorn enterprises in order to assess the factual basis for such potential causes of action. The Receiver is now in the process of reviewing all computer files and electronic data seized from the offices of Acorn Capital Management, LLC as well as from individual defendant and relief defendant Donald and Neely Young. The amount of data under review is voluminous, with more than 800,000 documents recovered to date. The Receiver's counsel is in the midst of a targeted substantive analysis of many of these documents in connection with the causes of action under consideration by the Receiver.

The Receiver's Accountant has also undertaken an extensive investigation and forensic analysis of the Acorn business to assist the Receiver with his evaluation of potential lawsuits. The Accountant is in the process of collecting and analyzing transactional data for twenty (20) bank accounts from over a ten (10) year period to identify the sources and uses of funds. This data will be used to identify funds and payments that should be returned to the Estate, and in connection with analyzing potential lawsuits against persons or entities that the Receiver believes may have liability to the Receivership Estate.

The Receiver has issued a number of subpoenas to various third parties seeking the production of relevant documents and information related to potential claims and the recovery of additional assets belonging to the Receivership. Following completion of the review of documents and electronic data currently in his possession, the Receiver anticipates that additional subpoenas will be served upon persons and entities having materials relevant to the investigation.

As part of his overall investigation, the Receiver and his counsel have conducted numerous interviews of fact witnesses believed to have significant information, including Mr. Young and employees of Acorn. The Receiver conducted more than four days of interviews of Mr. Young, during which time the Receiver obtained information that may form the basis of claims belonging to the Receivership. The Receiver has also conducted numerous in person and telephonic interviews of individuals connected to the Acorn Entities, including former employees and brokers and other witnesses. In addition to these investigative efforts, the Receiver and his counsel have performed and continue to perform significant legal research and analysis with respect to potential causes of action as based on the facts uncovered to date.

C. Summary of Creditor Proceedings

In anticipation of numerous creditor claims against the Receivership Estate, the Receiver has created a creditor claim form to document all such claims being made against the Estate. The claim form has been published on the Receiver's website. Numerous creditors have utilized the claim form to record claims against the Estate, and the Receiver is in the process of evaluating those claims. The Receiver is in the process of creating and filing a motion to approve a claims procedure that will encompass both investors and trade creditors, and expects to seek court approval regarding its proposed procedure shortly.

D. Receivership Books and Records

The treasury function for the Receivership is being undertaken primarily by counsel to the Receiver, Conrad O'Brien PC, and the forensic accountant to the Receiver, Kroll. Tasks include managing the Estate's funds, reconciling accounts on a monthly basis, and managing the review and approval of critical payables. Other responsibilities include working with vendors to ensure that bills critical to the Receivership operation and asset preservation are accounted for and paid in a timely manner. Kroll is also maintaining the accounting books for the Receivership Estate.

III. FACTORS TO BE CONSIDERED BY THE COURT IN AWARDING FEES

This Court has the power to appoint a receiver and to award the receiver fees for his services and for expenses incurred by the Receiver in the performance of his duties. See Donovan v. Robbins, 588 F. Supp. 1268, 1272 (N.D. Ill. 1984) ("[T]he receiver diligently and successfully discharged the responsibilities placed upon him by the Court and is entitled to reasonable compensation for his efforts."). See also Securities & Exchange Commission v. Elliott, 953 F. Supp. 1560 (11th Cir. 1992) (receiver is entitled to compensation for faithful

performance of his duties.). The case law on equity receiverships sets forth the standards for approving receiver compensation and the fees and expenses for the receiver's counsel. The District Court has discretion to determine compensation to be awarded to a court-appointed equity receiver and his counsel and "may consider all of the factors involved in a particular receivership in determining the appropriate fee." Gaskill v. Gordon, 27 F.3d 248, 253 (7th Cir. 1994). Many authorities provide "convenient guidelines", but in the final analysis, "the unique fact situation renders direct reliance on precedent impossible." Securities & Exchange Comm'n v. W.L. Moody & Co., 374 F. Supp. 465, 480 (S.D. Tex. 1974), *aff'd*, 519 F. 2d 1087 (5th Cir. 1975).

