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15 *Attorneys for Receiver Krista Freitag*

16 **UNITED STATES DISTRICT COURT**
17 **DISTRICT OF NEVADA**

18 FEDERAL TRADE COMMISSION,
19
20 Plaintiff,

21 v.

22 SUPERIOR SERVICING LLC, a limited
23 liability company; and DENNISE
24 MERDJANIAN, aka Dennise Correa,
25 individually and as managing member of
26 SUPERIOR SERVICING LLC,
27
28 Defendants.

Case No. 2:24-cv-02163-GMN-MDC

**FIRST INTERIM FEE
APPLICATION OF SEMENZA
RICKARD LAW, LOCAL
COUNSEL TO THE RECEIVER,
KRISTA L. FREITAG, FOR
PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES**

22 Semenza Rickard Law (“SRL”), local counsel to Krista L. Freitag (the
23 “Receiver”), the Court-appointed receiver for Superior Servicing, LLC (“Superior”), its
24 subsidiaries, affiliates, successors and assigns, and any other entity that has conducted
25 any business related to Defendants’ student debt relief services, including receipt of
26 Assets derived from any activity that is the subject of the Complaint in this matter, and
27 that the Receiver determines is controlled or owned by any Defendant, including
28

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1 Accredited, LLC, Sunrise Solutions USA, LLC, Alumni Advantage, LLC, Student
2 Processing Center Group, LLC, SPCTWO, LLC, Gold West Financial, LLC, DM
3 Financial, LLC, LJC Music National LLC, South Coast Services, LLC, Business Done
4 Right Inc., ET&C Holdings, LLC, Capital Servicing, LLC, Cornerstone Doc Prep, Inc.,
5 Amerifed Doc Prep, LLC, Amerifed Servicing, Inc., Scholastic Solutions LLC, and First
6 Clover Capital, Inc. (collectively the “Receivership Entities” or individually, a
7 “Receivership Entity”), hereby submits this First Interim Application for Payment of Fees
8 and Reimbursement of Expenses (the “Application”).

9 This Application covers the period from the Receiver’s appointment on November
10 22, 2024, through December 31, 2024 (the “Application Period”), and seeks approval of
11 \$2,065.00 in fees and \$250.00 in expenses, and an order authorizing the Receiver to pay,
12 on an interim basis, 80% of the fees incurred (\$1,652.00) and 100% of the expenses
13 incurred (\$250.00).

14 **I. REQUEST FOR FEES**

15 This equity receivership involves a large student loan debt relief enterprise
16 associated with the alleged scheme that is the subject of the Complaint filed by the
17 Federal Trade Commission (the “Commission”). The Receiver was appointed on a
18 temporary basis by the Ex Parte Temporary Restraining Order with Asset Freeze,
19 Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show
20 Cause Why Preliminary Injunction Should Not Issue entered on November 22, 2024
21 (“TRO”) (Dkt. 9), and on a permanent basis on December 6, 2024, pursuant to the Order
22 Granting Preliminary Injunction as to Defendant Superior Servicing LLC (Dkt. 30) and
23 subsequent Preliminary Injunction Order as to Defendant Dennise Merdjanian entered on
24 December 19, 2024 (Dkt. 42) (the “Appointment Orders”).

25 The Appointment Orders confer broad duties, responsibilities, and powers upon
26 the Receiver, which are designed to allow her to secure, preserve, and protect the assets
27 of the Receivership Entities, investigate the Receivership Entities’ financial transactions,
28 and investigate and recover sums transferred to third parties. The Receiver promptly

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1 determined that experienced and qualified counsel was critical to the performance of her
2 duties and obligations under the Appointment Orders. Accordingly, pursuant to the
3 authority granted to her in Section XII.F. of the TRO, the Receiver engaged Allen
4 Matkins as lead counsel with Semenza Rickard Law (“SRL”) as her local counsel for the
5 receivership (as lead counsel is located in Southern California).

6 This Application seeks approval of \$2,065.00 in fees for a total of 8.8 hours
7 worked, and payment on an interim basis of 80% of that amount, or \$1,652.00. SRL has
8 agreed to discount its standard attorney hourly rates by 30% for this case. The work
9 performed is described task-by-task in the attached Declaration of Jarrod L. Rickard.
10 (Exhibit 1 hereto.)

11 The primary work was performed by lead counsel, Allen Matkins. As shown by
12 Exhibit 1, SRL’s work primarily consisted of: (1) reviewing documents in anticipation of
13 filing with the Court; (2) attending hearings; (3) and ensuring that all documents were
14 accurately and timely filed.

