

<b>DISTRICT COURT, ARAPAHOE COUNTY, COLORADO</b> 7325 S. Potomac Street Centennial, Colorado 80112	
In re: the Receivership Estate of WindDownCHS, INC. (previously Colorado Humane Society & S.P.C.A., Inc.)	<b>▲ COURT USE ONLY ▲</b>
Waverton Group, LLC as receiver 4101 East Louisiana Avenue, Suite 300 Denver, Colorado 80246 Office: 303-781-9900 Fax: 303-781-4311 Email: <a href="mailto:rblock@xpn.com">rblock@xpn.com</a>	Case Number: 2008-CV-2659  Division: 404
<b>RECEIVER’S TWELFTH AND FINAL REPORT AND REQUEST FOR DISCHARGE</b>	

Waverton Group, LLC, the receiver over WindownCHS, Inc.<sup>1</sup> and the assets of the Corporate Defendant (the “Assets”), respectfully makes this Receiver’s Twelfth and Final Report and Request for Discharge (this “Report”).

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<sup>1</sup> As explained in the report on the Judicial Sale, in this Report, the receiver sold the assets of the Colorado Humane Society & S.P.C.A., Inc. at Judicial Sale. Among the assets sold were the name and all associated rights subject to certain continuing rights of the receiver in donations and bequests. Contemporaneously with the closing of the Judicial Sale, the receiver formally changed the name of the corporation to WindDownCHS, Inc. The corporation in receivership will be referred to as “WindDown” or the “Corporate Defendant.” The corporation formerly known as the Colorado Anti-Cruelty Society, Inc. (the company that bought the name) will be referred to as “New CHS.” Any reference to the “Colorado Humane Society” in this Report will be context sensitive.

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**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 in the District Court, Arapahoe County, Colorado (the “Arapahoe District Court”) on December 10, 2008.

2. The Complaint included as defendants (a) Mary C. Warren, Robert Warren, and Stephenie L. Gardner (collectively, the “Individual Defendants”), and (b) the Corporate Defendant.

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 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. This Court entered its Amended Order to Present and File Claims (the "Claims Order") on July 10, 2009.

7. Following the entry of the Claims Order, the receiver mailed notice with the Claims Order to all known creditors of the Receivership Estate.

8. Following the entry of the Claims Order, the receiver published the Claims Order in the Denver Business Journal on July 17, 2009.

9. The Claims Order contains a provision that required Claimants to present and file their Claims with the receiver on or before August 9, 2009 (the "Bar Date").

10. The receiver filed the Claims Report on January 8, 2010 and contemporaneously mailed a copy of the Claims Report to all Claimants and beneficiaries of the Receivership Estate.

11. All parties affected by the Claims Report had proper notice and an opportunity to be heard.

12. There were no objections filed to the Claims Report.

13. The Claims Report contained Claims that were approved by the receiver and Claims that were rejected by the receiver.

14. By Order dated November 4, 2010, this Court either allowed or disallowed all Claims and portions of Claims.

15. 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 Sales Order, the Court Ordered that "The Custodian is hereby converted into a receiver in order to conduct a Judicial Sale of the assets."

16. On April 2, 2010, this Court entered its Order Authorizing and Confirming the Judicial Sale of Certain Assets of Colorado Humane Society & S.P.C.A., Inc.

17. 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.

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

## **II. THE FINANCIAL REPORT**

19. Financial Information. The receiver previously reported that it was reconstructing the books and records for the Corporate Defendant, to the best extent they can be reconstructed given the fact that a considerable amount of financial information and documents were missing. The receiver completed the task of reconstructing the books and records of the Corporate Defendant to the best extent possible under the circumstances. With the Sale to New CHS, collection of the accounts receivable, resolution of the Claims against the Receivership Estate, resolution of the Claims of the Internal Revenue Service, and settlement with Pinnacle, Philadelphia, and the Personal Representative for the Estate of Gooch, the remaining assets of the Receivership Estate are comprised solely of cash and the right to receive cash.