In allowing counsel fees in Securities Act receiverships, "[t]he court will consider . . . the complexity of problems faced, the benefit to the receivership estate, the quality of work performed, and the time records presented." Securities & Exchange Comm'n v. Fifth Ave. Coach Lines, Inc., 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973); *see also* United States v. Code Prods., 362 F.2d 669, 673 (3rd Cir. 1966) (court should consider the time, labor and skill required (but not necessarily expended), the fair value of such time, labor and skill, the degree of activity, the dispatch with which the work is conducted and the result obtained). "[R]esults are always relevant." Securities & Exchange Comm'n v. Elliott, 953 F.2d 1560, 1577 (11th Cir. 1992), *quoting* Moody, 374 F Supp. at 480. However, a good result may take a form other than a bare increase in monetary value. Id. ("Even though a receiver may not have increased, or prevented a decrease in, the value of the collateral, if a receiver reasonably and diligently discharges his duties, he is entitled to compensation."). Obviously, overall results can be determined only at the conclusion of the case.

Another "basic consideration is the nature and complexity of the legal problems confronted and the skill necessary to resolve them." Moody, 374 F. Supp. at 485. Moreover, "[t]ime spent cannot be ignored." Id. at 483. Lastly, the Court should recognize that the fees and expenses incurred for the first nine months of the Receivership will not necessarily be typical of future applications due to the extent of initial start-up work required to secure and liquidate the assets and to wind up the business entities. See Gordon v. Dadante, 2008 WL 1805787 at *11 (N.D. Ohio, 2008) (recognizing that as is "common in cases of this nature [receiverships], the bulk of the effort-and expense-is frontloaded.").

Under these standards the Receiver has adequately demonstrated that the amount of fees requested is appropriate. The Receiver as well as his counsel and accountants have acted quickly to take control of the Receivership Entities, liquidate their assets, and to prevent the further dissipation of assets. Since its inception, the Receiver has secured close to ten million dollars through these efforts. Investors have been contacted and catalogued, and are being kept informed of the Receiver's progress toward winding up the receivership estate and making an ultimate distribution. The amounts at issue in this case are substantial, where the Ponzi scheme involved more than \$92 million in investments during its operation.

The issues being addressed by the Receiver and his counsel are complex and involve not only the investigation of complex fraud perpetrated over a multi-year period, but the many nuanced issues related to winding up an ongoing entity which include tax, investment, employment and other issues. In addition the Receivership Estate includes unique and highly specialized property items requiring substantial front-end labor to assess, maintain, and liquidate. As evidence of the substantial time and effort these various tasks have required, the Receiver will submit the following exhibits under seal for the Court's review: Exhibit B – Summary of legal

professional and paraprofessional time and requested reimbursement of expenses by the Receiver and his Counsel; Exhibit C – Summary of accounting professional and paraprofessional time and requested reimbursement of expenses by the Receivers accounting firm; and Exhibit D – Summary of legal professional time by special tax counsel retained by the Estate. These exhibits as well as the narrative descriptions in this Application evidence the time and labor employed in processing this case.

The hourly rates charged by the attorneys and investigators providing services to the Receiver, as well as the Receiver's hourly rate, are below the customary rates of the attorneys working on this case and below those charged by attorneys of comparable skills in the Eastern District of Pennsylvania. Moreover, those billing at the higher rates, including the Receiver, Senior Counsel, and the Kroll Managing Director continue to write off substantial time during which they have conducted oversight activities. As an accommodation to the SEC and investors, the Receiver has agreed to reduce his standard hourly rate by more than 20 percent. This reduction represents a savings to the Receivership of more than \$6,000.00.

Similarly the Receiver's Court-approved counsel at Conrad O'Brien PC are billing at reduced rates at discounts of between 15% -- 30%. These discounts represent a savings to the Receivership of more than \$75,000.00. Lastly, the Receiver's Court-approved accountants at Kroll are also billing at substantially reduced rates at an average discount of approximately 25%, at a savings to the receivership of approximately \$146,000.00.

The Receiver and his professionals' compensation in this matter is subject to the final approval of this Court. The Court should consider that the Receiver as well as his attorneys and accountants have assumed the risk of non-payment and/or substantial delay in payment in

accepting the Court appointment. Based on the foregoing, the Receiver respectfully submits that the compensation sought by the Receiver and his team is wholly warranted.

The total fee compensation requested by the Receiver and the Law Firm in this Application is \$312,460.00 (See Exhibit B), and the total fee compensation requested by the Accountant in this Application is \$356,710.00. (See Exhibit C), with both the Law Firm and Accountant acknowledging that such compensation is subject to a twenty percent (20%) holdback pending completion of the case. The total expense compensation requested by the Law Firm in this Application is \$7,241.39 (See Exhibit B, pp. 115-116), and the total expense compensation requested by the Accountant in this Application is \$3,667.93. (See Exhibit C, p. 2).