15 SRL has worked diligently and efficiently to assist the Receiver with legal issues
16 facing the receivership estate. SRL’s work has allowed the Receiver to preserve and
17 protect the substantial value of receivership estate assets. Because the firm has worked
18 diligently and efficiently to assist the Receiver in carrying out her Court-ordered duties, it
19 should be compensated on an interim basis for its work.

20 **II. REQUEST FOR COSTS**

21 SRL also requests that the Court approve reimbursement of \$250.00 in out-of-
22 pocket costs. These costs covered the pro hac vice fees of lead counsel from Allen
23 Matkins.

24 **III. THE FEES AND COSTS ARE REASONABLE**

25 “As a general rule, the expenses and fees of a receivership are a charge upon the
26 property administered.” *Gaskill v. Gordon*, 27 F.3d 248, 251 (7th Cir. 1994). These
27 expenses include the fees and expenses of this Receiver and her professionals, including
28 SRL. Decisions regarding the timing and amount of an award of fees and costs to the

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1 Receiver and her professionals are committed to the sound discretion of the Court. *See*
2 *SEC v. Elliot*, 953 F.2d 1560, 1577 (11th Cir. 1992) (rev'd in part on other grounds,
3 998 F.2d 922 (11th Cir. 1993)).

4 In allowing fees, a court should consider “the time, labor and skill required, but
5 not necessarily that actually expended, in the proper performance of the duties imposed
6 by the court upon the receiver . . . , the fair value of such time, labor and skill measured
7 by conservative business standards, the degree of activity, integrity and dispatch with
8 which the work is conducted and the result obtained.” *United States v. Code Prods.*
9 *Corp.*, 362 F. 2d 669, 673 (3d Cir. 1966) (internal quotation marks omitted). In practical
10 terms, receiver and professional compensation thus ultimately rests upon the result of an
11 equitable, multi-factor balancing test involving the “economy of administration, the
12 burden that the estate may be able to bear, the amount of time required, although not
13 necessarily expended, and the overall value of the services to the estate.” *In re*
14 *Imperial 400 Nat'l, Inc.*, 432 F.2d 232, 237 (3d Cir. 1970). Regardless of how this
15 balancing test is formulated, no single factor is determinative and “a reasonable fee is
16 based [upon] all circumstances surrounding the receivership.” *SEC v. W.L. Moody &*
17 *Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 480 (S.D. Tex. 1974).

18 As a preliminary matter, the Appointment Order confer on the Receiver substantial
19 duties and powers, including to conduct such investigation and discovery as may be
20 necessary to locate and account for all Receivership Assets, to take such action as is
21 necessary and appropriate to assume control over and preserve Receivership Assets, and
22 to employ attorneys and others to investigate and, where appropriate, institute, pursue,
23 and prosecute all claims and causes of action of whatever kind and nature. *See*
24 Appointment Order, Section XI.

25 As previously noted, the Receiver promptly determined that utilizing a few third-
26 party vendors and her experienced staff at E3 as well as experienced, qualified counsel
27 was critical due to the lack of records, size and complexity of the receivership estate.
28 SRL has submitted a detailed fee application which describes the nature of the services

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1 rendered. *See* Exhibit 1. SRL has endeavored to staff matters as efficiently as possible
2 while remaining cognizant of the complexity of issues presented. As noted above, the
3 request for fees is based on SRL’s customary billing rates charged for comparable
4 services provided in other matters, less a 30% discount.

5 The work performed by SRL was essential to carrying out the Receiver’s Court-
6 ordered duties. Moreover, SRL seeks payment of only 80% of fees incurred on an
7 interim basis in recognition of the fact that its work in assisting the Receiver is ongoing.
8 Payment of the proposed 20% holdback will be sought at the conclusion of the
9 receivership. SRL’s fees are fair and reasonable and should be approved and paid on an
10 interim basis.

11 **IV. CONCLUSION**

12 SRL respectfully request that this Court enter an Order:

- 13 1. Approving SRL’s fees of \$2,065.00;
- 14 2. Authorizing and directing the Receiver to pay 80% of SRL’s approved fees,
15 or \$1,652.00, from the assets of the Receivership Entities;
- 16 3. Approving SRL’s costs in the amount of \$250.00, and authorizing and
17 directing the Receiver to reimburse such costs in full; and
- 18 4. For such other and further relief as the Court deems appropriate.

19 DATED this 21st day of January, 2025.

20 SEMENZA RICKARD LAW

21 /s/ Jarrod L. Rickard
22 Jarrod L. Rickard, Esq., Bar No. 10203
23 10161 Park Run Drive, Suite 150
24 Las Vegas, Nevada 89145

25 Edward G. Fates, Esq. (*pro hac vice admitted*)
26 ALLEN MATKINS LECK GAMBLE MALLORY &
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Attorneys for Receiver Krista Freitag

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CERTIFICATE OF SERVICE

I am employed by the law firm of Semenza Rickard Law in Clark County, Nevada. I am over the age of 18 and not a party to this action. The business address is 10161 Park Run Drive, Suite 150, Las Vegas, Nevada 89145.

