

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

NETSPHERE, INC.,	§	Civil Action No. 3-09CV0988-F
MANILA INDUSTRIES, INC., and	§	
MUNISH KRISHAN,	§	
Plaintiffs.	§	
	§	
v.	§	
	§	
JEFFREY BARON, and	§	
ONDOVA LIMITED COMPANY,	§	
Defendants.	§	

RESPONSE AND OBJECTION TO 1000+ PAGE DOCUMENT DUMP

TO THE HONORABLE ROYAL FURGESON, U.S. DISTRICT JUDGE:

COMES NOW, Appellant, defendant Jeffrey Baron and make this response and objection to the 1,000+ page document dump of the receiver:

1. This Court set down a structure for the receiver to turn over the materials of lawyers with disputed fees within 7 days of the receiver's receipt of same.
2. The receiver appears to have unilaterally modified the road-map laid down by this Court, and has now dumped over 1,000 pages of material on Jeff Baron, and has demanded a reply within 7 days.
3. If counsel had no other clients or legal matters to handle, and could work solely on this case, it would take literally a week of work just to *read* quickly through the material (at 2 minutes per page).

4. If the material was carefully reviewed, say, at 5 minutes per page, it will take over two weeks of work just to read.

5. The disputed fee material amounts to about 20 separate lawsuits (many are existing lawsuits). Much of the defense material was seized by Mr. Urbanik as part of the turnover of Ondova documents. The remainder was seized by the receiver. Accordingly, after being afforded the opportunity just to read the material dumped by the receiver, counsel would need the opportunity to review the defense materials in the possession of the receiver and Mr. Urbanik or Mr. Sherman.

6. Jeff Baron objects to these proceedings and demands a jury trial on each and every one of the fee disputes.

7. There is no fee dispute with Sidney B. Chesnin. He explained this in court. He wasn't paid because order of this Court prevented it. Sidney B. Chesnin should be paid immediately.

8. Jeff Baron objects that 7 days is grossly unreasonable to prepare a response and objection. Additional time is requested, at a minimum an initial 20 day period to allow counsel to read the thousand plus pages of material that have been dumped on him.

9. Additionally, Jeff Baron objects that his assets have been seized and he has not been allowed to retain counsel experienced in handling fee dispute cases.

Mr. Schepps is not an expert in fee disputes, and lacks the necessary experience to properly and fully represent Jeff Baron in these matters. Jeff Baron requests the opportunity to hire experienced counsel.

10. After meeting with the receiver, it is counsel's understanding that the receiver is not opposed to allowing 20 days for counsel to have the opportunity to read the material.

11. Jeff Baron also requested that the information be reasonably organized so that each dispute 'claim' be organized in a uniform way with the attorney-client contract, the work reports and billing statements, all email and correspondence, all demand letters and responses, and a list of the factors considered by the receiver in determining the merit and value of each 'claim'.¹

12. The receiver agrees to provide the material in such format, but the material has not yet been provided. The receiver requires that counsel for Jeff Baron contact the copy service used by the receiver and make the request

¹ Specifically requested:

(B) Provide the following information as a single OCR'd 600 dpi PDF file for each 'claim', with each tab section marked by a PDF bookmark, so that I can evaluate the material. I am a solo practitioner and would do this if I had the expense till funding available. Include for each disputed fee in tab sections:

- (1) The Attorney-Client Contract and any engagement letters.
- (2) All the Attorney's work reports and billing statements which were sent to the client.
- (3) All email and correspondence between the attorney and client with respect the billing and payment of fees.
- (4) All demand letters sent from the attorney to the client, and all responses.
- (5) A list of the factors you considered in determining the merit and value of the 'claim'.

for the organized document production with them. Counsel will do this, but until the documents are provided as agreed, cannot reasonably begin to review them.

13. In order to determine the merit and value of each claim, an expert must be consulted to evaluate the reasonableness and necessity of the work allegedly performed, and the implications of ethical breaches involved in various instances. Jeff Baron has no money to pay for such consultation. The receiver has refused to agree to provide funding to allow such expert opinion to be offered. Wherefore, objection is made, that Jeff Baron is not being allowed a fair and reasonable opportunity to evaluate nor responds to the alleged claims.

