

Jennifer A. James (No. 3914)
Neil A. Kaplan (No. 3794)
CLYDE SNOW & SESSIONS
201 S. Main Street, Suite 1300
Salt Lake City, UT 84111-2216
Telephone: (801) 322-2516
Facsimile: (801) 521-6280
jai@clydesnow.com
nak@clydesnow.com

Attorneys for Court-Appointed Receiver R. Wayne Klein

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

Art Intellect, Inc., a Utah corporation, d/b/a Mason Hill and VirtualMG, Patrick Merrill Brody, Laura A. Roser, Gregory D. Wood,

Defendants.

Case No. 2:11CV00357 TC

Judge Tena Campbell

APPLICATION FOR SECOND INTERIM FEE AWARD FOR RECEIVER AND COUNSEL

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of Art Intellect, Inc., d/b/a Mason Hill and VirtualMG, and the assets of Patrick Merrill Brody, and Laura A. Roser, collectively, the "Receivership Entities," along with Clyde, Snow & Sessions, hereby submits this Application for Second Interim Fee Award for the Receiver and his counsel.

Background

On August 16, 2011, the Receiver and Clyde Snow submitted their first application for fees and expenses ("First Application"). This First Application, covering the period from

April 18, 2011 to June 30, 2011, detailed \$105,704.50 in fees and \$1,142.93 in expenses that had been incurred during the period up to June 30, 2011.

In light of the relatively small amount of funds recovered by the Receiver to date, no other fee applications have been submitted to the Court for work done subsequent to June 2011. The Receiver and his counsel did provide the SEC with draft fee application covering fees and expenses relating to work performed during the period July 1, 2011 to September 30, 2011. That application has not been submitted to the Court because currently there are no funds available to pay for any of the work performed since June 2011.

At a hearing held October 2, 2011, the Court rejected Roser's and Brody's objection to the First Application and found that the amount of work performed and fees charged appeared to be justified. Accordingly, on December 15, 2011, the Court issued an order approving an interim fee award of \$50,000.00. [Docket No. 159] That amount was paid to the Receiver and Clyde Snow on December 15, 2011.

Request for Second Interim Fee Award

During the period from October 1, 2011 through December 31, 2011, \$59,099.52 was added to the Receivership bank account. The account currently has a balance of \$47,447.51.

In light of the work already performed by the Receiver and his counsel, and the Court's prior determination that the work performed and fees charged (as reflected in the First Application) were justified, the Receiver asks the Court for a second interim award of costs and fees in the amount of \$40,000.00. This will provide partial compensation for work performed during the first nine months of the Receivership, while still leaving sufficient funds in the Receivership account to cover expected expenses of the ongoing operations of the Receivership.

This second interim fee request is submitted pursuant to ¶61 of the Order Appointing Receiver. [Docket No. 5] The request is intended to be considered in conjunction with the two regular status reports and the Special Interim Status Report previously filed with the Court by the Receiver [Docket No's. 90, 129, and 142] and the December 31, 2011 status report being filed contemporaneously with this application.

The Receiver has consulted with the SEC regarding this application and the SEC has no objection to this request.

CONCLUSION

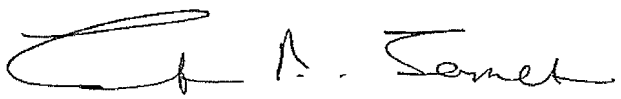
It now appears that the Receiver and Clyde Snow will never be compensated for all the work they have performed. Nevertheless, they continue performing tasks necessary to carry out the Court's Order Appointing Receiver and continue seeking the recovery of assets. A second interim fee award of \$40,000.00 will provide partial compensation for the significant work performed by the Receiver and Clyde Snow in the past and that will be required on an ongoing basis in this case.

A proposed order is attached.

DATED this 20th day of January, 2012.



WAYNE KLEIN, Receiver



JENNIFER A. JAMES, Counsel for Receiver

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the above was served via email on this 23rd

day of January, 2012 on the following:

Steven R. Paul
NELSON SNUFFER DAHLE & POULSEN, PC
10885 South State Street
Salt Lake City, UT 84070
spaul@nsdplaw.com

Attorney for Defendants

Cheryl M. Mori
Daniel J. Wadley
Thomas M. Melton
U.S. SECURITIES AND EXCHANGE COMMISSION
15 W. South Temple, Suite 1800
Salt Lake City, UT 84101
moric@sec.gov
wadleyd@sec.gov
meltont@sec.gov

Attorneys for Plaintiff Securities and Exchange Commission

R. Wayne Klein
KLEIN & ASSOCIATES, PLLC
299 S. Main Street, Suite 1300
Salt Lake City, UT 84111
wklein@kleinutah.com

Court-Appointed Receiver

/s/Jennifer A. James