

DISTRICT COURT, ARAPAHOE COUNTY, COLORADO 7325 S. Potomac Street Centennial, Colorado 80112	
In re the Receivership of the Colorado Humane Society & S.P.C.A., Inc.	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
Waverton Group, LLC as receiver 4101 East Louisiana Avenue, Suite 300 Denver, Colorado 80246 Office: 303-781-9900 Fax: 303-781-4311 Email: rblock@xpn.com	Case No.: _____-CV-_____ (Previously Case No. 2008-CV-2659) Division: 404
RECEIVER'S NINTH REPORT	

Waverton Group, LLC, the receiver over Colorado Humane Society & S.P.C.A., Inc. (the “Colorado Humane Society” or the “Corporate Defendant”) and the assets of the Colorado Humane Society (the “Assets”), respectfully makes this Receiver’s Ninth Report (this “Report”).

TABLE OF CONTENTS

I.	THE RECEIVERSHIP ESTATE	1
II.	THE FINANCIAL REPORT	4
III.	OTHER MATTERS	6
IV.	INFORMATIONAL REPORT.....	15

I. THE RECEIVERSHIP ESTATE

1. The State of Colorado filed its Complaint and Petition for Appointment of Custodian or for Dissolution (the “Complaint”) and its

Motion for Preliminary Injunction, Order Appointing Custodian and for Forthwith Hearing (the "Motion") in the District Court, Arapahoe County, Colorado (the "Arapahoe District Court") on December 10, 2008.

2. The Complaint includes as defendants the Colorado Humane Society & S.P.C.A., Inc. (the "Colorado Humane Society" or the "Corporate Defendant") and Mary C. Warren, Robert Warren, and Stephenie L. Gardner (the "Individual Defendants").

3. A Stipulated Order Appointing Custodian and Issuing Preliminary Injunctive Relief ("Order Appointing Custodian") was entered by the Honorable Cheryl L. Post, Arapahoe District Judge on December 16, 2008.

4. The custodian, in accordance with paragraph 2 of the Order Appointing Custodian, filed an Oath of Custodian with this Court on December 16, 2008 and thereupon entered into its duties as custodian.

5. Effective in January, 2009, the Honorable Charles M. Pratt, Arapahoe District Judge assumed control over the Custodianship Action and the Custodianship Estate.

6. By Order dated November 16, 2009, this Court entered its Order Severing Custodianship Issues from Other Issues and Creating New Case, thereby establishing a separate Custodianship Action under this caption.

7. By Order dated December 1, 2009, this Court entered its Order Re: Motion to Allow (1) the Custodian, or in the Alternative the Receiver, to Sell Assets of the Custodianship Estate by Judicial Sale Free and Clear of Claims, Liens, and Encumbrances and (2) Further Motions to Establish Sale Procedures and Terms; and Individual Defendants' Memorandum Concerning Reinstatement Following Trial (the "Sales Order"). In paragraph F.3. of the Order, the Court Ordered that "The Custodian is hereby converted into a receiver in order to conduct a Judicial Sale of the assets."¹

8. Paragraph 6.d. of the Order Appointing Custodian reads as follows:

d. The Custodian is hereby instructed to make calendar monthly report of the condition of the Custodianship Estate as of the twentieth day of each month, within thirty (30) days of the twentieth day of each month, until the Custodian is satisfied that less frequent reporting is necessary. At that time and upon prior notice in the Custodian's Report, the Custodian may report within thirty (30) days of the twentieth day of every other month or every third month, but no less often than quarterly. The Custodian shall not be required to, but as reasonably necessary may, follow generally accepted accounting principles or use auditors or accountants in the preparation of reports to this Court.

9. Pursuant to paragraphs 6.d. of the Order Appointing Custodian the receiver presents this Report.

¹ For continuity, the receiver has continued the consecutive numbering for the Reports.

II. THE FINANCIAL REPORT

10. Financial Information. The receiver expects to have reconstructed the books and records for the Colorado Humane Society, to the best extent they can be reconstructed given the fact that information is missing, by January 20, 2010.

11. Financial Statements. The Balance Sheet for the Receivership Estate for December 31, 2009 is attached to this Report as Exhibit 1. The Income Statement for the period from June 20, 2009 to December 31, 2009 is attached as Exhibit 2. As stated in footnote 4 of the Second Report, the attached Balance Sheet contains references to information that was imported from the old accounting system. Those categories of assets and liabilities contain the phrase "Book Values, Unconfirmed" to designate information that was imported into the receiver's accounting system, but should not be considered reliable until the receiver has finished the task of updating the accounting system for the period between July 1, 2007 and December 16, 2008.

12. The receiver believes that all of the financial information reported by the receiver for the Colorado Humane Society for the period from and after December 16, 2008 is true and correct.

13. Federal and State Form 990s. The receiver had previously been reconstructing the books and records in a new accounting system for the Colorado Humane Society intended to enable the receiver to amend Form 990 for the fiscal year ended June 30, 2007, to file Form 990 for the fiscal year ended June 30, 2008, and to file a Form 990 for the fiscal year that ended June 30, 2009. Given the change from a custodianship to a receivership, the receiver will determine whether there is any necessity to file Form 990s before expending further resources in that regard.

