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Attorneys for Court-Appointed Receiver R. Wayne Klein

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

SECURITIES AND EXCHANGE COMMISSION,	ORDER GRANTING RECEIVER'S THIRD MOTION SEEKING AUTHORIZATION TO SELL ELKHORN RIDGE CABIN LOT
Plaintiff,	2:12-cv-00591 BSJ
v.	The Honorable Bruce S. Jenkins
NATIONAL NOTE OF UTAH, LC, a Utah Limited Liability Company and WAYNE LaMAR PALMER, and individual,	
Defendants.	

The matter before the Court is the Receiver's *Third Motion Seeking Authorization to Sell Elkhorn Ridge Cabin Lot* [Docket No. 150] (the "Motion") filed by R. Wayne Klein, the Court-appointed Receiver (the "Receiver") in the above captioned case. The real property that is the subject of the Motion is Lot #1 of the Elkhorn Ridge subdivision, more particularly described as:

Lot 1, Elkhorn Ridge Estates, according to the official plat thereof as recorded September 17, 2007 in Oneida County, Idaho, Recorder's Office, as instrument number 141595.

(the "Real Property").

The Court has reviewed the Motion and the Receiver's *Memorandum in Support* attached

thereto, the *Declaration of R. Wayne Klein, Receiver* [Docket No. 151], together with all of the Exhibits attached thereto, and applicable law, and determined that the Receiver provided appropriate notice of the Motion and no other or further notice need be provided.

The Court held a hearing on the Motion on April 2, 2013 at 10:00 a.m. (the “April 2 Hearing”), at which Jeffrey M. Armington appeared on behalf of the Receiver, and Wayne LaMar Palmer (“Palmer”) appeared *pro se*. At the April 2 Hearing, Palmer requested that the Court grant him an extension to find a purchaser for the Real Property, which purchaser would submit a higher and better offer for the Real Property. Accordingly, the Court continued its consideration of the Motion until April 5, 2013 at 3:30 p.m. (the “April 5 Hearing”) to allow Palmer to attempt to locate another purchaser.

At the April 5 Hearing, where Jeffrey M. Armington appeared on behalf of the Receiver and Palmer appeared *pro se*, Palmer presented the Court and the Receiver with an offer sheet from a potentially interested purchaser, DBS Construction, Inc. (“DBS”), but this offer was not accompanied by a deposit. The Court stated that in order for the Receiver to consider this offer, DBS would need to make a firm offer to purchase the Real Property and make a deposit with the Receiver by April 12, 2013 at 12:00 p.m. (the “Deposit Deadline”), or the Court would enter an order granting the Motion as prayed. The April 5 Hearing was continued to April 12, 2013 at 1:10 p.m. (the “April 12 Hearing”).

Prior to the Deposit Deadline, DBS submitted to the Receiver an offer to purchase the Real Property for a purchase price of \$143,000.00 accompanied by an earnest money deposit of \$7,150.00 with the closing of the sale to occur on May 1, 2013 (the “DBS Offer”). At the April 12 Hearing, where Jeffrey M. Armington appeared on behalf of the Receiver and Palmer appeared *pro se*, the Receiver presented the DBS Offer to the Court and the Court continued the

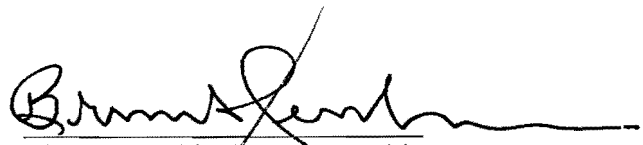
April 12 Hearing for one hour to allow the Receiver to communicate with the prospective purchaser described in the Motion to allow such purchaser to make a higher and better offer than the DBS Offer. At the continuation of the hearing on April 12, 2013, the Receiver reported that the prospective purchaser made no further offer and the Receiver had accepted the DBS Offer as modified by conditions described by the Court at the April 12 Hearing. Accordingly, based on the foregoing, the applicable law, representations of the Receiver and Mr. Palmer, and for good cause appearing:

IT IS HEREBY ORDERED that:

- (1) The Motion is **GRANTED** as provided herein;
- (2) The sale of the Real Property to DBS for a purchase price of \$143,000.00 with the closing of the sale to occur by May 1, 2013 is **APPROVED** on the terms set forth in the DBS Offer; and
- (3) The Real Property shall be sold free and clear of the Assignments of Beneficial Interest In Trust Deed For Security issued in favor of Sherman and Carla Mehlhoff and Entrust Administration, Inc./FUB Peter Moritz (collectively, the "ABIs"), and whatever rights or interests, if any, the holders of the ABIs possess shall attach to the Net Sale Proceeds from the sale of the Real Property.

DATED this 15th day of April, 2013.

BY THE COURT:


The Honorable Bruce S. Jenkins
U.S. District Court Judge