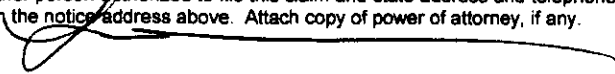


B10 (Official Form 10) (12/08) - Page 1

UNITED STATES BANKRUPTCY COURT		CENTRAL DISTRICT OF CALIFORNIA	PROOF OF CLAIM
Name of Debtor: <b>David Schwartzman</b>		Case Number: <b>09-16565 (MT)</b>	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>Meister Seelig &amp; Fein LLP</b>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  <b>Court Claim Number:</b> _____ <i>(if known)</i>  Filed on: _____	
Name and address where notices should be sent: <b>Stephen B. Meister, Esq. Meister Seelig &amp; Fein LLP 140 East 45<sup>th</sup> Street, 19<sup>th</sup> Floor New York, New York 10022 (212) 655-3500</b>			
Telephone number: _____			
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Telephone number: _____			
<b>1. Amount of Claim as of Date Case Filed:</b> \$28,001.41  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		<div style="border: 2px solid black; padding: 5px; display: inline-block;"> <b>FILED</b>  <b>JUL 30 2009</b>  <small>CLERK U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA BY: _____ Deputy Clerk</small> </div>	
<b>2. Basis for Claim:</b> <u>Services performed.</u> (See instruction #2 on reverse side.)			
<b>3. Last four digits of any number by which creditor identifies debtor:</b> <u>4532</u>  <b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a on reverse side.)		<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.</b>  Specify the priority of the claim.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5)  <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____).  <b>Amount entitled to priority:</b>  \$ _____  <i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>	
<b>4. Secured Claim (See instruction #4 on reverse side.)</b> Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  <b>Nature of property or right of setoff:</b> <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other <b>Describe:</b> _____  <b>Value of Property:</b> \$ _____ <b>Annual Interest Rate</b> _____ %  <b>Amount of arrearage and other charges as of time case filed included in secured claim,</b> <b>If any:</b> \$ _____ <b>Basis for perfection:</b> _____  <b>Amount of Secured Claim:</b> \$ _____ <b>Amount Unsecured:</b> \$ _____			
<b>6. Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim.  <b>7. Documents:</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See Instruction 7 and definition of "redacted" on reverse side.)  DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  If the documents are not available, please explain: _____			
Date: <u>7/23/09</u>	<b>Signature:</b> The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.  <div style="text-align: center;">   <u>Lawrence Morrison, Esq., Meister Seelig &amp; Fein LLP</u> </div>		<b>FOR COURT USE ONLY</b>

**EXHIBIT A**



Two Grand Central Tower  
140 East 45th Street, 19th Floor  
New York, NY 10017  
(212) 655-3500  
www.meisterseelig.com

DS Ventures LLC  
Attn: David Schwartzman  
8383 Wilshire Blvd. # 1000  
Beverly Hills CA 90211

Date: July 14, 2009  
File Number: 3923-005  
Invoice No: 134532  
Tax ID# 13-3756277

**Regarding: DS Ventures LLC - Central Pacific Bank - Riverfront**

Outstanding Balance Forward:	\$	27,094.16
Professional services:	\$	907.25
Disbursements:	\$	0.00
Total new charges and disbursements:	\$	907.25
Retainer/credit applied:	\$	0.00
Retainer/credit balance:	\$	0.00
<b>Current balance due (Please pay this amount):</b>	<b>\$</b>	<b>28,001.41</b>

PLEASE INCLUDE INVOICE NUMBER TO ENSURE PROPER CREDIT

**EXHIBIT B**



2 Grand Central Tower  
140 East 45th Street, 19th Floor  
New York, NY 10017  
Telephone (212) 655-3500  
Facsimile (212) 655-3535

Stephen B. Meister  
*Partner*  
Direct (212) 655-3551  
Fax (646) 539-3651  
[sbm@msf-law.com](mailto:sbm@msf-law.com)

February 10, 2009

DS Ventures, LLC  
Attn: David Schwartzman  
8383 Wilshire Blvd. # 1000  
Beverly Hills, CA 90211

Re: Engagement Letter

Dear Mr. Schwartzman:

This letter confirms your retention of our Firm to represent DS Ventures, LLC, David Schwartzman and their affiliates in connection with work-out negotiations and/or the prosecution of various claims and actions arising from, and in connection with, certain loans from Central Pacific Bank (relative to the San Feliciano, Clovis and Riverfront properties) and GE Capital Corp. (relative to the Hollywood property). Our duties may include work-out negotiations relative to the loans, litigation against the lenders and/or bankruptcy proceedings with respect to certain borrowers under said loans, and such other legal services as you may request from time to time.

We thank you for entrusting your legal work to us. This Engagement Letter confirms our understanding and agreements concerning the financial arrangements between you and this Firm with respect to our representation of you.