14. Invoices. Consistent with the Order Appointing Custodian, the receiver closes its invoice on the 20th of every month. Consistent with the Rate Card of Waverton Group, LLC as submitted to this Court, the receiver pays 80% of the receiver's fees when the invoice is presented, and accrues the remaining 20% for payment on the 20th of the following month if money is available. The receiver's invoices for August 20, 2009, September 20, 2009, October 20, 2009, November 20, 2009, and December 20, 2009 are attached as Exhibit 3. a., b., c., d, and e respectively

15. Cash Shortage. The Receivership Estate continues to experience a cash shortage. Previous Reports have discussed the reasons. Accordingly, the receiver and its counsel have not been paid in many months.

III. OTHER MATTERS

16. Animal Abuse Operations. The original mission of the Colorado Humane Society, as stated in its Articles of Incorporation, August 4, 1881, was as follows:²

1st – Prevention of cruelty to animals by all proper means, and the prevention of all cruelty by humane, education, and prosecution, if necessary.

Following the closure of the Shelter and Clinic, the remaining operations at the Colorado Humane Society will be dedicated to developing the organization to the prevention of cruelty to animals and operating a website for that same purpose, and doing so as a charitable organization. Initially, the receiver will accumulate all of the historical information on the Colorado Humane Society back to the date of its incorporation.³

17. Trademark Applications. In order to further protect the trademark (Colorado Humane Society), the receiver expects to file for trademark registration with the United States Patent and Trademark Office. The receiver is currently reviewing the historical archives to report information as accurately as possible in the trademark applications.

² A copy of the Articles of Incorporation for the Colorado Humane Society are attached to this Report as Exhibit 4.

³ As with the recent accounting records for the Colorado Humane Society, the historical archives for the Colorado Humane Society are virtually nonexistent. Reconstructing and rebuilding the historical archives is an important process for demonstrating continuous use from and after the date of incorporation.

Accordingly, the receiver will use its efforts to develop the archives to this end.

Similarly, the receiver believes that the trademark is a famous mark as that term is defined under 15 USC § 1125:

(2) Definitions.

(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark.
- (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

The receiver will submit the trademark applications to this Court after filing them with the United States Patent and Trademark Office, supported by the appropriate documents and information. Currently, at a minimum, the receiver is considering applications in the trademark classes set forth below.

It is possible that the descriptions and/or class will change when the applications are finalized:

International Class 041: educational services, namely conducting classes, workshops, seminars, conferences, informational programs, and individual and group instruction, all on the subjects of animal care, animal protection and humane ethics.

International Class 042: Charitable fundraising; promoting the interests of individuals concerned with animal care, animal protection and humane ethics; operation of animal shelters; and veterinary services, namely providing animal medical care and animal spaying services.

International Class 045: Providing a website featuring information on animal control, animal welfare, animal shelters and animal rescue services for purposes of ensuring their safety and well being

18. Closure of the Shelter and Clinic. As reported to the Court at the November 13, 2009 hearing, the City of Littleton and the City of Englewood both terminated their animal control contracts with the Colorado Humane Society effective December 31, 2009. In addition, the City of Englewood owns the property that comprises the Shelter, and has terminated the lease effective December 31, 2009.⁴ Without the revenues from the Cities, and without the Shelter facility, it was no longer economically

⁴ The City of Englewood has agreed to allow some holdover if that becomes necessary. Since the date the custodian was appointed, the City of Englewood has always treated the custodian/receiver fairly. The receiver understands that the Cities require something more permanent than the receiver could offer, and in fact, it was a Proposer under the Custodian's Request for Proposal who has agreed to provide the animal control sheltering that is needed by the Cities.

feasible for the receiver to operate the Shelter. Without the Shelter operations, there is no need for the Clinic. Accordingly, the receiver closed the Shelter and the Clinic effective December 31, 2009.

19. Receiver's Judicial Sale. The Custodian continues to devote significant efforts toward a sale of the intangible assets of the Receivership Estate, most notably the sale of the name Colorado Humane Society and associated goodwill, and is involved in ongoing negotiations regarding such a sale. When the receiver has entered into a final contract for the sale of the intangible Assets, the receiver will file an appropriate motion for approval, overbid procedures, and ultimately confirmation. Any party interested in purchasing the intangible Assets of the Receivership Estate should contact the receiver.

Substantially all of the tangible Assets of the Colorado Humane Society have already be sold through a silent auction conducted in December, 2009. Assets with no value will be abandoned wherever possible and disposed of where abandonment is not possible.

20. Claims Procedures. The receiver has contemporaneously submitted its Special Report on Claims to this Court. As the receiver expects the Claims process to take many months, the receiver does not wish to burden the other important operations of the Receivership Estate as

described in this Report with the anticipated litigation generated by the Claims.

21. Procedures Prior to Termination of Receivership. On December 1, 2009, this Court entered its Sales Order. Order number 5 of the Sales Order reads as follows:

The Court also requests a statement regarding any further investigation the Custodian/Receiver believes is necessary in order to locate any assets or any further steps needed to reconstruct the books and record, if necessary, and reasons why such investigation and reconstruction still needs to be completed. In addition, the Court requests a listing of all the steps the Custodian (now Receiver) needs to take in order to wind up the receivership.

The following three sections respond to the three Instructions in the foregoing paragraph.

22. Locate Assets. With two exceptions, the receiver believes it has located all of the Assets of the Receivership Estate. Absent additional information coming to the attention of the receiver, the receiver does not expect to locate any additional Assets. The exceptions are: (a) Assets that have been intentionally concealed from the receiver, if any, and (b) there were no files made available to the receiver that would indicate bequests that had been made to the Colorado Humane Society that had not yet been paid. These bequests fall into two categories: prior to the death of the testator and after. The receiver has no way to determine bequests prior to

the death of the testator, and can only learn of those subsequent to the death of the testator when a notice or other pleading is sent to the Colorado Humane Society. The receiver is aware of only one bequest that has not been paid and that bequest is currently being litigated.