20. Financial Statements. The Balance Sheet for the Receivership Estate for November 30, 2010 is attached to this Report as Exhibit 1. The Income Statement for the period from October 1, 2010 to November 30, 2010<sup>2</sup> is attached to this Report as Exhibit 2. 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.

21. Federal and State Form 990s. As stated above, the books and records of the Corporate Defendant have been reconstructed to the fullest extent possible. The receiver is in the process of filing Form 990s for the fiscal years ended June 30, 2008, 2009, 2010, and a final return as soon as the Court has set the termination procedures (discussed in paragraphs 37 through 39 below). Given the change from a custodianship to a receivership, the receiver had hoped to determine that there is no necessity to go to the expense of preparing and filing the Form 990s, however, the receiver's inquiries of the Internal Revenue Service have not been successful in that regard.

22. Invoices. Consistent with the Order Appointing Custodian, the receiver closes its invoice on the 20<sup>th</sup> of every month. Consistent with the Rate Card of Waverton Group, LLC as submitted to this Court, the receiver

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<sup>2</sup> This time period constitutes a full fiscal year for the Corporate Defendant.

pays 80% of the receiver's fees when the invoice is presented, and accrues the remaining 20% for payment on the 20<sup>th</sup> of the following month if money is available. The receiver's invoices for October 20, 2010 and November 20, 2010 are attached as Exhibit 3. In addition, the receiver has also included an interim invoice for the period November 21, 2010 through December 13, 2010 as Exhibit 3 so that all time charges for the receiver through the date of this Report have been included.

### **III. REMAINING ASSETS OF THE RECEIVERSHIP ESTATE**

23. Remaining Assets. The Receivership Estate has four primary assets remaining. Those assets are discussed below.

24. Cash. The Receivership Estate has cash assets as set forth in the Balance Sheet attached to this Report as Exhibit 1. Provided the receiver is able to resolve all remaining issues as planned, the receiver does not predict an operating cash shortfall between now and the termination of the receivership.

25. Bequest by Bernard L. Gooch. Mr. Gooch died on May 30, 2010. By will dated September 25, 2009, Mr. Gooch left 6,500 shares of common stock in General Electric (worth approximately \$100,000) to the Colorado Humane Society & S.P.C.A., Inc. For the reasons stated in the Verified Motion for Turnover and Accounting against Scott W. Stauffer, as Personal

Representative of the Estate of Bernard Gooch, filed on August 17, 2010.

New CHS, the Personal Representative of the Estate of Gooch, and the receiver have executed a settlement agreement and this Court has entered an Order approving the settlement agreement. The Personal Representative has distributed the money under the settlement agreement.

26. Claim against Philadelphia Insurance Companies. Philadelphia Insurance Companies and the receiver have reached an agreement to settle the dispute between them, and a final settlement agreement and release has been signed by the receiver. The settlement agreement and release will be submitted to the Court for approval as soon as Philadelphia signs the settlement agreement. In the meantime, the receiver has tentatively rejected the Claim that was previously approved as the Claim will not be paid under the terms and conditions of the settlement as it now stands.

27. Claims against the Individual Defendants. It is apparent from an analysis of the books and records of the Corporate Defendants that the Individual Defendants are indebted to the Receivership Estate in an amount calculated by the receiver to be \$111,018.29. In order to be justified in pursuing these claims, the receiver must conclude that, mathematically, the collection effort will not result in a net loss to the Receivership Estate. The receiver does this by calculating the amount owed by the Individual

Defendants to the Receivership Estate, and multiplying that number by the likelihood of recovery express in a percentage. If the resulting multiplicand is less than the anticipated cost of collection, the collection effort will not be undertaken. At this point, it appears to the receiver that the Individual Defendants are substantially judgment proof, and thus pursuit of them is not indicated. Furthermore, the receiver has discussed the matter with NewCHS, and NewCHS has indicated its preference for discontinuing efforts to collect from the Individual Defendants under the current circumstances. As the residual assets of the Receivership Estate will ultimately become the property of NewCHS, the receiver has taken NewCHS's preference into consideration in making its decision to discontinue efforts to collect from the Individual Defendants. The receiver has one more step in the process of abandoning the claim against the Individual Defendants.