The following table includes a breakdown of the Receiver’s legal and accounting fees by activity category as defined by the SEC’s billing guidelines:

Activity Category	Hours	Fee Amount
Asset Analysis and Recovery	461.9	\$89,964.50
Asset Disposition	275.1	\$52,858.00
Business Operations	54.7	\$17,548.00
Case Administration ⁸	612.3	\$132,302.00
Claims Administration and Objections	70.8	\$18,897.50
Employee Benefits/Pensions	8.9	\$890
Totals	1483.7	\$312,460.50

⁸ Case administration includes the Receiver’s litigation and discovery efforts described in sections B, 9 (a) – (f) above.

Activity Category	Hours	Fee Amount
Accounting/Auditing	30.55	\$4,618.00
Forensic Accounting	2,293.45	\$343,589.75
Status Reports	55.00	\$8,502.25
Totals	2,379	\$356,710.00

WHEREFORE, the Receiver respectfully requests that the Court grant this Motion and thereby authorize the following:

1. Payment to Conrad O'Brien P.C. in the amount of \$249,968.00 for services performed through September 30, 2009, such payment representing eighty percent (80%) of its total fee of \$312,460.00;
2. Payment to Kroll, Inc. in the amount of \$285,368.00 for services performed through September 30, 2009, such payment representing eighty percent (80%) of its total fee of \$356,710.00;
3. Payment to Conrad O'Brien P.C. in the amount of \$7,241.39 for expenses incurred through March 31, 2010;
4. Payment to Kroll, Inc. in the amount of \$3,667.93 for expenses incurred through March 31, 2010; and
5. Payment to Lundy & Flynn LLP in the amount of \$2,000 representing one hundred percent (100%) of its fees.

Respectfully submitted,

Dated: April 30, 2010

/s/ Kevin Dooley Kent

Patricia M. Hamill, Esquire

Kevin Dooley Kent, Esquire

Matthew H. Haverstick, Esquire

Attorney I.D. Nos.: PA 48416/85962/85072

Conrad O'Brien PC

1515 Market Street, 16th Floor

Philadelphia, PA 19102-1921

Telephone: (215) 864-9600

Facsimile: (215) 864-9620

Counsel for Louis C. Bechtle, Receiver

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**SECURITIES AND EXCHANGE
COMMISSION**

Plaintiff

v.

Donald Anthony Walker Young, et al.

Defendants

Oak Grove Partners, L.P., et al.

Relief Defendants

Civil Action No.: 2:09-cv-01634-JP

CERTIFICATE OF SERVICE

I hereby certify that on this date a true and correct copy of the foregoing Motion for Approval of Third Interim Fee Application (“Motion”) was served via electronic mail on the following:

Catherine E. Pappas, Esquire
Securities & Exchange Commission
Mellon Independence Center
701 Market Street, Suite 2000
Philadelphia, PA 19106

Gregory P. Miller, Esquire
Drinker Biddle & Reath LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103

Mark Cedrone, Esquire
Nicholas V. Pinto, Esquire
Cedrone & Pinto
123 S. Broad Street, Suite 810
Philadelphia, PA 19109

Robert E. Welsh, Jr., Esquire
Catherine M. Recker, Esquire
Welsh & Recker, P.C.
2000 Market Street, Suite 2903
Philadelphia, PA 19103

William J. Winning, Esquire
Cozen and O’Connor
1900 Market Street
The Atrium, 4th Floor
Philadelphia, PA 19103

Stephen G. Stroup, Esquire
Drinker Biddle & Reath LLP
One Logan Square, 18th & Cherry Sts.
Philadelphia, PA 19103

DATED: April 30, 2010

/s/ Kevin Dooley Kent
Kevin Dooley Kent, Esquire

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**SECURITIES AND EXCHANGE
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Plaintiff

v.

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Defendants

Oak Grove Partners, L.P., et al.

Relief Defendants

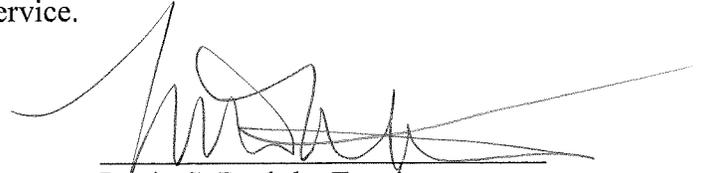
Civil Action No.: 2:09-cv-01634-JP

CERTIFICATION

I, Louis C. Bechtle, (“Receiver”), hereby certify the following information in support of the Receiver’s Motion for Approval of Third Interim Fee Application (“the Application”):