23. Reconstruct Books and Records. There are two levels to the concept of reconstructing the books and records of the Colorado Humane Society. First, it was the receiver's intention to rehabilitate the Colorado Humane Society, and that effort required that the Form 990s (Return of Organization Exempt From Income Tax) for 2007, 2008, and 2009 be filed with the Internal Revenue Service. Now that the Court has made the determination that the Assets will be sold through a Judicial Sale, there is no reason to file the Form 990s as a practical matter. The problem with this is that the Internal Revenue Service does not necessarily view tax returns on a practical level. If the receiver can convince the Internal Revenue Service to waive the necessity for filing the Form 990 in writing, this will eliminate the issue. If, on the other hand, the Internal Revenue Service does not consent, or even remains silent as it has so far, then the returns probably need to be filed.

The Internal Revenue Service has two years in which it may assess federal income taxes, and this Court is powerless to change that under the

Anti-Injunction Act (26 U.S.C. § 7421) and the Declaratory Judgment Act (28 U.S.C. § 2201). The problem is not of recent vintage. Even before the two statutes mentioned, there was no way to compel an assessment and therefore no way to resolve the issue of federal income taxes without the consent of the United States. In *Pennsylvania Cement v. Bradley*, 274 F 1003 (2nd Circuit, 1920), like many courts over the history of the United States, the Second Circuit Court of Appeals lamented:

Perhaps the shortest way of stating the problem before the court is this: What reason is presented forbidding the present declaration of a dividend? I think no reason exists except the attitude of the United States, which has presented no claim and refuses to declare its intentions (if any it has) in the premises.

...

This is a serious matter for the creditors; it was the hope of the court that some assistance would be given in the distribution of this estate by the government. None has been given, nor do I perceive any immediate prospect thereof; and it is therefore ordered:

(1) That the receivers be instructed to declare no dividend herein until the further order of the court. [at pages 1006 and 1008]

The Anti-Injunction Act (26 U.S.C.S. § 7421) and the Declaratory Judgment Act (28 U.S.C.S. § 2201), when coupled with the Federal Debt Priority Act (31 U.S.C.S. § 3713), operates to make Waverton Group, LLC liable for any unpaid taxes if any money is distributed in advance of an Internal Revenue Service assessment. If the only means of avoiding tax

liability is the receiver filing Form 990s, then the Form 990s must be filed and the accounting necessary to file the Form 990s must be performed whether it makes sense or not. The receiver will continue in its efforts to contact the appropriate division of the Internal Revenue Service and obtain a waiver to avoid the useless expenditure of Receivership Estate Assets.

Second, there is a less intense level of reconstruction of books and records that is necessary in order for the receiver to complete its counterclaims and setoffs in connection with the Individual Defendants. Because most of the Claims of the Individual Defendants are styled as priority wage Claims, the failure of the receiver to properly document the counterclaims and setoffs of the Receivership Estate could result in all of the funds available to pay non-administrative expenses going to the Individual Defendants, thereby leaving the receiver with no funds to pay allowed, third-party, pre-appointment, general unsecured Claimants. As the receiver believes the Receivership Estate has substantial counterclaims and setoffs against the Individual Defendants, it is important for the receiver to complete the reconstruction of books and records to this level.

24. Winding Down and Termination. Receiverships are comprised of four primary business cycles. These four cycles commence sequentially, but tend to resolve contemporaneously:

- a. *Identify, Locate, and Marshal Assets* – The receiver typically starts with locating and marshaling cash, follows that with perishable or deteriorating assets, and finishes with other assets. Included in the category of other assets are the claims the receiver has against parties and third parties in possession of assets of the Receivership Estate.
- b. *Claims Process* – Once the receiver is convinced that no assets will perish or deteriorate, the receiver will request an Order to Present and File Claims and obtain a Claims bar date. By consenting to the claims process, the claimants consent to a transfer of the equitable or judicial lien of their claims against the assets of the Receivership Estate to the cash generated by a judicial sale of assets.
- c. *Asset Sale* – Absent another resolution of the Receivership Estate (e.g., rehabilitation), the receiver conducts a Judicial Sale of assets in an effort to convert all assets to cash or cash equivalents. By converting the Receivership Estate to liquid assets, distribution of the assets of the Receivership Estate becomes arithmetic.
- d. *Wind Down and Termination* – With the claims fully adjudicated and the assets converted to cash, the receiver is then in position to start the wind down process. The objective is to distribute the remaining liquid assets of the Receivership Estate to the claimants in order of their relative priority until there are no assets left, report the completion of the distribution to the Court and request termination by formal motion. The wind down and termination process is a highly technical process that happens quickly.

In the context of the foregoing, the receiver has identified and located, substantially all of the Assets that it expects to find. The receiver has marshaled all of the Assets except the counterclaims and setoffs against the Individual Defendants and the claims against Philadelphia Insurance Companies. With the filing of the Special Report on Claims, the Court is in a position to resolve all Claims against the Receivership Estate, except the

Claims of the Individual Defendants⁵ and the actual and potential Claims of the Internal Revenue Service.

As stated above, the receiver is negotiating a sale of the name Colorado Humane Society and expects that the Judicial Sale could conceivably be completed in about sixty days, but that would require a streamlined docket. It is likely that a streamlined docket will be a condition of any sale of the intangible Assets.