28. Miscellaneous and Unidentified Assets. Because the books and records of the Corporate Defendant, at the time the custodian was appointed, were in such disarray, the receiver believes it is possible that assets of the Corporate Defendant may be identified after the Receivership Action is dismissed. The receiver proposes that any such asset shall be turned over to NewCHS, and Waverton shall have no obligation to account or otherwise report to anyone, including this Court, for the asset. If Waverton believes, in

its sole discretion, that an asset requires disposition by this Court, Waverton may apply to this Court for such disposition under the continuing jurisdiction of this Court.

#### IV. REMAINING LIABILITIES OF THE RECEIVERSHIP ESTATE

29. Administrative Liabilities of the Receivership Estate. There are three creditors with administrative liabilities in the Receivership Estate (administrative liabilities are expenses of the Receivership Estate and are technically not claims against the Receivership Estate):

a. *Waverton Group, LLC* – As of the date of this Report, the Receivership Estate owes Waverton receiver fees and expenses in the amount of \$36,250 (including the interim bill dated December 13, 2010). This amount does not include receiver's fees and expenses that will be incurred between December 14, 2010 and the date the receivership is terminated;

b. *Fairfield and Woods* – As of the date of this Report, the Receivership Estate owes Fairfield and Woods legal fees and expenses in the amount of \$1,914.32. This amount does not include attorneys fees and expenses that will be incurred between November 20, 2010 and the date the receivership is terminated; and

c. *Zarlengo & Associates* – As of the date of this Report, the Receivership Estate has no unpaid obligations to Zarlengo and Associates for accounting fees and expenses provided to the Receivership Estate. Zarlengo has estimated the cost of accounting and tax work through the end of the receivership at \$8,000. The receiver expects to pay this amount within the next week for work on the tax returns prior to the approval of this Report because under the guidelines of Colorado State Board of Accountancy and the American Institute of Certified Public Accountants, Zarlengo cannot file tax returns for one year until Zarlengo has been paid for the work for the

previous years' tax returns. The same holds true for the final tax returns.

The administrative liabilities of the Receivership Estate, which are estimated at \$46,164.32, not including attorney's fees and receiver's fees between November 20, 2010 and the termination of the receiver, constitute a senior lien on the Receivership Estate. Following the entry of the Procedures Order (as defined in paragraph 38 below), the receiver will pay all the Claims and other Obligations discussed in paragraphs 30 through 35 below.

30. Secured Claims. There have been no secured Claims against the Receivership Estate except the withdrawn lien imposed by the Internal Revenue Service.

31. Priority Claimants. The receiver has written down to zero all Priority Claims against the Receivership Estate. This includes the pre-appointment assessment by the Internal Revenue Service that was released by the Internal Revenue Service.

32. Income Taxes. The receiver's accountants have prepared all income tax returns through and including 2010, and have reviewed all available information for 2007 through 2010 and concluded that there are no income taxes due on any returns. Upon entry of the Procedures Order, the receiver will instruct its accountants to prepare final tax returns, which will be filed after all requirements in the Procedures Order have been completed

and prior to the day the Discharge Order (as defined in paragraph 39 below) is entered.

33. Unsecured Claims. Upon the entry of the Procedures Order, the receiver will pay all unsecured Claims in the Receivership Estate.

34. Residual Asset Obligation. As a non-profit organization in receivership, the Corporate Defendant has the unique attribute of being without stockholders. In the case of for-profit companies, any residual assets remaining in the receivership estate after satisfaction of all administrative expense and allowed Claims, revert to the shareholders. This is not frequently a problem because in most cases, there are insufficient assets to satisfy the administrative expenses and claims. Not only is the Receivership Estate unusual in that it is a non-profit, it has residual assets remaining after satisfaction of the expenses and Claims. Pursuant to the Asset Purchase Agreement and the Confirmation Order, all residual assets must be paid to NewCHS. After the remaining administrative expenses are paid (see paragraph 29 above), the receiver, as its final act, will pay all remaining cash in the Receivership Estate to NewCHS. The receiver believes that this payment is in the nature of the payment of an administrative expense that has been subordinated to the payment of all other Claims and administrative expenses. The importance of this determination is that if the payment is in

the nature of equity, the Internal Revenue Service lien will attach, whereas, if it is an administrative expense, the Internal Revenue Service will not attach.

