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Attorneys for Receiver Thomas F. Lennon

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

CAPITAL CONSULTANTS, LLC, f/k/a
CAPITAL CONSULTANTS, INC., JEFFREY
L. GRAYSON and BARCLAY GRAYSON,

Defendants.

Case No. CV 00-1290-KI

NOTICE OF HEARING FOR APPROVAL OF
FINAL REPORT OF THE RECEIVER,
CONDITIONS FOR DISCHARGE OF
RECEIVER, AND FOR APPROVAL OF
FINAL FEE APPLICATIONS OF THE
RECEIVER AND HIS PROFESSIONALS

Date: December 17, 2007
Time: 1:30 P.M.
Dept: 9A
Judge: Hon. Garr M. King

PLEASE TAKE NOTICE, pursuant to an order shortening time entered on November 14, 2007, hearing will be held on December 17, 2007 at 1:30 p.m. in Department 9A of the above-entitled court, 1000 SW Third Avenue, Portland, Oregon 97204, on the following matters:

1. Consideration and approval of the Final Report of the Receiver and Request for Final Instructions and Discharge ("Final Report");

2. Consideration and approval of final fee applications of the Receiver and his professionals as follows:

a. Fees and Costs Incurred in Current Application Period.

Professional	Time Period	Fees	Costs	Total
Thomas F. Lennon, Receiver	5/1/06-10/31/07	\$8,187.50	\$2,011.33	\$10,198.83
Allen Matkins Leck Gamble Mallory & Natsis LLP, Attorneys for Receiver	5/1/06-10/31/07	\$124,673.00	\$2,966.75	\$127,639.75
Foster Pepper LLP, Local Counsel for Receiver	5/1/06-10/31/07	\$8,422.50	\$485.17	\$8,907.67
KPMG LLP as Tax Compliance Consultants for Receiver	5/1/06-5/31/07	\$44,435.00	\$0.00	\$44,435.00
TOTALS		\$185,718.00	\$5,463.25	\$191,181.25

b. Unpaid Fees and Costs from Current Application Period.

Pursuant to this Court's order of May 8, 2001, the Receiver and his professionals were allowed to be paid 50% of fees and 100% of costs on a monthly basis. As such, a portion of the above fees and costs incurred during this application period have already been paid. Thus, the outstanding amounts remaining to be paid are reflected below:

Professional	Fees to be Paid	Costs to be Paid	Total to be Paid
Thomas F. Lennon, Receiver	\$5,503.75	\$589.77	\$6,093.52
Allen Matkins Leck Gamble Mallory & Natsis LLP, Attorneys for Receiver	\$85,116.19	\$597.56	\$85,713.75
Foster Pepper LLP, Local Counsel for Receiver	\$5,526.19	\$86.99	\$5,613.18
KPMG LLP as Tax Compliance Consultants for Receiver	\$22,217.50	\$0.00	\$22,217.50
TOTAL	\$118,363.63	\$1,274.32	\$119,637.95

c. Unpaid Fee Holdbacks from Prior Interim Applications

The Receiver and his professionals will also request the Court to authorize payment of holdbacks from prior interim applications, and to order all interim awards as final:

Thomas F. Lennon, \$10,000.00

Allen Matkins Leck Gamble Mallory & Natsis LLP, \$50,000.00

Foster Pepper LLP, \$10,000.00

d. Total Fees and Costs For Case to Date

For the entire receivership case, including the final fees and costs reflected above (but not the estimates for closing the case discussed below), the Receiver and his professionals¹ will have been paid and reimbursed the following for their professional services:

¹ PricewaterhouseCoopers, Mack/Barclay and CTG Associates have rendered no services in the current application period and their final fee applications were previously heard by the Court.

Professional	Fees	Costs	Total
Thomas F. Lennon, Receiver	\$814,663.00	\$89,012.19	\$903,675.19
Allen Matkins Leck Gamble Mallory & Natsis LLP, Attorneys for Receiver	\$4,683,732.50	\$343,063.18	\$5,026,795.68
Foster Pepper LLP, Local Counsel for Receiver	\$721,739.13	\$49,287.03	\$771,026.16
KPMG LLP as Tax Compliance Consultants for Receiver	\$704,334.00	\$43,682.00	\$748,016.00
PricewaterhouseCoopers, Computer Consultants	\$167,754.50	\$36,129.45	\$203,883.95
Mack/Barclay, Expert	\$77,541.00	\$615.13	\$78,156.13
CTG Associates, Investigators	\$40,571.92	\$0.00	\$40,571.92
TOTAL	\$7,210,336.05	\$561,788.98	\$7,772,125.03

e. Estimated Fees and Costs to Close the Case.

Pursuant to the Receiver's Final Report submitted concurrently herewith, the Receiver and his professionals will have to undertake certain tasks to process final distributions, prepare final tax returns, dispose of company records, and submit his supplemental report to the Court. Accordingly, in conjunction with consideration of the final fee applications, the Receiver and his professionals will request the Court to approve estimated fees and costs through closing of the case in the following amounts. Payment of such estimated fees and costs will be made only after submission of final billing statements to the Receiver, SEC, DOL and counsel for the four large investor creditors for review.

Professional	Fee Estimates
Thomas F. Lennon, Receiver	\$13,000.00
Allen Matkins Leck Gamble Mallory & Natsis LLP, Attorneys for Receiver	\$40,000.00 ²
Foster Pepper LLP, Local Counsel for Receiver	\$7,000.00
KPMG LLP as Tax Compliance Consultants for Receiver	\$62,000.00 ³
TOTAL	\$122,000.00

Finally, the Receiver has requested a fee enhancement of \$200,000 for his professional services given his static billing rates over the seven-year history of the case, the excellent quality of service he provided to the Court and the creditors, the remarkable results achieved for creditors, and the *de minimus* impact such an award would have on the distributions to creditors. The Receiver has previewed this request with both the SEC and the DOL and neither objects to the request.

If not served with this notice, copies of the Final Report and final fee applications may be viewed at the Receiver's website www.tflinc.com, or may be viewed using the federal judiciary's Pacer⁴ Service Center (account required).

² The estimate does not include what are anticipated to be nominal out-of-pocket costs.

³ KPMG's estimate includes fees for the 2007 and 2008 tax returns.

⁴ See <http://pacer.psc.uscourts.gov>.

Objections, if any, to any of these matters must be filed with the Court and served on the undersigned not later than eleven (11) days following service of this notice.

Dated: November 21, 2007

By: /s/ Jeffrey R. Patterson

JEFFREY R. PATTERSON
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MALLORY & NATSIS LLP
Attorneys for Receiver
Thomas F. Lennon