IV. INFORMATIONAL REPORT

25. Informational Report, Generally. The Informational Report is included in the Report to apprise the Court of potential issues and potential actions of the receiver in advance in order to allow the Court an opportunity to Instruct or redirect the receiver. The Informational Report is included solely for the benefit of the Court. As the Court finds aspects of the Informational Report troubling, the receiver has not included the Informational Report and will not include the Informational Report in future Reports absent an indication to the contrary by the Court.

Wherefore, Waverton Group, LLC, as receiver, requests that this Court enter an Order approving Section I (The Receivership Estate), Section II, (The Financial Report), and Section III (Other Matters). No request is made

⁵ The issues revolving around the Claims of the Individual Defendants are discussed in the Special Report on Claims.

Receiver's Ninth Report
January 8, 2010
Page 16.

for approval of Section IV (Informational Report), which is included in this
Report for informational purposes only.

Dated this 8th day of January, 2010

Respectfully submitted,



Waverton Group, LLC, receiver,
Richard A. Block Managing Member

Exhibit 1

Colorado Humane Society and S.P.C.A., Inc Balance Sheet December 31, 2009

ASSETS

Current Assets

Bank of Denver Checking	10,888.79	
Paypal Account	<u>163.15</u>	
Total Current Assets		11,051.94

Property and Equipment-Book Values, Unconfirmed

Automobiles	40,000.00	
A/D- Automobiles	<u>(27,186.00)</u>	
Total Property and Equipment-Book Values		<u>12,814.00</u>

Total Assets		<u><u>23,865.94</u></u>
---------------------	--	--------------------------------

LIABILITIES AND CAPITAL

Current Liabilities

A/P-Waverton Group	66,834.19	
A/P-Fairfield & Woods, PC	42,061.04	
A/P-Spay & Neuters(Cats)	2,240.00	
A/P-Spay & Neuters(Dogs)	24,450.00	
A/P-Davis, Shelby	1,663.56	
A/P-Bardorf, Darchelle	70.00	
Garnishments Payable	<u>(26.58)</u>	
Total Current Liabilities		137,292.21

Receiver Certificate

RC-Marla Dugger	<u>5,000.00</u>	
Total Receiver Certificate		5,000.00

Filed Claims

Filed_Bayer Health Care LLC	1,415.77	
Filed_Bayer HealthCare-Int.	169.89	
Filed_Buffington, Jeffery	2,248.12	
Filed_Campbell Pet Company	560.19	
Filed_Campbell Pet Co-Int.	42.00	
Filed_Capital Marketing Inc.	624.42	
Filed_Capital Marketing-Fees	30.00	
Filed_Central Vet Emerg-Int.	1,049.12	
Filed_Colo Animal/Pet Crematio	350.00	
Filed_City of Englewood	2,719.43	
Filed_Columbine Oxygen	521.34	
Filed_Front Range Vet Clinic	242.37	
Filed_Hwang Corporation	9,172.82	
Filed_Integra Telecom Service	949.93	
Filed_Integra Telecom-Fees	25.00	
Filed_Lindsey, Anna	1,140.00	
Filed_Monument Pharmacy	1,465.00	
Filed_Philadelphia Insurance	2,500.00	
Filed_Pinnacol Assurance	4,942.00	
Filed_Pushkin Public Relations	1,000.00	
Filed_Shannon, Meghan Dr.	3,443.12	
Filed_Waalker, Eric	71.25	
Filed_Wandersee_Aaron	115.50	
Filed_Xcel Energy	2,573.03	
Filed_US Waste	32.03	
Filed_US Waste-NSF Fee	25.00	
Filed_Warren, Robert #1	176,548.00	
Filed_Warren, Robert #2	76,954.00	
Filed_Warren, Robert #3	6,854.30	
Filed_Warren, Robert #4	19,995.90	
Filed_Warren, Robert #5	2,307.60	
Filed_Warren, Robert #6	4,434.00	
Filed_Warren, Robert #7 (Note 1)	1.00	
Filed_Warren, Mary #1	25,800.00	
Filed_Warren, Mary #2	3,296.33	
Filed_Warren, Mary #3 (Note 1)	1.00	
Filed_Warren, Mary #4	4,398.09	
Filed_Gardner, Stephanie	1,458.27	
Total Filed Claims		359,475.82
Total Liabilities		501,768.03

Capital		
Retained Earnings	364,948.17	
Net Income	<u>(842,850.26)</u>	
Total Capital		<u>(477,902.09)</u>
Total Liabilities & Capital		<u><u>23,865.94</u></u>

Unaudited-For Management Purpose only

Note 1 - The Warrens have not specified an amount for these claims, so the receiver arbitrarily assigns the value of \$1.00 to the claims. This is not an approval of the claims or an admission that the claims are valid, and this is not intended to indicate the value of the claim. It simply serves as a placeholder for the claim in the accounting system.

