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Attorneys for Court-Appointed Receiver R. Wayne Klein

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

<p>R. WAYNE KLEIN, as Receiver,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">v.</p> <p>TIMOTHY F. KEETON, a California resident, and JOHN DOES 1-5,</p> <p style="text-align: center;">Defendants.</p>	<p>COMPLAINT</p> <p>(Ancillary to Case No. 2:12-cv-00591)</p> <p>Civil No. _____</p>
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R. Wayne Klein, the Court-Appointed Receiver (the “Receiver” or “Plaintiff”) of National Note of Utah, LC (“National Note”), its subsidiaries and affiliates (collectively, unless otherwise stated, National Note and all subsidiaries and affiliated entities are referred to herein as “NNU”), and the assets of Wayne LaMar Palmer (“Palmer”), in the case styled as *Securities and Exchange Commission v. National Note of Utah, LC et al.*, Case No. 2:12-cv-00591 (D. Utah) (Jenkins, J.) (the “SEC Civil Enforcement Case”), hereby files this Complaint against Timothy F. Keeton (“Keeton”), and John Does 1-5 (“Defendant Does”) (collectively, “Defendants”), and

states, alleges and avers as follows:

STATEMENT OF THE CASE

1. NNU was operated as an enterprise with all of the characteristics of a Ponzi scheme through which money was solicited from investors.¹ Upon information and belief, Defendants received monies from NNU, and the Receiver seeks to avoid the transfers and/or recover the value of the transfers from Defendants for the benefit of the receivership estate established in the SEC Civil Enforcement Case discussed in greater detail below.

PARTIES

2. Pursuant to an Order Appointing Receiver and Staying Litigation entered on June 25, 2012 in the SEC Civil Enforcement Case (the “Receivership Order”),² Plaintiff is the duly-appointed Receiver for National Note and Palmer “together with any and all subsidiaries and affiliated entities of National Note and Palmer. . . .”³

3. Upon information and belief, Keeton is a resident of or is domiciled in the State of California.

4. Upon information and belief, Defendant Does are currently unknown parties who have received monies or property from NNU, or are persons to whom Keeton has transferred monies or property received from NNU.

¹ See SEC Civil Enforcement Case, Docket No. 1 (Complaint).

² SEC Civil Enforcement Case, Docket No. 9.

³ *Id.* (Receivership Order, pp. 1-2).

JURISDICTION AND VENUE

5. Subject matter jurisdiction is proper in this Court pursuant to 28 U.S.C. §1367.
6. The Court has personal jurisdiction over Defendants.
7. Venue is proper in this Court pursuant to 28 U.S.C. § 754.

FACTS

The Ponzi Scheme

8. Since at least 1994 until the commencement of the SEC Civil Enforcement Case, NNU raised capital by soliciting investors to purchase promissory notes, which typically promised to pay interest at a rate of interest above market rates.

9. Upon information and belief, investors understood that they were investing in an enterprise that, among other things, bought and sold mortgage notes, underwrote and made loans, or bought and sold real estate assets through National Note, or one of many affiliated entities subject to the Receivership Order, all of which are referred to herein collectively as “NNU.”

10. Typically, investment funds were deposited in a commingled bank account controlled by NNU. NNU would then transfer such investor funds to another bank account (the “Investor Account”).

11. Monies on deposit in the Investor Account were commingled, and transfers to investors by NNU were made from the commingled funds on deposit in that Investor Account.

12. At all times relevant hereto, NNU was insolvent.

Keeton’s Investment and the Transfers

13. On or about 2006, Keeton commenced investing with NNU. A history of

Keeton's investments is attached hereto as Exhibit A.

14. Keeton paid NNU cash in the total amount of \$110,000 on or about 2006 through 2007 (the "Principal Cash Investment").

15. As set forth on Exhibit A, NNU transferred a total of \$129,524.61 in cash to Keeton (the "Total Transfers").

16. Of the Total Transfers, \$19,524.61 is an amount that is over and above Keeton's Principal Cash Investment (the "False Profit Transfers") (collectively, the Total Transfers and the False Profit Transfers are the "Transfers").⁴

National Note's Investment Scheme

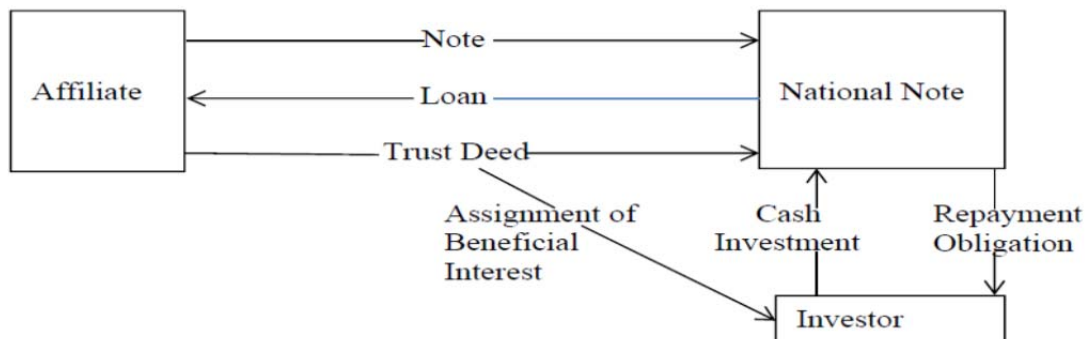
17. National Note represented to investors that their investment in National Note would be secured by real property. National Note did not own real property sufficient to secure these investments. Accordingly, National Note devised a scheme pursuant to which National Note would purport to grant security to investors, when in truth, National Note would take investors' money and give them no security in return. National Note's scheme was as follows.