35. Internal Revenue Service. The Internal Revenue Service has agreed to release its levy from the assets of the Receivership Estate, but not from residual cash remaining after the payment of all pre-appointment allowed Claims and all post-appointment administrative expenses. As stated in paragraph 34 above, the receiver believes the asset is in the nature of a subordinated administrative expense. If the Internal Revenue Service disagrees with this determination, the Internal Revenue Service lien will be satisfied as a priority Claim before the payment of Claims and the right to claim a refund will be assigned to NewCHS.

36. Claims Process. Except for payment as discussed above, the Claims Process is complete.

## V. TERMINATION OF RECEIVERSHIP

37. Need for Procedures Terminating Receivership. From the perspective of a receiver, the sequence utilized to terminate a receivership is important because actions taken after termination are technically outside the authority granted to the receiver, and therefore outside the immunity afforded to receivers by law. To terminate the receivership prematurely

might subject the receiver to personal liability where none should exist.

Professor Ralph Ewing Clark, in his treatise 3 *Clark On Receivers* (3d Ed. ) § 692.1 writes:

When a receiver's official relation to the court is terminated by his death, resignation or removal, he may or may not have handed over the property by court order to the original owner or to someone else, or to a successor receiver. If he had not handed over the property by order of the court, the property remains in the custody of the court. The term "discharge of a receiver" is used when the receiver in obedience to a court order has handed over the property to the original owner or to some one else. When the receiver has done that, his liability and responsibility as receiver as to that property ceases, and since the property is no longer *in custodia legis*, the receivership is terminated.

38. Order Setting Procedures of Termination. The Court can terminate the Receivership Action and discharge the receiver without any formalities whatsoever. By doing so, however, the Court exposes the receiver to liability and opens the Court to later-filed Claims and motions. By following a logical procedure, the Court can resolve substantially all issues and provide the receiver, the Receivership Estate, and the Court with finality regarding the services provided during the appointment. Attached as Exhibit A to the Motion submitting this Report for approval is the proposed Order Approving Receiver's Twelfth and Final Report, and Setting Procedures for Terminating Receivership, Discharging Receiver, and

Dismissing Action (the "Procedures Order"). The Procedures Order contains the appropriate procedures for winding down the Receivership Estate.

39. Order Terminating Receivership. Once the receiver has filed its Notice that it has complied with all Instructions in the Procedures Order, the Court should enter an Order substantially in the form of the Order Terminating Receivership, Discharging Receiver, and Dismissing Action with Prejudice (the "Discharge Order"). A copy of the proposed Discharge Order is attached as Exhibit B to the Motion submitting this Report for approval.

40. Traditional Findings and Orders. The Court should notice that there are traditional Findings the Court should make upon terminating the receiver that serve to put to rest the activities of the receiver. Similarly, the Court should notice that in addition to the traditional Findings, the Court should also enter traditional Orders upon termination of the receiver. Suitable Findings and Orders are set forth in the Termination Order.

Waverton Group, LLC, as receiver, requests that this Court enter an Order accepting and approving Section I (The Receivership Estate), Section II, (The Financial Report), Section III (Remaining Assets of the Receivership Estate ) Section IV (Remaining Liabilities of the Receivership Estate); and Section V (Termination of Receivership), and making this Report an Order of the Court.

Receiver's Twelfth Report  
December 13, 2010  
Page 16.

Dated this 13<sup>th</sup> day of December, 2010

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'R.A. Block', is written above a horizontal line.