Exhibit 2

Colorado Humane Society & S.P.C.A., Inc.
Income Statement
For the Six Month Ending December 31, 2009

	Year to Date
Revenues	
Adoption Fee-Dog	49,754.01
Adoption Fee-Cat	9,560.00
Adoption Fee-Senior	4,055.00
Board Fee	386.00
Reclaim Fee	4,763.00
Surrender Fee	3,345.00
Sales-Other	197.00
Contributions/Donations	48,161.23
Donatons-Woof & Wagg 5K	10,867.48
Donations-Woof & Wag Sponsors	1,960.00
Woof & Wag T-Shirts	70.00
Donations-Paypal	3,994.00
Donations-Grants	11,000.00
Dew Claws	25.00
Micro Chip	50.00
Housing Income_City Englewood	23,214.00
Housing Income_City Littleton	15,820.00
Housing Income_City Lonetree	1,568.00
Miscellaneous Income	0.08
Total Revenues	188,789.80
Cost of Sales	
Total Cost of Sales	-
Gross Profit	188,789.80

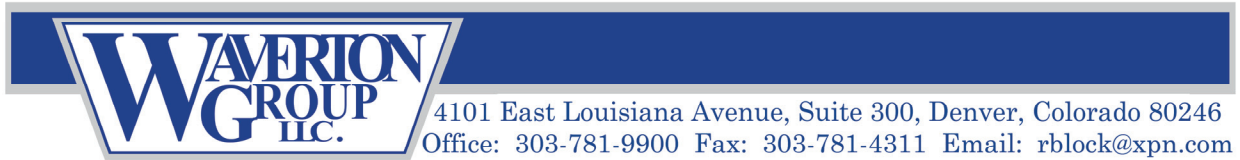
Expenses

Accounting-Custodian	18,810.00
Advertising	350.00
Auto Expenses	542.92
Auto(Gas) Expenses	1,280.10
Auto-Ford Auto Payment	61.51
Bank Fees	180.55
Bank Fees-Credit Card	1,338.28
Bank Fees-Paypal	284.87
Custodian Fees	89,125.00
Clinic-Maintenance & Repairs	451.13
Clinic-Medicine/supplies	6,906.20
Clinic-Oxygen Rental	283.35
Clinic-Rent	9,981.35
Clinic-Trash	2,184.92
Clinic-Utilities	3,794.54
Clinic-Vets	1,850.00
Clinic-Vets Services	31,608.79
Dues & Memberships	1,074.46
Legal Fees	39,108.82
Insurance-Auto	4,547.25
Insurance-General Liability	2,620.67
Insurance-Workers Comp	2,305.30
Meals & Entertainment	65.24
Office Expense	210.84
Postage and Shipping Expense	143.90
Reproduction Expense	70.40
Supplies Expense	290.81
Telephone Expense	1,239.39
Shelter Expenses	2,512.96
Shelter-Cremations	1,790.00
Shelter-Medicine	809.74
Shelter-Storage Shed	938.24
Shelter-Telephone	1,532.39
Shelter-Utilities	2,270.15
Shelter-Utilities(Rocky Ford)	21.35
Health Insurance	1,873.02
Penalties & Interest	18.00
Postage	88.00
Professional Fees	6,510.00
Rocky Ford Sale-Closing Cost	20,079.80
Rocky Ford Sale-Taxes	6,339.08

Rocky Ford Sale-Loss on Prop.	285,000.00
Rocky Ford Sale	14,516.22
Travel Expense	65.27
W&W-Advertising	1,984.04
W&W-Dues & Permits	260.00
W&W-Insurance	921.00
W&W-Msc. Expenses	5,064.86
Interest Expense	1.00
Claim Expenses	19,995.90
Claims-Shelter/Clinic	2,248.12
Claims-Shelter/Clinic-Medicine	521.34
Claims-Shelter/Clinic-Utilitie	2,719.43
Claims-Wages	302,052.59
Salary & Wage Expense	101,577.42
FICA Expense	6,297.83
Medicare Expense	1,472.98
SUTA Tax Expense	1,390.04
Travel-Hotel	105.83
Travel-Auto	203.50
Travel-Meals	79.26
Gain/Loss on Sale of Assets	19,670.11
Total Expenses	1,031,640.06
Net Income	(842,850.26)

Unaudited-For Management Purpose Only

EXHIBIT 3.a.



INVOICE August 20, 2009
Client: Colorado Humane Society & S.P.C.A., Inc.
For: Professional Services and Expenses
By: Waverton Group, LLC
From: July 21, 2009
To: August 20, 2009

Date:	Services:	Hours Billed:
23-Jul-09	Worked on Woof and Wag; worked on Lone Tree Animal Sheltering Contract.	1.50
24-Jul-09	Worked on Lone Tree Animal Sheltering Contract; worked on collection from the City of Littleton.	4.25
26-Jul-09	Worked on turnover issues; worked on animal sheltering agreement for Lone Tree, Englewood, and Littleton; worked on 8th Report; worked on Term Sheet with Proposer to purchase assets.	5.75
27-Jul-09	Prepared letter to A. Sartoris; worked on Term Sheet with Proposer to purchase assets.	3.00
28-Jul-09	Worked on turnover issues; worked on Complaint against Pinnacol.	3.50
29-Jul-09	Prepared 8th Report; prepared closing documents for Rocky Ford property.	2.00
31-Jul-09	Worked on collection from Littleton; prepared email to P. Cortese; worked on claim against Philadelphia Insurance Company.	3.00
3-Aug-09	Prepared 8th Report.	5.00
4-Aug-09	Assembled 8th Report for posting on the Internet.	1.00
6-Aug-09	Worked on Response to Motion to Strike; worked on Motion to Dismiss Individual.	2.00

INVOICE

August 20, 2009

Client:

Colorado Humane Society & S.P.C.A., Inc.

Page 2.