- (a) I have read the Application;
- (b) to the best of the Receiver's knowledge, information and belief formed after reasonable inquiry, the Application and all fees and expenses therein are true and accurate and comply with the Billing Instructions;
- (c) all fees contained in the Application are based on the rates listed in the Receiver’s Order of Appointment and included in the Application and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed;
- (d) the Receiver has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission); and,
- (e) in seeking reimbursement for a service which the Applicant justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien searches), the Applicant requests reimbursement only for the

amount billed to the Applicant by the third party vendor and paid by the Applicant to such vendor. With regard to any like services performed by the Receiver or his staff, the Receiver certifies that he is not making a profit on such reimbursable service.

A handwritten signature in black ink, appearing to read 'Louis C. Bechtel', written over a horizontal line.

Louis C. Bechtel, Esquire

Exhibit A

Louis C. Bechtle
PO Box 59227
Philadelphia, PA 19103
(215) 864-8071

STANDARDIZED FUND ACCOUNTING REPORT

CIVIL – RECEIVERSHIP FUND

Donald Anthony Walker Young, a/k/a D.A. Walker Young,
Acorn II, L.P., Acorn Capital Management, LLC
Civil Action No.: 2:09-cv-01634-JP

REPORTING PERIOD 2/1/2010 TO 3/31/2010

STANDARDIZED FUND ACCOUNTING REPORT for Donald Anthony Walker Young, et al. - Cash Basis

Receivership; Civil Action No.: 2:09-cv-016434-JP

Reporting Period 2/1/2010 to 3/31/2010

FUND ACCOUNTING (See Instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 2/1/2010)			9,351,067.73
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities			356.78
Line 4	Interest/Dividend Income			178.19
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			100.00
Line 8	Miscellaneous - Other			
	Total Funds Available (Lines 1 - 8):			9,351,702.70
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors/Claimants			30,000.00
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			656,408.90
Line 10b	Business Asset Expenses			
Line 10c	Personal Asset Expenses			23,681.98
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations			680,090.88
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator.....			
	Independent Distribution Consultant (IDC).....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator.....			
	IDC.....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....			
	Claimant Identification.....			
	Claims Processing.....			
	Web Site Maintenance/Call Center.....			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR)			
	Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			-
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			1,523.44
	Total Funds Disbursed (Lines 9 - 12):			711,614.32
Line 13	Ending Balance (As of 3/31/10):			8,640,088.38
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents			\$ 8,640,088.38

STANDARDIZED FUND ACCOUNTING REPORT for Donald Anthony Walker Young, et al. - Cash Basis

Receivership; Civil Action No.: 2:09-cv-016434-JP

Reporting Period 2/1/2010 to 3/31/2010

Line 14b	Investments			-
Line 14c	Other Assets or Uncleared Funds			-
	Total Ending Balance of Fund - Net Assets			8,640,088.38

OTHER SUPPLEMENTAL INFORMATION:

		Detail	Subtotal	Grand Total
	Report of Items NOT To Be Paid by the Fund:			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	<i>Plan Development Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator.....			
	IDC.....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Miscellaneous			
	<i>Total Plan Development Expenses Not Paid by the Fund</i>			
Line 15b	<i>Plan Implementation Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator.....			
	IDC.....			
	Distribution Agent.....			
	Consultants.....			
	Legal Advisers.....			
	Tax Advisers.....			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....			
	Claimant Identification.....			
	Claims Processing.....			
	Web Site Maintenance/Call Center.....			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. FAIR Reporting Expenses			
	<i>Total Plan Implementation Expenses Not Paid by the Fund</i>			
Line 15c	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	<i>Investment Expenses/CRIS Fees</i>			
Line 16b	<i>Federal Tax Payments</i>			
	Total Disbursements to Court/Other Not Paid by the Fund:			
Line 17	DC & State Tax Payments			
Line 18	No. of Claims:			
Line 18a	<i># of Claims Received This Reporting Period.....</i>			-
Line 18b	<i># of Claims Received Since Inception of Fund.....</i>			24
Line 19	No. of Claimants/Investors:			
Line 19a	<i># of Claimants/Investors Paid This Reporting Period.....</i>			-
Line 19b	<i># of Claimants/Investors Paid Since Inception of Fund.....</i>			-

Notes:

A. Distributions related to funds determined not to be Receivership assets, see page 2 of notes for further details.

Receiver:
 By Louis C. Berthle
 (signature)
Louis C. Berthle
 (printed name)

