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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

THE 1031 TAX GROUP, LLC, et al.,<sup>1</sup>

Debtors.

Chapter 11

Case No. \_\_\_\_\_ ( \_\_\_\_ )  
Jointly Administered

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**DISCLOSURE OF COMPENSATION OF DREIER LLP**

NORMAN N. KINEL, under penalty of perjury, certifies as follows:

1. This Declaration is submitted pursuant to section 329(a) of title 11 of the United States Code, as amended, Rule 2016(b) of the Federal Rules of Bankruptcy Procedure, and Rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of New York.

2. I am a partner in the law firm of Dreier LLP (“Dreier”), and I am duly authorized to make this Disclosure of Compensation on behalf of Dreier in connection with the Application<sup>2</sup> of the Debtors for entry of an order authorizing it to retain and employ Dreier as their general bankruptcy counsel, nunc pro tunc to the Petition Date. The facts set forth in this Disclosure of

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<sup>1</sup> The Debtors are: The 1031 Tax Group, LLC; 1031 Advance 132 LLC; 1031 Advance, Inc.; 1031 TG Oak Harbor LLC; Atlantic Exchange Company, Inc.; Atlantic Exchange Company LLC; Exchange Management, LLC; Investment Exchange Group, LLC; National Exchange Accommodators, LLC; National Exchange Services QI, Ltd.; National Intermediary, Ltd.; NRC 1031, LLC; Real Estate Exchange Services, Inc.; Rutherford Investment LLC; Security 1031 Services, LLC; and Shamrock Holdings Group, LLC.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application of the Debtors for Entry of an Order Authorizing the Employment and Retention of Dreier LLP as Counsel to the Debtors, Nunc Pro Tunc to the Petition Date (the “Application”).



Compensation are personally known to me and, if called as a witness, I could and would testify thereto.

3. During the one-year period preceding the Petition Date, Dreier received payments aggregating \$370,000 (the "Pre-Petition Payments") relating to familiarizing itself with and analyzing the Debtors' overall affairs, interfacing with attorneys retained by the Debtors to handle litigation pending in the State Courts of Colorado, working with Huron on various matters relating to the Debtors' affairs, including historical matters and potential going-forward action plans, negotiating with Mr. Edward H. Okun ("Okun") regarding his future commitments to the Debtors and the preparation for filing of the within proceedings. As of the Petition Date, Dreier has applied the Pre-Petition Payment in satisfaction of earned fees and incurred reimbursable expenses. Of the total amount of Pre-Petition Payments, approximately \$50,000 has yet to be applied to fees and expenses incurred by Dreier.

4. The Pre-Petition Payments were received by Dreier from Investment Properties of America, LLC ("IPofA"), a non-debtor entity controlled by Okun. Any retainer amounts which remain unapplied upon the conclusion of these chapter 11 cases will be applied by Dreier against its remaining unpaid fees and expenses allowed by the Court, with any excess to be returned to IPofA.

5. To the best of my knowledge and belief, insofar as I have been able to ascertain after reasonable inquiry, neither I, nor Dreier, nor any partner or associate thereof, has received or been promised any compensation for legal services rendered or to be rendered in any capacity in connection with the Debtors' chapter 11 cases, other than as permitted by the Bankruptcy Code. Dreier has not agreed to share compensation received in connection with these cases with any other person except as permitted by section 504(b) of the Bankruptcy Code and Bankruptcy Rule 2016(b) in respect of the sharing of compensation among Dreier partners.

Dated: New York, New York  
May 13, 2007

Respectfully submitted,

DREIER LLP

By: *s/ Norman N. Kinel*

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Proposed Counsel for the Debtors and  
Debtors-in-Possession