Date:	Services:	Hours Billed:
7-Aug-09	Prepared Term Sheet for Proposer; worked on capturing domain names coloradohumane.net, coloradohumane.com, coloradohumanesociety.com, coloradohumanesociety.net, and coloradohumanesociety.org.	5.00
8-Aug-09	Worked on capturing domain names; prepared letters to registrars and registrants; reviewed email from Robert Warren re coloradohumane.net; worked on turnover and contempt motion; prepared email to J. Tanner; prepared email to L. Morrill and A. Gardenschwartz.	3.00
11-Aug-09	Prepared letter to K. McGreevy re coloradohumane.net; worked on settlement issues; worked on Term Sheet with Proposer; researched issues regarding jurisdiction under the Lanham Act; prepared claims against registrars and registrants for capture of domain names.	5.25
12-Aug-09	Reviewed claims from Robert Warren, Mary Warren, and Stephenie Gardner; prepared claims for posting to the Internet.	2.00
13-Aug-09	Worked on collection from Littleton; worked on issues regarding coloradohumane.org; worked on issues regarding capture of domain names.	2.50
14-Aug-09	Worked on Term Sheet for Proposer; worked on issues regarding capture of domain names.	3.50
18-Aug-09	Prepared letter to parties re settlement; reviewed correspondence and insurance policies for letter prepared for P. Collins re claim by custodian under Philadelphia insurance policies.	4.00
19-Aug-09	Prepared and sent letter to P. Collins; prepared letter to A. Jones at the Internal Revenue Service regarding assessed penalty.	2.00

INVOICE

August 20, 2009

Client:

Colorado Humane Society & S.P.C.A., Inc.

Page 3.

Date:

Services:

Hours Billed:

20-Aug-09

Worked on Response to Motion for Stay; worked
on capturing coloradohumane.com.

2.50

Total hours worked

60.75

Hourly rate

250.00

Subtotal

15,187.50

Reduction for Cap

(187.50)

15,000.00

EXHIBIT 3.b.



4101 East Louisiana Avenue, Suite 300, Denver, Colorado 80246
Direct Line: 303-388-1300 Main Office: 303-781-9900,
Fax: 303-781-4311 Email: rblock@xpn.com

INVOICE September 20, 2009
Client: Colorado Humane Society & S.P.C.A., Inc.
For: Professional Services and Expenses
By: Waverton Group, LLC
From: August 21, 2009
To: September 20, 2009

Date:	Services:	Hours Billed:
21-Aug-09	Worked on Declaratory Judgment against Philadelphia; worked on Woof and Wag; worked on Response to Motion to Stay.	2.75
22-Aug-09	Worked on Response to Motion to Stay; worked on coloradohumanesociety.com; worked on dog transfer issue.	1.75
23-Aug-09	Worked on coloradohumane.com; researched Lanham Act issues for domain name complaints; worked on domain name complaints.	4.25
24-Aug-09	Worked on domain name complaint; worked on coloradohumanesociety.com.	2.00
27-Aug-09	Worked on Judicial Sale.	1.00
28-Aug-09	Worked on Judicial Sale; worked on Eighth Report; worked on Term Sheet for Judicial Sale; assembled information for due diligence review on Judicial Sale.	3.50
29-Aug-09	Worked on Judicial Sale; worked on Term Sheet for Judicial Sale.	2.00
31-Aug-09	Worked on issues related to Philadelphia insurance claim and Declaratory Judgment Action against Philadelphia; worked on issues with Englewood; worked on Estate of McKnight; worked on Pinnacol.	3.25



Date:	Services:	Hours Billed:
1-Sep-09	Worked on Term Sheet for Judicial Sale; worked on Declaratory Judgment Action; worked on the transfer of the domain name coloradohumanesociety.com; worked on the Pinnacol issue.	4.50
2-Sep-09	Attended telephonic hearing with Judge Pratt; prepared letter to M. Robida making demand re Estate of McKnight; worked on settlement issues; worked with advisors.	4.00
3-Sep-09	Worked on Declaratory Judgment Action.	3.50
4-Sep-09	Worked on Declaratory Judgment Action; worked on Woof and Wag; worked on domain name transfers; worked on Pinnacol audit information; worked on Englewood lawsuit and restitution.	2.75
6-Sep-09	Worked on Complaint for Turnover for domain name coloradohumane.net from B. Warren; researched issues regarding Lanham Act; researched state law issues; researched turnover issues.	4.00
8-Sep-09	Researched issues regarding the Lanham Act for Complaint against R. Warren; worked on Complaint for Turnover from R. Warren; prepared demand letter regarding Estate of McKnight to R. Robida.	5.50
9-Sep-09	Worked on Woof and Wag (2.5 hours No Charge).	N/C
10-Sep-09	Worked on Woof and Wag (2 hours No Charge) Prepared for and attended Status Conference	N/C 2.75
11-Sep-09	before Judge Pratt;	
13-Sep-09	Attended Woof and Wag (5 hours No Charge) Worked on McKnight accounting; worked on	N/C 4.00
14-Sep-09	Motion for Judicial Sale.	
15-Sep-09	Worked on Motion for Judicial Sale.	3.00

Invoice: September 20, 2009
 Client: Colorado Humane Society
 Page 3



Date:	Services:	Hours Billed:
	Worked on Motion for Judicial Sale; worked on Declaratory Judgment action against Philadelphia Insurance; posted documents to Internet; worked on claims process.	5.50
16-Sep-09	Worked on Motion re coloradohumane.net; worked on term sheet for sale of the Colorado Humane Society name; worked on general administration.	4.00
17-Sep-09	Worked on Motion and Order re Judicial Sale;	3.25
18-Sep-09	worked on Motion re coloradohumane.net.	
19-Sep-09	Worked on Motion re coloradohumane.net.	2.00
20-Sep-09	Worked on Response to Motion for Stay; worked on capturing coloradohumane.com.	2.50
	Total hours worked	71.75
	Hourly rate	250.00
	Subtotal	17,937.50
	Reduction for Cap	(2,937.50)
		15,000.00
	Less retainage	(3,000.00)
		12,000.00
	Plus bill from July, 2009	15,000.00
	Expenses from June, 2009	5,891.79
	This Invoice (please pay).	32,891.79

EXHIBIT 3.c.