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

Exhibit 1

The Colorado Humane Society and S.P.C.A., Inc  
Balance Sheet  
November 30, 2010

ASSETS

**Current Assets**

Bank of Denver Checking	57,747.36	
Paypal Account	75.63	
<b>Total Current Assets</b>		<b>57,822.99</b>

**Accounts Receivables**

Emp Adv-Gardner, Stephanie(O)	16,227.17	
Emp Adv-Warren, Bob(o)	30,383.41	
Emp Adv-Warren, Mary(O)	64,407.71	
<b>Total Accounts Receivables</b>		<b>111,018.29</b>

**Total Assets**

**168,841.28**

## LIABILITIES AND CAPITAL

### Current Liabilities

A/P-Waverton Group	24,562.50	
A/P-Fairfield & Woods, PC	1,914.32	
<b>Total Current Liabilities</b>		<b>26,476.82</b>

### Approved-Priority Claims

Approved-Capitol Marketing Inc	624.42	
Approved-Walker, Eric	119.25	
Approved-Wandersee, Aaron	115.50	
<b>Total Approved Priority Claims</b>		<b>859.17</b>

### Approved-Unsecured Claims

Approved-Bayer Health Care LLC	1,415.77	
Approved-Campbell Pet Company	560.19	
Approved-Central Vet Emergency	1,049.12	
Approved-City of Englewood	2,719.43	
Approved-CO Animal & Pet Crema	350.00	
Approved-Columbine Oxygen	521.34	
Approved-Central CollectionCSU	1,671.58	
Approved-Front Range Vet clini	242.37	
Approved-Hwang Corp	9,172.82	
Approved-Integra Telecom Serv	974.93	
Approved-Lindsey, Anna	1,140.00	
Approved-Monument Pharmacy	1,465.00	
Approved-Pushkin Public Relati	1,067.00	
Approved-Shannon, Meghan Dr.	3,443.12	
Approved-US Waste	32.03	
Approved-Xcel Energy	2,573.03	
<b>Total-Approved Unsecured Claims</b>		<b>28,397.73</b>

### Rejected Claims

Rejected-Bayer Health Care	169.89	
Rejected-Buffington, Jeffery	2,248.12	
Rejected-Campbell Pet Company	42.00	
Rejected-Capital Marketing	30.00	
Rejected-Central Collections	448.95	

Rejected-Central Vet emergency	47.97	
Rejected-Pinnacol Assurance	4,942.00	
Rejected-US Waste	25.00	
<b>Total-Rejected Claims</b>		<b><u>7,953.93</u></b>
<b>Total Liabilities</b>		<b>63,687.65</b>
<b>Capital</b>		
Retained Earnings	107,063.11	
Net Income	(1,909.48)	
<b>Total Capital</b>		<b><u>105,153.63</u></b>
<b>Total Liabilities &amp; Capital</b>		<b><u><u>168,841.28</u></u></b>

Unaudited-For Management Purpose Only

Exhibit 2

**The Colorado Humane Society & S.P.C.A., Inc.**  
**Income Statement**  
**For the Five Month Ending November 30, 2010**

	Current Month	Year to Date
<b>Revenues</b>		
Contributions/Donations	-	75,954.50
Other Income	-	382.50
<b>Total Revenues</b>	<u>-</u>	<u>76,337.00</u>
<b>Cost of Sales</b>		
<b>Total Cost of Sales</b>	<u>-</u>	<u>-</u>
<b>Gross Profit</b>	<u>-</u>	<u>76,337.00</u>
<b>Expenses</b>		
Accounting Expense	1,000.00	1,000.00
Accounting-Custodian	4,070.00	11,660.00
Bank Fees-Paypal	-	90.00
Custodian Fees	12,625.00	52,437.50
Clinic-Vets Services	50.00	50.00
Dues & Memberships	70.00	70.00
Legal Fees	4,073.29	14,594.83
Office Expense	10.80	10.80
Postage and Shipping Expense	-	62.48
Reproduction Expense	76.05	128.85
Telephone Expense	43.97	126.83
Shelter-Storage Shed	100.00	400.00
Postage	11.00	40.19
Professional Fees	75.00	75.00
Claims-Professional Fees	-	(2,500.00)
<b>Total Expenses</b>	<u>22,205.11</u>	<u>78,246.48</u>
<b>Net Income</b>	<u>(22,205.11)</u>	<u>(1,909.48)</u>