**Fees:** Our fees will be based upon our established hourly time charges, which will be applied against any retainer payments that may be made by you from time to time, along with any out-of-pocket disbursements that are incurred on your behalf. Our engagement with you will be on an hourly basis. The current hourly rate applicable to services of the undersigned is \$575.00. Currently, associates, partners, or other lawyers of-counsel to this firm will be billed at rates generally ranging from \$225.00 to \$595.00. As a cost savings to all of our clients, we use paralegals and law clerks, when circumstances permit. Currently, paralegals are billed at hourly rates of \$175.00 - \$250.00 depending on their experience. We also bill for secretarial/legal assistant time spent on tasks directly attributable to your matters. We will have the right, and you understand that it is our customary practice, to raise all our billing rates incrementally as of January 1 of each calendar year. It is also our practice to charge a separate fee that is not based solely upon time incurred in the event you ask us and we agree to render a legal opinion to a third party in connection with our



DS Ventures, LLC  
Attn: David Schwartzman  
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representation. In some instances, it is necessary to retain the services of outside consultants or experts. While we agree to supervise their work, the fees and expenses for outside consultants and experts will not be paid by our firm and will be your responsibility.

**Expenses:** In addition to the above fees, certain out-of-pocket expenses incurred on your behalf (for example, long distance telephone, photocopying, telecopier transmissions, special word processing, air or ground courier, travel and secretarial overtime) will be billed to you at the time of each billing for legal services, or bills will be submitted directly to you from the various third parties with whom we deal on your behalf. You agree to pay promptly all such amounts directly to such third parties.

**Right to Withdraw as Your Attorneys:** We reserve the right to stop all legal work on your matters if you have an outstanding balance that is owed for longer than thirty days, unless prior arrangements have been made between this firm and you. We also have the right to withdraw from representing you in the event that: (a) we reasonably perceive that you have failed to cooperate with us; (b) you fail to provide on a timely basis accurate and complete information and documents relating to your matters; or (c) you engage in any conduct that we decide would make it inappropriate to continue representing you.

**Unpaid Balances:** Please be advised that all amounts for fees and expenses outstanding more than 30 days after the date that any bill is rendered will be subject to, and shall accrue, interest at the rate of 1-1/4% per month from the date rendered, but in no event more than the maximum amount permitted by New York law. Further, should we be required to expend time, whether or not a proceeding is commenced, to recover any legal fees or expenses provided for hereunder, including without limitation the making of any motion for a court order authorizing us to withdraw as your counsel, you agree to reimburse this Firm for the time and costs expended at our then applicable regular hourly rates, and to reimburse us for the costs and expenses of any attorneys we retain to secure or pursue collection. Subject to the applicability of Part 137, as set forth below, you consent to the exclusive jurisdiction and venue of the State, Federal and City courts within New York County, New York for the purposes of any action or proceeding brought to collect any monies outstanding. You agree that these procedures have been established in fairness to all concerned, to allow us to meet our obligations and maintain our professional standards and reputation.

**Resolution of Billing Disputes:** Part 137 of the Rules of the Chief Administrator of the Courts ("Part 137") provides a procedure for the arbitration of fee disputes between attorneys and clients in civil matters that are in excess of \$1,000 but less than \$50,000. Fee disputes may involve both fees that you have already paid to us or fees that we claim are owed. By signing the Engagement Letter below, we both agree that in the event a dispute should arise as to our fee for legal services, we will resolve the fee dispute by arbitration conducted pursuant to Part 137. In addition, we both agree to be bound by the decision of the arbitrator(s) and agree to waive the right to reject the arbitrator(s) award by commencing an action on the merits (trial de novo) in a court of law within 30 days after the arbitrator(s)



DS Ventures, LLC  
Attn: David Schwartzman  
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decision has been made. By signing below, you acknowledge that you have received and read the official written instructions and procedures for Part 137 (a copy of which is attached hereto, as required by New York law), had the opportunity to discuss this material and you hereby agree to binding arbitration of any fee dispute.

In the event of a dispute regarding our fees, the prevailing party shall be entitled to collect its legal fees from the other party including in our case our fees at our normal hourly rates.

**Initial Retainer Payment:** Our minimum up front retainer requirement for this type of matter is \$35,000, which we will deposit in our operating account. The retainer amount paid by you will be applied exclusively against hours expended, and disbursements incurred; and, if any portion of this retainer is not so applied at the time of the termination of our services for any reason, we will remit any remaining balance to you. We reserve the right to require you to replenish the retainer amount at the same or an increased level upon the exhaustion of such amount or the commencement of significant substantive work. You also acknowledge that it is the Firm's practice to require a trial retainer in advance of preparation for trial of all litigation matters and for filing bankruptcy proceedings, and, to the extent we cannot agree on the appropriate amount of such retainer or you do not timely furnish such retainer, we shall have the right to withdraw as your counsel.

**Acknowledgement of Risks and Costs:** You acknowledge that you are aware of the hazards of, and high costs of litigation, and acknowledge that despite our efforts on your behalf on all matters, whether litigation or not, there is no assurance or guarantee of: (a) the outcome of any matter; (b) the length of time it may take to resolve any matter; or (c) the costs which may be incurred. If you have any questions regarding the scope of our representation, or our billing procedures or fees, please do not hesitate to contact us.

We look forward to working with you and ask if the contents of this letter accurately reflect our understanding and agreement, that you please sign and return a copy of this Engagement Letter, along with your check in the amount of \$35,000.

Very truly yours,

MEISTER SEELIG & FEIN LLP

By:   
Stephen B. Meister


[Signatures on next page.]




*DS Ventures, LLC*  
*Attn: David Schwartzman*  
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**AGREED AND ACCEPTED:**

**DS Ventures, LLC**

By:   
David Schwartzman

2/10/09  
Date

  
David Schwartzman, individually

2/10/09  
Date

SBM/edr  
Enclosure