4101 East Louisiana Avenue, Suite 300, Denver, Colorado 80246
Direct Line: 303-388-1300 Main Office: 303-781-9900,
Fax: 303-781-4311 Email: rblock@xpn.com

INVOICE October 20, 2009
Client: Colorado Humane Society & S.P.C.A., Inc.
For: Professional Services and Expenses
By: Waverton Group, LLC
From: September 21, 2009
To: October 20, 2009

Date:	Services:	Hours Billed:
22-Sep-09	Worked on motion to conduct a Judicial Sale; worked on motion re coloradohumane.net; worked on license with Drug Enforcement Agency and the Limited Pharmacy License with Colorado for pharmaceuticals; worked on Philadelphia Insurance issues.	6.75
23-Sep-09	Worked on motion to conduct a Judicial Sale; worked on motion re coloradohumane.net; worked on Pinnacol claim.	4.00
24-Sep-09	Worked on license with Drug Enforcement Agency and the Limited Pharmacy License with Colorado for pharmaceuticals; worked on motion re coloradohumane.net; met with N. Fisher and L. Maisonneuve; worked on settlement issues.	5.50
25-Sep-09	Worked on motion to conduct a Judicial Sale; worked on motion re coloradohumane.net; worked on motion for turnover re Pinnacol; worked on declaratory judgment action re Philadelphia Insurance Companies; worked on DEA registration; performed research on trademark issues.	7.00
28-Sep-09	Worked on Pinnacol matter;	0.75



Date:	Services:	Hours Billed:
29-Sep-09	Prepared settlement memo; worked on term sheet for sale of name Colorado Humane Society; worked on license with Drug Enforcement Agency and the Limited Pharmacy License with Colorado for pharmaceuticals.	4.25
30-Sep-09	Worked on supplemental information for license with Drug Enforcement Agency and the Limited Pharmacy License with Colorado for pharmaceuticals; met with Shelby Davis; worked on Estate of Broncucia; reviewed and revised certain accounting conventions regarding animal adoptions; worked on Pinnacol matter.	5.00
1-Oct-09	Worked on Pinnacol matter.	0.50
4-Oct-09	Worked on grant applications.	3.50
6-Oct-09	Worked on discovery issues.	1.00
7-Oct-09	Worked on discovery issues.	1.00
8-Oct-09	Researched rules for alternative dispute resolution; prepared email memo to P. Collins regarding settlement; prepared email to A. Gardenswartz.	3.25
10-Oct-09	Researched rules for alternative dispute resolution; prepared email to P. Collins regarding settlement.	4.00
11-Oct-09	Researched rules for alternative dispute resolution; prepared email to P. Collins regarding settlement.	1.50
12-Oct-09	Worked on Pinnacol accounting and claim; worked on discovery matters.	2.00
13-Oct-09	Worked on grant applications; worked on Estate of Broncucia; updated production of documents for Individual Defendants; reviewed pleadings regarding contempt action.	4.25
14-Oct-09	Worked on grant applications.	1.00
15-Oct-09	Worked on grant applications; updated document production for Individual Defendants.	2.50

Invoice: October 20, 2009
Client: Colorado Humane Society
Page 3



Date:	Services:	Hours Billed:
17-Oct-09	Worked on grant applications.	
19-Oct-09	Prepared memo regarding spay and neuter issues at the Shelter; participated in conference call with representatives from Pinnacol.	2.75
20-Oct-09	Worked on Motion for Protective Order.	3.25
	Total hours worked	<u>63.75</u>
	Hourly rate	250.00
	Subtotal	<u>15,937.50</u>
	Reduction for Cap	<u>(937.50)</u>
		15,000.00
	Less retainage	<u>(3,000.00)</u>
		12,000.00
	Plus bill from July, 2009	15,000.00
	Expenses from June, 2009	<u>5,891.79</u>
	This Invoice (please pay).	<u>32,891.79</u>

EXHIBIT 3.d.



4101 East Louisiana Avenue, Suite 300, Denver, Colorado 80246
Direct Line: 303-388-1300 Main Office: 303-781-9900,
Fax: 303-781-4311 Email: rblock@xpn.com

INVOICE November 20, 2009
Client: Colorado Humane Society & S.P.C.A., Inc.
For: Professional Services and Expenses
By: Waverton Group, LLC
From: October 21, 2009
To: November 20, 2009

Date:	Services:	Hours Billed:
22-Oct-09	Prepared memo regarding spay and neuter program and backlog resolution; prepared email memo to P. Collins regarding settlement with Philadelphia;	3.50
25-Oct-09	Prepared email memo to P. Collins regarding settlement with Philadelphia;	3.00
26-Oct-09	Worked on declaratory judgment action against Philadelphia Insurance; worked on reply in support of motion for protective order; worked on reply in support of motion for judicial sale; worked on reply in support of cyberpiracy motion.	8.00
27-Oct-09	Prepared for contempt hearing.	3.00
28-Oct-09	Prepared for contempt hearing.	3.50
29-Oct-09	Prepared for and attended contempt hearing for the Individual Defendants.	10.00
30-Oct-09	Prepared for and attended contempt hearing for the Individual Defendants.	10.00
31-Oct-09	Prepared documents for contempt hearing.	3.00
2-Nov-09	Prepared for and attended contempt hearing for the Individual Defendants.	10.00
3-Nov-09	Worked on issues regarding Philadelphia Insurance.	2.25