Unaudited-For Management Purpose Only

### EXHIBIT 3



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, 2010  
**Client:**      Colorado Humane Society & S.P.C.A., Inc.  
**For:**          Professional Services and Expenses  
**By:**            Waverton Group, LLC  
**From:**        September 21, 2010  
**To:**            October 20, 2010

<b>Date:</b>	<b>Services:</b>	<b>Hours Billed:</b>
21-Sep-10	Worked on Settlement Agreement with New CHS re Estate of Gooch; worked on settlement with Philadelphia; worked on release of Internal Revenue Service lien.	5.00
24-Sep-10	Worked on Claims.	1.00
25-Sep-10	Worked on Settlement Agreement with New CHS re Estate of Gooch.	3.25
27-Sep-10	Worked on Settlement Agreement with New CHS re Estate of Gooch.	1.50
30-Sep-10	Worked on Claims.	2.00
1-Oct-10	Worked on Settlement Agreement with New CHS re Estate of Gooch.	3.25
3-Oct-10	Prepared Receiver's Eleventh Report.	3.00
5-Oct-10	Prepared Receiver's Eleventh Report; worked on Internal Revenue Service issues; spoke with A. Jones.	4.50
6-Oct-10	Prepared Receiver's Eleventh Report; worked on Claims resolution; spoke with Hwang representative; spoke with Attorney General's office; prepared email to J. Bohlmer; worked on adjusting entries to financial statements.	6.25
7-Oct-10	Prepared Receiver's Eleventh Report; worked on Claims.	4.00

Invoice: October 20, 2010  
Client: Colorado Humane Society  
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9-Oct-10	Worked on Settlement Agreement with New CHS.	1.00
10-Oct-10		
11-Oct-10	Worked on Settlement Agreement with New CHS re Estate of Gooch; worked on 11th Report; worked on Claims.	3.50
12-Oct-10	Worked on Settlement Agreement with New CHS re Estate of Gooch; worked on 11th Report; worked on Claims.	4.25
13-Oct-10	Worked on Settlement Agreement with New CHS re Estate of Gooch; worked on 11th Report; worked on Claims.	2.75
14-Oct-10	Worked on Settlement Agreement with New CHS re Estate of Gooch; worked on Settlement Agreement with Philadelphia.	1.50
19-Oct-10	Worked on administrative matters.	1.00
	Total hours worked	<u>47.75</u>
	Hourly rate	250.00
	Subtotal	<u>11,937.50</u>
	Reduction for Cap	-
	This Invoice (please pay)	<u>11,937.50</u>

**EXHIBIT 3**



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, 2010  
**Client:**      Colorado Humane Society & S.P.C.A., Inc.  
**For:**          Professional Services and Expenses  
**By:**            Waverton Group, LLC  
**From:**        October 21, 2010  
**To:**            November 20, 2010

<b>Date:</b>	<b>Services:</b>	<b>Hours Billed:</b>
21-Oct-10	Worked on Enterprise Oil asset.	1.00
26-Oct-10	Worked on Settlement Agreement with NewCHS re Estate of Gooch; worked on Enterprise Oil asset.	1.75
2-Nov-10	Worked on Settlement Agreement with NewCHS re Estate of Gooch; worked on Philadelphia settlement.	2.00
3-Nov-10	Worked on Settlement Agreement, motion, Order, Affidavit; worked on registered agent change; worked on charitable status, both federal and state.	4.25
4-Nov-10	Worked on motion and order for approval of Settlement Agreement with NewCHS re Estate of Gooch	2.50
5-Nov-10	Prepared 12th Report and Request for Discharge and Termination; worked on administrative matters.	3.00
6-Nov-10	Prepared 12th Report and Request for Discharge and Termination; worked on administrative matters.	4.50
8-Nov-10	Worked with M. Bonafede on new bequest; worked on COM for Claimants;	1.50
9-Nov-10	Worked on 12th Report, Termination; worked on post Confirmation donations;	3.00

