

FILED
U.S. DISTRICT COURT

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DISTRICT OF UTAH

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UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF UTAH

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

NATIONAL NOTE OF UTAH, LC, a Utah
Limited Liability Company and WAYNE
LaMAR PALMER, an individual,

Defendants.

**ORDER AUTHORIZING RECEIVER'S
ABANDONMENT OF
COTTONWOOD PROPERTY**

Case No: 2:12-CV-591 BSJ

Judge Bruce S. Jenkins

This matter comes before the Court pursuant to the Joint Motion and Memorandum in Support to Approve Agreement between the Receiver and First National Bank of Layton Related to Certain Property Located in Salt Lake County, Utah and Complaint in Intervention, filed with the Court on January 31, 2013 (the "Joint Motion"). The Joint Motion was filed by the Court-

Appointed Receiver R. Wayne Klein and by Intervenor First National Bank of Layton (“FNB”), through their respective counsel of record. As previously scheduled, a hearing was held to consider the Joint Motion on Thursday, February 14, 2013 at 10:30 a.m. Matthew C. Barneck and Wayne Z. Bennett appeared on behalf of FNB, and Chris Martinez appeared on behalf of the Receiver R. Wayne Klein, who was also present.

The Court received and reviewed the Joint Motion, considered the arguments and explanations of counsel in support of it, made comments on the record, and directed counsel to submit a revised Order. Based thereon, and for good cause appearing, the Court hereby grants the Joint Motion with some modification and ORDERS as follows:

1. The Court authorizes the Receiver to relinquish, disclaim, and abandon all of the interests of the Receivership Estate in two contiguous parcels of real property located at 3601 and 3611 East Little Cottonwood Road, Salt Lake City, Utah, consisting of a total of approximately 3.94 acres (the “Salt Lake Property”). The legal description of the Salt Lake Property is as follows:

PARCEL 1: ID No. 28-12-152-019

Beginning at a point which is South 98.96 feet and East 667.80 feet from the West Quarter corner of Section 12, Township 3 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 10°20'00” East 255.17 feet; thence North 89°22'36” West 372.52 feet; thence South 86°01'13” West 24.169 feet; thence South 0°21'10” West 127.468 feet; thence North 87°36'00” East 35.04 feet; thence South 0°21'10” West 151.62 feet to a point on the North right-of-way line of Little Cottonwood Creek Road; thence Easterly along a 560.87 foot radius curve to the right 57.837 feet (chord bears North 83°13'03” East 57.81 feet); thence North 86°10'40” East 260.72 feet to the point of beginning.

PARCEL 2: ID No. 28-12-152-021

Beginning at a point which is South 98.96 feet and East 667.80 feet from the West Quarter corner of Section 12, Township 3 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 10°20'00” East 255.17 feet, more or less, to the South boundary of Little Cottonwood Subdivision; thence along said boundary South

89°22'36" East 144.51 feet; thence South 53°25'20" East 9.17 feet; thence South 70°48'00" East 12.33 feet; thence South 51°08'00" East 70.60 feet; thence South 75°38'00" East 61.20 feet; thence North 89°40'00" East 84.62 feet; thence leaving said South boundary South 01°53'55" East 153.41 feet, more or less, to the North line of Little Cottonwood Road; thence along said road South 89°10'40" West 414.18 feet to the point of beginning.

2. In conjunction with the abandonment authorized above, the Court lifts the stay of litigation imposed by the Order Appointing Receiver and Staying Litigation (Doc. 9) entered June 25, 2011 with respect to the Salt Lake Property.

3. With respect to the Salt Lake Property, the Court finds that FNB recorded a Notice of Default on May 23, 2012 pursuant to Utah Code Ann. § 57-1-24, and that more than three (3) months has elapsed since that recording.

4. The Court finds that FNB agrees to waive all other claims it may have against the Receivership Estate with regard to the Salt Lake Property, and that FNB therefore will receive no distribution from the Receivership Estate with respect to the Salt Lake Property.

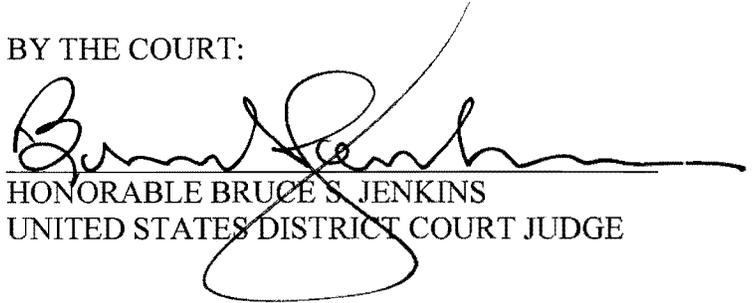
5. The Court further approves the agreement of the Receiver and FNB to mutually release each other, their owners, employees, officers, directors, agents, servants and affiliates, and in the case of FNB, the Receivership Estate from any and all past, present or future claims, demands, obligations, actions, causes of action, rights, damages, costs, losses of services, expenses and compensation of any nature whatsoever, except as otherwise preserved in this Order, which may accrue or otherwise be acquired on account of or which in any way may have grown out of, or which are the subject of the loans extended by FNB that are secured by the Salt Lake Property or the claims in the FNB Complaint in Intervention concerning the Salt Lake Property, except the right to enforce the terms of this and other Orders of the Court.

6. FNB's Complaint in Intervention is dismissed without prejudice relating
above paragraph 6
to the Salt Lake Property only.

IT IS SO ORDERED.

DATED this *27* day of February, 2013.

BY THE COURT:



HONORABLE BRUCE S. JENKINS
UNITED STATES DISTRICT COURT JUDGE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 27, 2013, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which sent notification of such filing to the following:

| | |
|--|--|
| <p>Daniel Wadley, Esq. Thomas M. Melton, Esq. Securities & Exchange Commission 15 West South Temple, Suite 1800 Salt Lake City, UT 84101 wadleyd@sec.gov meltont@sec.gov <i>Attorneys for Plaintiff</i></p> | <p>Peggy Hunt, Esq. Chris Martinez, Esq. Jeffrey M. Armington, Esq. Dorsey & Whitney, LLP 136 South Main Street, Suite 1000 Salt Lake City, UT 84101 Hunt.peggy@dorsey.com Martinez.chris@dorsey.com Armington.jeff@dorsey.com <i>Attorneys for Court-Appointed Receiver</i></p> |
| <p>Brennan H. Moss, Esq. Pia Anderson Dorius Reynard & Moss 222 South Main Street, Suite 1800 Salt Lake City, UT 84101 bmoss@padrm.com <i>Attorneys for National Note of Utah Wayne L. Palmer</i></p> | <p>All other persons or entities entitled to receive notice through PACER, pursuant to Fed. R. Civ. P. 5(b)(3) and D.U.Civ.R. 79-1.</p> |

And

I HEREBY CERTIFY that a true and correct copy of the foregoing instrument was mailed, first class, postage prepaid, on this 27th day of February, 2013 to the following:

Jared N. Parrish, Esq.
Prince Yeates & Geldzahler
15 West South Temple, #1700
Salt Lake City, UT 84101
Attorneys for TB Properties, LLC

/s/ Matthew C. Barneck