Invoice: November 20, 2009
Client: Colorado Humane Society
Page 2



Date:	Services:	Hours Billed:
5-Nov-09	Applied for registration of name Rocky Mountain Humane Society; worked on motion regarding Rocky Mountain Humane Society.	3.00
10-Nov-09	Worked on matters relating to Englewood and Littleton; prepared email memo to Englewood and Littleton	2.50
13-Nov-09	Prepared for and attended hearing.	4.00
15-Nov-09	Performed research and prepared memo on concurrent jurisdiction in cyberpiracy cases; worked on supplemental authority.	3.25
18-Nov-09	Worked on response to motion to sever.	1.50
20-Nov-09	Met with N. Fisher, L. Maisoneuve, M. Flaherty, S. Staiert; worked on response to motion to sever cases.	3.25
	Total hours worked	<hr/> 73.75
	Hourly rate	250.00
	Subtotal	18,437.50
	Reduction for Cap	(3,437.50)
		15,000.00
	Less retainage	(3,000.00)
		12,000.00
	Plus bill from July, 2009	15,000.00
	Expenses from June, 2009	5,891.79
	This Invoice (please pay).	<hr/> 32,891.79

EXHIBIT 3.e.



4101 East Louisiana Avenue, Suite 300, Denver, Colorado 80246
Direct Line: 303-388-1300 Main Office: 303-781-9900,
Fax: 303-781-4311 Email: rblock@xpn.com

INVOICE December 20, 2009
Client: Colorado Humane Society & S.P.C.A., Inc.
For: Professional Services and Expenses
By: Waverton Group, LLC
From: November 21, 2009
To: December 20, 2009

Date:	Services:	Hours Billed:
23-Nov-09	Worked on administrative matters related to closing Shelter and Clinic; worked on conforming inventory of Receivership Estate Assets to actual; worked on sale of tangible assets.	4.00
24-Nov-09	Worked on administrative matters related to closing Shelter and Clinic;	2.00
27-Nov-09	Worked on silent auction for tangible property at the Shelter and the Clinic.	4.00
30-Nov-09	Worked on administrative matters related to closing Shelter and Clinic; worked on conforming inventory of Receivership Estate Assets to actual; worked on sale of tangible assets; prepared letter to Sherman Agency to terminate lease on Clinic property.	3.50
2-Dec-09	Prepared Ninth Receiver's Report and Special Report on Claims.	4.00
3-Dec-09	Prepared Ninth Receiver's Report and Special Report on Claims; reorganized Internet site for the Receivership Estate.	4.5
4-Dec-09	Prepared Ninth Receiver's Report and Special Report on Claims.	2.00
7-Dec-09	Prepared Term Sheet for the sale of the name Colorado Humane Society and goodwill.	5.25

Invoice: December 20, 2009
 Client: Colorado Humane Society
 Page 2



Date:	Services:	Hours Billed:
8-Dec-09	Prepared Term Sheet for the sale of the name Colorado Humane Society and goodwill.	3.75
9-Dec-09	Prepared Ninth Receiver's Report and Special Report on Claims.	2.00
10-Dec-09	Prepared Ninth Receiver's Report and Special Report on Claims.	2.00
11-Dec-09	Worked at the silent auction of tangible property conducted at the Clinic; worked on the term sheet for the sale of the name Colorado Humane Society; organized paper files and digital files for discovery purposes.	7.50
14-Dec-09	Prepared Special Report on Claims; organized paper files and digital files for discovery purposes.	3.00
15-Dec-09	Worked on credit bid procedure for administrative expenses for term sheet to sell name Colorado Humane Society.	2.00
16-Dec-09	Worked on assembling digital information for discovery purposes.	1.50
18-Dec-09	Finalized term sheet for the sale of the name Colorado Humane Society; worked on Ninth Report and Special Report on Claims.	3.25
19-Dec-09	Worked on Ninth Report and Special Report on Claims.	2.25
	Total hours worked	56.50
	Hourly rate	250.00
	Subtotal	14,125.00
	Reduction for Cap	-
		14,125.00

VERIFICATION

STATE OF FLORIDA)
) ss.
COUNTY OF PALM BEACH)

I, Richard A. Block, being duly sworn upon oath, solemnly affirm as follows: I am the Managing Member of Waverton Group, LLC, (“Waverton”); (b) Waverton is the receiver in Civil Action No. _____-CV-_____ (previously Civil Action No. 2008-CV-2659) in District Court, Arapahoe County, Colorado, the Honorable Charles M. Pratt, Arapahoe District Judge, presiding; (c) I prepared the Receiver’s Ninth Report dated the 7th day of January, 2010 on behalf of Waverton; and (d) the information contained therein is true and accurate to the best of my knowledge and belief.



Waverton Group, LLC,
as Receiver
by Richard A. Block, Managing Member

STATE OF FLORIDA)
) ss.
COUNTY OF PALM BEACH)

Subscribed and sworn to before me by Richard A. Block as the Managing Member of Waverton Group, LLC as receiver on the 7th day of January, 2010.

Witness my hand and official seal.

My commission expires: _____

(Seal)

Notary Public

[Notarized copy on file with Fairfield and Woods]