I hereby certify that on the 21st day of January, 2025, I served the document(s), described as:

FIRST INTERIM FEE APPLICATION OF SEMENZA RICKARD LAW, LOCAL COUNSEL TO THE RECEIVER, KRISTA L. FREITAG, FOR PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES

by placing the original a true copy of the above and foregoing via:

a. **CM/ECF System** to the following registered e-mail addresses:

FEDERAL TRADE COMMISSION

John R. O'Gorman, Esq., jogorman@ftc.gov, mwernz@ftc.gov, mwilshire@ftc.gov
Luis H Gallegos, Esq., lgallegos@ftc.gov
Reid Tepfer, Esq., rtepfer@ftc.gov
Attorneys for Federal Trade Commission

CORY READE DOWS & SHAFER

Robert Christopher Reade, Esq., Creade@crdslaw.com, adavid@crdslaw.com, crodriguezvissek@crdslaw.com, cweber@crdslaw.com, kkeyes@crdslaw.com, mrodriguez@crdslaw.com, ygiraud@crdslaw.com
Paul Rowland Graff, Esq., rgraff@crdslaw.com, attorneygraff@gmail.com, cweber@crdslaw.com, ygiraud@crdslaw.com
Attorneys for Defendant Dennise Merdjanian

HOLLAND & KNIGHT LLP

Andrew Michael Cummings, Esq., andrew.cummings@hkllaw.com, philip.dobbs@hkllaw.com, reena.kaur@hkllaw.com
Anjuli B Woods, Esq., awoods@enterprisecounsel.com, mnolan@enterprisecounsel.com
-and-

McDONALD CARANO LLP

Ryan Jefferson Works, Esq., rworks@mcdonaldcarano.com, bgrubb@mcdonaldcarano.com, kkim@mcdonaldcarano.com
Attorneys for Proposed Intervenor Student Processing Center Group LLC and Non-Party SPCsTWO LLC

b. **BY U.S. MAIL.** I deposited such envelope in the mail at Las Vegas, Nevada. The envelope(s) were mailed with postage thereon fully prepaid. I am readily familiar with Semenza Rickard Law's practice of collection and processing correspondence for mailing. Under that practice, documents are deposited with the U.S. Postal Service on the same day which is stated in the proof of service, with postage fully prepaid at Las Vegas, Nevada in the ordinary course of business. I am aware that on motion of party served, service is

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presumed invalid if the postal cancellation date or postage meter date is more than one day after the date stated in this proof of service.

- c. **BY PERSONAL SERVICE.**
- d. **BY DIRECT EMAIL.**
- e. **BY FACSIMILE TRANSMISSION.**

I declare under penalty of perjury that the foregoing is true and correct.

/s/ Olivia A. Kelly
An Employee of Semenza Rickard Law

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EXHIBIT 1

Declaration of Jarrod L. Rickard

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15 *Attorneys for Receiver Krista Freitag*

16 **UNITED STATES DISTRICT COURT**
17 **DISTRICT OF NEVADA**

18 FEDERAL TRADE COMMISSION,

19 Plaintiff,

20 v.

21 SUPERIOR SERVICING LLC, a limited
22 liability company; and DENNISE
23 MERDJANIAN, aka Dennise Correa,
24 individually and as managing member of
25 SUPERIOR SERVICING LLC,

26 Defendants.

Case No. 2:24-cv-02163-GMN-MDC

**DECLARATION OF JARROD L.
RICKARD, ESQ. IN SUPPORT OF
FIRST INTERIM FEE
APPLICATION OF SEMENZA
RICKARD LAW, LOCAL
COUNSEL TO THE RECEIVER,
KRISTA L. FREITAG, FOR
PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES**

27 I, JARROD L. RICKARD, hereby declare as follows:

28 1. I am a partner with Semenza Rickard Law (“SRL”). I make the following Declaration in support of SRL’s First Interim Fee Application for the period of November 1, 2024, to December 30, 2024 (the “Application”). My firm is local counsel to Krista L. Freitag (the “Receiver”), the Court-appointed receiver for Superior Servicing, LLC (“Superior”), and the other entities within the scope of the receivership, pending before this Court. I have personal

1 knowledge of the facts contained in this Declaration and if called to do so, would testify
2 competently thereto.

3 2. As reflected in the Application, SRL seeks approval of \$2,065.00 in fees and
4 \$250.00 in expenses, and an order authorizing the Receiver to pay, on an interim basis, 80% of
5 the fees incurred (\$1,652.00) and 100% of the expenses incurred (\$250.00).

