

District Court, Denver County, State of Colorado Denver District Court 1437 Bannock St. Denver, CO 80202 303.606.2433	
<p><b>Plaintiff:</b> Tung Chan, Securities Commissioner for the State of Colorado</p> <p>v.</p> <p><b>Defendants:</b> Gary Dragul; GDA Real Estate Services, LLC; and GDA Real Estate Management, LLC</p>	<p>▲ COURT USE ONLY ▲</p>
<p><u>Attorneys for Receiver:</u>          Patrick D. Vellone, #15284          Michael T. Gilbert, #15009          Rachel A. Sternlieb, #51404          ALLEN VELLONE WOLF HELFRICH &amp; FACTOR P.C.          1600 Stout St., Suite 1900          Denver, Colorado 80202          Phone Number: (303) 534-4499          pvellone@allen-vellone.com          mgilbert@allen-vellone.com          rsternlieb@allen-vellone.com</p>	<p>Case Number: 2018CV33011</p> <p>Division/Courtroom: 424</p>
<p><b>RECEIVER’S NOTICE CONCERNING REVISED COMPENSATION OF ALLEN VELLONE WOLF HELFRICH &amp; FACTOR P.C.</b></p>	

Harvey Sender, the duly-appointed receiver (“Receiver”) for Gary Dragul (“Dragul”), GDA Real Estate Services, LLC (“GDA RES”), GDA Real Estate Management, LLC (“GDA REM”), and related entities hereby gives notice of a change in the terms of compensation to be paid to the law firm of Allen Vellone Wolf Helfrich & Factor P.C. (“Allen Vellone”).

1. On August 15, 2018, Gerald Rome, Securities Commissioner for the State of Colorado (the “Commissioner”), filed his Complaint for Injunctive and Other Relief

and on August 30, 2018, the Court entered its Order Appointing Receiver (“Receivership Order”) which appointed Harvey Sender receiver for Dragul and the DGA Entities, as well as for their respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses (the “Receivership Estate” or the “Estate”). Receivership Order at p. 2, ¶ 5.

2. The Receivership Order gives the Receiver the authority to “hire and pay general counsel, accounting, and other professionals as may be reasonably necessary to the proper discharge of the Receiver’s duties, and to hire, pay and discharge the personnel necessary to fulfill the obligations of the Receiver hereunder, including the retention of . . . other third parties to assist the Receiver in the performance of its duties hereunder, all within the Receiver’s discretion[.]” Receivership Order at p. 9, ¶ 13(l).

3. On September 7, 2018, the Receiver provided notice that he had retained Allen Vellone as his counsel to assist in him in administering the Receivership Estate. To date, Allen Vellone has been compensated on an hourly basis.

4. The Receiver has filed the following two cases that remain pending:

- (a) *Sender v. Dragul, et al.*, 2019CV33373, Denver District Court. In this case, the Receiver seeks to recover fraudulent transfers Dragul made to his wife Shelly (\$36,579,428.58), and his children Charli (\$314,158.74), Samuel (\$712,946.55), and Spencer (\$543,083.86), a total of **\$38,149,617.73**. The case is set for trial beginning in December 2020 (the “**Dragul Family Case**”).
- (b) *Sender v. Dragul, et. al.*, Denver District Court, Case No. 2020CV30255 (the “**Insider Case**”). Defendants in the Insider Case were Dragul insiders and co-conspirators and were involved in furthering Dragul’s Ponzi scheme and profited from it. Among other things, the Complaint seeks to recover approximately \$30 million.

5. The Receiver and Allen Vellone have agreed to modify their existing fee agreement, effective as of November 1, 2019, for work performed in the Insider and Dragul Family Cases so that Allen Vellone will be compensated on a contingent fee basis for work performed in those cases as follows: 25% of any recovery obtained in either case on or before September 5, 2020; 38% recovered after September 5, 2020, through the filing of any appeal, and 45% of the amount recovered after any appeal is filed. The Receivership Estate will pay the expenses incurred in both cases. The Commissioner has approved this agreement.

Dated: May 11, 2020.

**ALLEN VELLONE WOLF HELFRICH & FACTOR P.C.**



By: /s/ Michael T. Gilbert

Patrick D. Vellone

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**ATTORNEYS FOR THE RECEIVER**

## CERTIFICATE OF SERVICE

I hereby certify that on May 11, 2020, I served a true and correct copy of the foregoing **RECEIVER'S NOTICE CONCERNING REVISED COMPENSATION OF ALLEN VELLONE WOLF HELFRICH & FACTOR P.C.** via CCE to the following:

Robert W. Finke  
Janna K. Fischer  
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*Tung Chan, Securities  
Commissioner for the State of  
Colorado*

*Counsel for Defendant Gary Dragul*

## CERTIFICATION OF E-SERVICE ON KNOWN CREDITORS

In accordance with this Court's February 1, 2019, Order clarifying notice procedures for this case, I also certify that a copy of the foregoing is being served by electronic mail on all currently known creditors of the Receivership Estate to the addresses set forth on the service list maintained in the Receiver's records.

*By: /s/Salowa Khan*

Allen Vellone Wolf Helfrich & Factor, P.C