Invoice: October 20, 2010  
Client: Colorado Humane Society  
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11-Nov-10	Worked with M. Bonafede on new bequest; worked on 12th Report, Termination.	2.25
12-Nov-10	Worked on 12th Report, Termination; worked on Internal Revenue Service Form 990s.	3.00
14-Nov-10	Worked on Internal Revenue Service Form 990s.	1.00
15-Nov-10	Worked on 12th Report, Termination; worked on Internal Revenue Service Form 990s.	5.75
16-Nov-10	Worked on 12th Report, Termination; worked on Internal Revenue Service Form 990s.	5.00
17-Nov-10	Worked on 12th Report, Termination; worked on Internal Revenue Service Form 990s.	2.00
18-Nov-10	Worked on 12th Report, Termination; worked on Internal Revenue Service Form 990s.	3.00
19-Nov-10	Worked on procedures to terminate Receivership Estate; Worked on 12th Report, Termination; spoke with J. Nagy at length.	2.75
20-Nov-10	Worked on 12th Report, Termination.	2.25
	Total hours worked	<hr/> 50.50
	Hourly rate	250.00
	Subtotal	<hr/> 12,625.00

### EXHIBIT 3



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 13, 2010  
**Client:** Colorado Humane Society & S.P.C.A., Inc.  
**For:** Professional Services and Expenses  
**By:** Waverion Group, LLC  
**From:** November 21, 2010  
**To:** December 13, 2010

<b>Date:</b>	<b>Services:</b>	<b>Hours Billed:</b>
21-Nov-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	3.00
22-Nov-10	Worked on Claims; worked on administrative matters; worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order; worked on Claims; worked on administrative matters.	3.50
24-Nov-10	Worked on Philadelphia settlement; worked on federal income tax issues regarding tax lien.	2.00
28-Nov-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	4.00
29-Nov-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	5.00
30-Nov-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	3.75
1-Dec-10	Worked on Internal Revenue Service lien; worked on Philadelphia settlement.	2.00
2-Dec-10	Worked on Philadelphia settlement.	1.50
5-Dec-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	6.00
8-Dec-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	4.50

Invoice: October 20, 2010  
Client: Colorado Humane Society  
Page 2

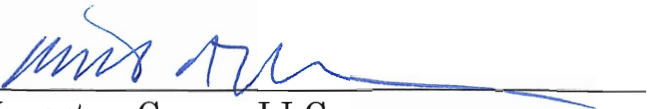


9-Dec-10	Conference call with K. Fenimore and J. Martillaro re Internal Revenue Service lien and 990 tax returns; administrative matters.	1.50
10-Dec-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	4.00
12-Dec-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	3.00
13-Dec-10	Worked on 12th Report, Termination; prepared Procedures Order; prepared Discharge Order.	3.00
	Total hours worked	<hr/> 46.75
	Hourly rate	250.00
	Subtotal	<hr/> 11,687.50
	Reduction for Cap	
	This Invoice (please pay)	<hr/> 11,687.50

**VERIFICATION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

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. 2008-CV-2659 in District Court, Arapahoe County, Colorado, the Honorable Charles M. Pratt, Arapahoe District Judge, presiding; (c) I prepared the Receiver's Twelfth and Final Report and Request for Discharge dated the 13<sup>th</sup> day of December, 2010 on behalf of Waverton; and (d) the information contained therein is true and accurate to the best of my knowledge and belief.

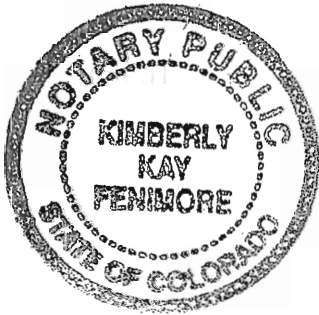
  
Waverton Group, LLC,  
as Receiver  
by Richard A. Block, Managing Member

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

Subscribed and sworn to before me by Richard A. Block as the Managing Member of Waverton Group, LLC as receiver on the 13<sup>th</sup> day of December, 2010.

Witness my hand and official seal.

My commission expires: 1/7/2013



  
Notary Public