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DAVID A. GILL, Receiver  
2029 Century Park East, Third Floor  
Los Angeles, California 90067-2904  
Telephone: (310) 277-0077  
Facsimile: (310) 277-5735

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

DIVERSIFIED LENDING GROUP,  
INC.; APPLIED EQUITIES, INC.; AND  
BRUCE FRIEDMAN,

Defendants.

and

TINA M. PLACOURAKIS,

Relief Defendant.

Case No. CV 09-01533-R-JEM

**NOTICE OF PROPOSED  
EMPLOYMENT OF MILES &  
STOCKBRIDGE P.C. AS SPECIAL  
MARYLAND COUNSEL**

**[No hearing required]**

NOTICE IS HEREBY GIVEN that David A. Gill, the Permanent Receiver  
(the "Receiver") in the above-captioned case ("Case") intends to employ the  
Maryland law firm of Miles & Stockbridge P.C. as special counsel pursuant to *Order  
Granting Motion of Receiver for Instruction Re: (1) Notice Procedures; (2)  
Procedures for the Use, Sale or Other Disposition of Assets; (3) Employment of*

1 *Legal Counsel, Accountants, Appraisers, Auctioneers and Brokers; and (4) Payment*  
2 *of Priority Wage Claims* entered May 4, 2009 (the "Omnibus Order").<sup>1</sup>

3 NOTICE IS HEREBY FURTHER GIVEN THAT the employment of the  
4 proposed special counsel is necessary for the effective administration of the assets of  
5 the receivership estate in order to advise me with respect to issues arising from a  
6 proposed settlement with an individual residing in Maryland and issues relating to  
7 the acquisition of a security interest in real property and a business in Maryland in  
8 connection with the proposed settlement. I believe that local counsel in Maryland is  
9 necessary to advise me with the respect to the documentation of a multi-million  
10 dollar settlement and to handle the documentation of security interests in property  
11 located in Maryland.

12 I believe that Miles & Stockbridge P.C. is qualified to provide legal services  
13 for which they are being retained to perform in Maryland. The current hourly rates  
14 for principals range from \$350.00-\$595.00, the hourly rates for associates range from  
15 \$240.00-\$360.00, and the hourly rates for paralegals range from \$155.00-\$225.00.  
16 The lawyers that are anticipated to work on this matter and their current hourly rates  
17 are as follows: Thomas Renda bills at the rate of \$455.00 per hour; Joe Runge and  
18 Craig Enck, who may assist with commercial finance and real estate advice, where  
19 necessary, bill at the rates of \$500.00 and \$410.00 per hour, respectively; and Laura  
20 Runyeon, a paralegal in the real estate and commercial finance group, bills at the rate  
21 of \$200.00 per hour.

22 Pursuant to the Omnibus Order, Miles & Stockbridge P.C. shall be paid fees  
23 and costs, based on their normal hourly rates and cost schedules,<sup>2</sup> pursuant to interim  
24 fee applications which may be filed approximately every 120 days.

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26 <sup>1</sup> ECF Document No. 49, at ¶ 9(d).

27 <sup>2</sup> A true and correct copy of proposed counsel's cost schedule is attached hereto as Exhibit  
28 "A."

1 NOTICE IS HEREBY FURTHER GIVEN, that the Omnibus Order requires  
2 that any opposition to the Notice shall be filed with the Court and a hearing requested  
3 in connection with the proposed employment no later than 10 days after service of  
4 this Notice. Failure to comply with this requirement, as set forth in the Local Rules  
5 of the District Court, shall be deemed a waiver of any opposition to the proposed  
6 employment of Miles & Stockbridge P.C.