14. Further, to evaluate and object to the fees, an opportunity to seek some basic discovery from the 'claimants' will be necessary, and has not been allowed for. Objection is made to the lack of an opportunity to conduct discovery in order to respond to the 'claims'.

15. The receiver has notified counsel that the Carrington, Coleman, Sloman & Blumenthal, LLP, Aldous Law Firm / Rasansky Law Firm (joint venture) and Mateer & Shaffer, LLP 'claims' will be raised through the Ondova bankruptcy and not through Jeff. Accordingly no additional response is provided for those 'claims' other than to preserve Jeff's objections and right to object to those 'claims'.

16. As a preliminary matter, without the benefit of actually having read the presented material, investigating the claims in detail, or taking any other reasonable steps to make a full and proper response, some things stand out as preliminary matters as follows:

17. Pronske and Patel claim there was no agreement, and have admitted to receiving a fixed \$75,000.00 up front payment. No billing or work statements appear to be sent, and no claim for any fee due or past due appears to have been made until Pronske and Patel decided they deserved more money, and threatened Jeff that in essence, if he didn't pay them what they now demanded, they would do bad things to him. Pronske admitted in his counterclaim that Jeff did not personally obligate himself to pay any money to Pronske, and that a fee of \$75,000.00 was paid up front. There was no agreement that the fee was anything other than a flat fee, and the conduct of the parties over a sustained period of time, supports that. It is clear the work was much more time consuming that Pronske had anticipated, with the negotiations taking longer than he had ever before experienced in his practice. It is not explained why it would not have been more efficient and reasonable just to try the underlying case to a jury, accept the verdict and move on. This same objection is applied to all other attorneys making similar, duplicative fee requests to Pronske.

18. The Schurig Jetel Beckett Tackett claims are troubling, as it appears the receiver has in his possession evidence of over \$2,000,000.00 in wire transfers to Schurig which funds are unaccounted for in the material sent over by the receiver. The Schurig billings appear to be duplicative, and grossly excessive. There appears to have been prior agreements where Schurig had settled her claims as part of the global settlement agreement that was read into the record of the bankruptcy court, however sufficient time and resources to investigate these issues, and others, has not been allowed.

19. Gary G. Lyon and Dean Ferguson's bills seem to have ballooned since they testified in Court. Lyon does not appear to be licensed in Texas and cannot bill for work settling state law claims. Lyon agreed to a fixed fee (under \$4,000) and agreed in writing that he would not bill any further fees unless the work he performed was instructed to be performed in writing, and written agreement was reached as to the cost of such work. The only rate Ferguson and Jeff agreed to was a flat monthly rate. Ferguson may have wanted a higher rate, but absent mutual agreement can not impose that on his client. He can decide unilaterally not to work, if the law and ethical obligations allow it, but he cannot unilaterally decide he is going to charge more than was mutually agreed. In such circumstances, the 'claims' are bogus and objected to.

20. Robert J. Garrey is a disgrace. Larry Friedman sued Garrey for theft, fraud, breach of trust, etc. Garrey provided less than 20 hours of ‘services’, and the value of his work is less than \$50/per hour. Simply put, a thieving, fraudulent, disloyal attorney is not worth very much. Jeff also has extensive counterclaims against Garrey. Garrey’s claim for \$50,000.00 is no less bogus than his original claim for \$1,000,000.00.

21. Insufficient opportunity has been provided to respond to the remaining ‘claims’, other than to object and state as follows: Jeff Baron has raised with counsel serious and legitimate issues with respect to each ‘claim’ such that the claim is objected to. Additional work is required, including the time to read the material provided by the receiver, to investigate the issues and provide further response.

Respectfully submitted,

/s/ Gary N. Schepps
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APPELLATE COUNSEL FOR

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CERTIFICATE OF SERVICE

This is to certify that this was served on all parties who receive notification through the Court's electronic filing system.

/s/ Gary N. Schepps
Gary N. Schepps