6 3. The following are the detailed time entries for SRL's billing for this period:

7 **Jarrold L. Rickard**

8 Date	9 Rate	10 Description	11 Amount
12 December 2, 2024	\$350	13 Review TRO motion; 14 conference call with lead 15 counsel; review draft 16 notice of appearance; 17 emailing regarding same	.9
18 December 3, 2024	\$350	19 Emailing regarding order 20 requesting permission to 21 appear via Zoom	.2
22 December 5, 2024	\$350	23 Attend first portion of 24 hearing on application 25 for preliminary 26 injunction; conference 27 call in anticipation of 28 same	.5
December 16, 2024	\$350	Emailing with lead counsel regarding upcoming continued hearing on motion for preliminary injunction	.3
December 19, 2024	\$350	Prepare for and attend continued hearing on motion for preliminary injunction	1.1
		Total:	\$1,050.00

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Olivia A. Kelly

Date	Rate	Description	Amount
December 3, 2024	\$175	Review e-mails from lead counsel re new matter, notice of appearance, Zoom links for hearing and pro hac vice application; file notice of appearance and corrected version of same; telephone calls with court to correct Receiver's last name spelling; e-mails with chambers for Zoom link for J Rickard/K Freitag appearance at 12/5/24 hearing	1.2
December 4, 2024	\$175	Review e-mails re filing of first interim report; review proposed preliminary injunction order; e-mails with lead counsel re courtroom contact or for appearances; review supplement to motion for preliminary injunction; file pro hac vice application for E Fates; review order granting pro hac vice application for E Fates; file notice of filing receiver's bond; file receiver's first interim report (Krista Freitag)	2.0
December 5, 2024	\$175	Review non-parties Student Processing Center Group and SPCTWO's limited opposition to preliminary injunction and notice of appearance of C Reade and R Graff; review minute order re motion for preliminary injunction; review notice of appearance of R Graff	.7
December 6, 2024	\$175	Review proposed order re preliminary injunction as to Defendant Superior Servicing and order granting same	.2

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December 13, 2024	\$175	Review Student Processing Center and SPCTWO's supplemental response to preliminary injunction, notice of appearance on behalf of non-party objectors and D Merdjanian's opposition to motion for preliminary injunction; review issued subpoenas to banks	.5
December 16, 2024	\$175	Review executed fee agreement; review e-mails re upcoming hearing appearances; review D. Merdjanian's answer and certificate of interested parties	.4
December 17, 2024	\$175	Review declaration of K Freitag re preliminary investigative findings and observations; review FTC's reply to objectors memorandum; review FTC's reply in support of motion for preliminary injunction as to D Merdjanian and proposed order re same	.3
December 18, 2024	\$175	Review non-parties notice of withdrawal of response and supplemental response to preliminary injunction	.10
December 19, 2024	\$175	Review hearing minutes granting motion for preliminary injunction; review filed preliminary injunction as to D Merdjanian	.20
		Total	\$980.00

Angie Barreras

Date	Rate	Description	Amount
December 24, 2024	\$175	Review Holland & Knight LLP's notice of motion and emergency motion to withdraw as counsel of record for non-parties student processing Center Group LLC & SPCTWO LLC; review proposed order re Holland & Knight LLP's notice of motion and emergency motion to withdraw as counsel of record for non-parties student processing Center Group LLC	.2
		Total	\$35.00

4. SRL has endeavored to staff all tasks undertaken in this matter efficiently, using paralegals wherever appropriate. In addition, SRL agreed to a significant discount from its ordinary billing rates for this matter. Accordingly, the fees identified in the Application were billed at rates reflecting significant discounts, thereby resulting in a substantial savings for the receivership estate.

5. SRL respectfully requests that the Court approve the fees and costs reflected in the Application and approve payment in the amounts reflected in the Application.

6. On behalf of SRL, I certify as follows:

- a. I have read the Application;
- b. To the best of my knowledge, information and belief formed after reasonable inquiry, the Application and all fees and expenses therein are true and accurate;
- c. SRL's fees reflected in the Application are based on the rates listed in SRL's fee schedule for this matter. All fees contained in the Application are reasonable, necessary and commensurate with the skill and experience required for the activity performed and are subject to Court approval.

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- d. SRL 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);
- e. In seeking reimbursement for a service which SRL 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), SRL requests reimbursement only for the amount billed to SRL by the third-party vendor and paid by SRL to such vendor. If such services are performed by SRL or its retained personnel, SRL or its retained personnel, as appropriate, will certify that it is not making a profit on such reimbursable service.

7. I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

DATED this 21st day of January, 2025.

/s/ Jarrod L. Rickard
JARROD L. RICKARD, ESQ.