7  
8 Dated: November 5, 2009

  
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DAVID A. GILL, Receiver

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**EXHIBIT "A"**

Revised  
January 1, 2009

# MILES & STOCKBRIDGE P.C.

## Reimbursable Expenses

<u>Expense Description</u>	<u>Basis</u>	<u>Rate Charged</u>	<u>Presentation on Client's Bill</u>
Court Costs	Cost	Cost	Court Costs
Deposition Transcripts/Service of Process	Cost	Cost	Deposition/Transcripts
Document Binding/Folders/Coding (Litigation Support Document Control)	Per Booklet	5.00	Binding/Stationery & Supplies
Equipment Rental	Cost	Cost	Miscellaneous Expense(s)
Federal Express Delivery	Per Delivery	Standard	Messenger Service
Filing, Recordation Fees	Cost	Cost	Filing Fees/Recording Costs
Meeting Expense	Cost	Cost	Miscellaneous
Messenger Deliveries	Per Delivery	Cost	Messenger Service
Messenger Service (Bob Ashlock)	\$25.00/hr. Plus travel		Messenger Service (Bob Ashlock)
Minute Books	Per Book	Cost	Stationery & Supplies
Outside Delivery	Cost	Cost	Messenger Service
Outside Professional Services	Cost	Cost	Legal Services/Misc.
Photocopies a Outside service	Cost	Cost	Outside Copier Service
Postage (over \$1.00)	Cost	Cost	Postage
Reports, Searches, Certificates	Cost	Cost	Name of Company
Travel Auto Outside of 50 mi. From counsel's office	Per Mile	.55	Travel
Travel-Non Auto	Cost	Cost	Travel
Videotape Copies	Per Tape	6.50	Videotape Copies

\* Subject to change without notice.

EXHIBIT "A"

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**PROOF OF SERVICE**

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I, Patricia Morris, declare:

I am employed by the law firm of DANNING, GILL, DIAMOND & KOLLITZ, LLP, in the County of Los Angeles, State of California. I am employed in the office of a member of the bar of this court at whose direction the service was made. I am over the age of 18 years and am not a party to the within action. My business address is 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904.

On November 5, 2009, I served the following document(s): **NOTICE OF PROPOSED EMPLOYMENT OF MILES & STOCKBRIDGE P.C. AS SPECIAL MARYLAND COUNSEL** on the interested parties addressed as follows:

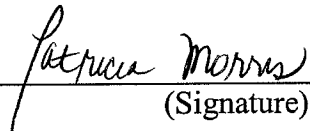
SEE ATTACHED MAILING LIST

(By Mail) I placed the document for collection and deposit in the mail. I am familiar with this firm's practice for the collection and processing of correspondence for mailing. Under that practice, the document would be placed in a sealed envelope and deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904, in the ordinary course of business. The documents served were placed in sealed envelopes and placed for collection and mailing following ordinary business practices..

I declare under penalty of perjury under the laws of the State of California and of the United States of America that the foregoing is true and correct.

Executed on November 5, 2009, at Los Angeles, California.

Patricia Morris  
(Type or print name)

  
(Signature)

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**SERVICE LIST**

**Attorneys for U.S. Securities Exchange Commission**

**Melissa Grant, Esq.**  
**John M McCoy , III, Esq.**  
US Securities & Exchange Commission  
Office of Enforcement  
5670 Wilshire Boulevard 11th Floor  
Los Angeles , CA 90036  
Email: grantm@sec.gov  
Email: mccoyj@sec.gov

**Counsel for Defendants Diversified Lending Group, Inc.,  
Applied Equities, Inc. ("AEI"), and Bruce Friedman**

Richard Elliott Drooyan  
Munger Tolles & Olson LLP  
355 S. Grand Ave, 35th Floor  
Los Angeles, CA 90017

**Counsel for Relief Defendant**

Brian Mueller, Esq.  
Mariscal, Weeks, McIntyre & Friedlander, P.A.  
2901 N. Central Ave., Suite 200  
Phoenix, AZ 85012

**Defendant**

Tina Placourakis  
8913 E. Calle de las Brisas  
Scottsdale, AZ 85255  
  
Kurt A Goering  
714 East Rose Lane - Suite 200  
Phoenix , AZ 85014

**Proposed Special Counsel**

Thomas D. Renda, Esq.  
Miles & Stockbridge, P.C.  
10 Light Street  
Baltimore, MD 21202-1487