NOTES TO THE STANDARDIZED FUND REPORT

Background

On April 17, 2009, the SEC filed a complaint against Donald Anthony Walker Young, a/k/a, D.A. Walker Young, Acorn Capital Management, LLC and Acorn II, L.P. (collectively the "Defendants") and Oak Grove Partners, L.P., Neely Young, and W.B Dixon Stroud Jr., as relief defendants, alleging Mr. Young and Acorn Capital used Acorn II, L.P., a limited partnership they advised and controlled, to misappropriate at least \$23 million from investors in Acorn II, L.P. The complaint further alleged that Mr. Young had stolen directly from these funds and also used investor monies to pay other investors in the nature of a Ponzi scheme.

The Court found that it was both necessary and appropriate to appoint a receiver. On June 25, 2009, the Court entered an Order Appointing A Receiver ("Receivership Order"), pursuant to which the Court took exclusive jurisdiction and possession of the Defendants' and relief defendant Neely Young's (collectively the "Source Entities") assets, monies, securities, choses in action, and properties, real and personal, tangible and intangible, of whatever kind and description, wherever situated, and any entities that the Source Entities own or control or in which any of them had an interest (the "Receivership Assets"), as well as the Source Entities' books, records, computers, and documents (the "Receivership Records"). In this same order, Louis C. Bechtle was appointed Receiver for the Receivership Assets and Records (collectively, the "Receivership Estate"), with the goal and purpose of marshalling the Receivership Assets to maximize the recovery of defrauded investors.

The Receivership Order also requires the Receiver to keep the SEC apprised at reasonable intervals of developments concerning the operation of the Receivership and provide the Court, the SEC, and the Defendants and Relief Defendants with the Standardized Fund Accounting Report setting forth the assets, money, funds, securities, and real or personal property currently held directly or indirectly as Receivership Assets, and any liabilities pertaining thereto, including without limitation, bank accounts, brokerage accounts, investments, business interests, and real and personal property.

Book and Records

The Receivership Records did not contain reliable accounting records that accurately summarized the Source Entities' business dealings. Accordingly, the Receiver has had to undertake substantial work to identify the Defendants' bank accounts, securities, and other potentially recoverable assets, as well as to identify investors in the Defendants' scheme and other potential claimants to the Receivership Estate. As of the date of this report, the investigation into the Defendants' business dealings is not complete. As such, this report has been prepared based on the documentation available as of the date of this report.

Receivership Cash Accounts

As of March 31, 2010, the Receiver had \$171,246.06 in cash at Bank of America, \$8,422,321.22 in cash at Merrill Lynch, \$41,542.86 in cash at Wells Fargo Bank, , and \$4,978.25 in Donald Young's Alliance Bernstein Simple IRA for a total cash balance of \$8,640,088.38.

Disbursements to Investors/Claimants

Pursuant to his appointment, the Receiver took possession of two bank accounts held by Tony Young as custodian for his children. Based on the results of the Receiver's extensive forensic investigation into the Defendants' business dealings, the Receiver has determined a portion of the funds maintained in these bank accounts was not derived from the Defendants' alleged fraudulent activity. As such, the Receiver transferred these funds to Mr. Young's children on February 22, 2010.

Investments, Real and Personal Property

The Receiver has sought to identify and liquidate all of Mr. Young's investments, real and personal property purchased with Ponzi dollars, whether held in Mr. Young's own name or held jointly by him and his wife. Neely Young has indicated that she will be asserting claims against a portion of the proceeds from the sales of certain real properties and items of personal property, and will also be ~~asserting claims to certain specific items of personal property.~~ The Receiver is in the process of evaluating these claims.

As of March 31, 2010, the Receiver estimates the value of Mr. Young's investments, real and personal property to be \$2,514,555, as detailed on the following page.

Investments, Real and Personal Property (cont.)

Real property:		
Palm Beach, FL	<u>2,100,000</u>	A
Total real property		\$ 2,100,000
Personal property:		
Portland, ME	32,595	
Palm Beach, FL	<u>101,360</u>	
Total personal property		133,955
Other Assets:		
Boats	280,600	
1/4 Interest in Lear Jet	<u> </u>	B
		280,600
Limited Partnerships:		
Pipex Pharmaceutical, Inc.		B
Red Abbey		B
Sun Rx		B
Milestone	<u> </u>	B
		<u>\$ 2,514,555</u>

Note (A): Value based on current asking price and does not consider the expected cost to liquidate the asset.

Note (B): As of the date of this report, the Receiver is in the process of valuing this asset.