18. First, National Note would lend money to an affiliated entity (the "Affiliate"). The Affiliate would execute a promissory note, pursuant to which it agreed to repay the loan to National Note (the "Affiliate Note"). The Affiliate Note would then be secured by a Trust Deed executed by the Affiliate in favor of National Note (the "Affiliate Trust Deed").

19. National Note then solicited money from investors by promising that their investment would be secured by Assignments of Beneficial Interest in Trust Deed (the "ABIs").

⁴ See Exh. A.

The ABIs purported to assign National Note's "right, title and interest" in the Affiliate Trust Deed. National Note did not assign its interest in the Affiliate Note to the investors. The following diagram shows National Note's scheme:



20. The investors purportedly received an assignment of National Note's secured interest in real property. This secured interest gave National Note the right to foreclose on the underlying real property if the Affiliate defaulted on the Affiliate Note. If, however, the Affiliate never defaulted and the Affiliate Note was paid, the Affiliate Trust Deed was cancelled and the secured interest disappeared.

21. The Affiliate was not a party to any of the ABIs and there was no privity of contract between the Affiliate and the investors. Accordingly, there was no contract pursuant to which the Affiliate was obligated to pay the Affiliate Note payments to the investors instead of National Note. Moreover, the ABI did not assign National Note's rights under the Affiliate Note to the investors. Accordingly, the ABI did not give the Investor the right to demand payment under the Affiliate Note.

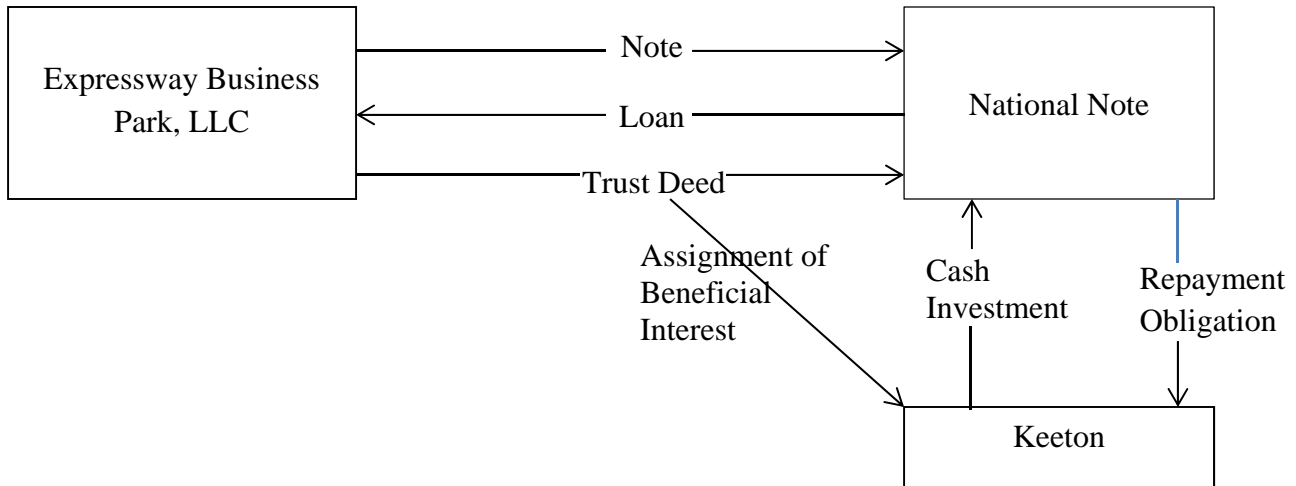
22. The end result of this scheme was that the investors received no security at all. If National Note breached its agreement with the investor, the investor had no foreclosure rights as

a result of the assignment of National Note’s interest in the Affiliate Deed of Trust, because the Affiliate Deed of Trust was security for the Affiliate Note, not the agreement between National Note and the investors.

Keeton’s Investment Related to the Expressway Property

23. In 2007, Keeton invested with National Note. This agreement was documented in a Promissory Note, dated March 1, 2007 (the “First Keeton Note”).

24. Consistent with the financing scheme outlined above, the First Keeton Note was not secured by a deed of trust. Instead, on April 5, 2007, National Note executed an Assignment of Beneficial Interest in Trust Deed in favor of Keeton (the “First Keeton ABI”). The First Keeton ABI purported to assign National Note’s interest in a Trust Deed for real property in Spanish Fork, Utah (“Expressway”). This Trust Deed was executed by Expressway Business Park, LLC in favor of National Note (the “Expressway Trust Deed”). The Expressway Trust Deed was security for a loan between National Note and Expressway Business Park, LLC (the “Expressway Note”). National Note did not assign its beneficial interest in the Expressway Note to Keeton. The following diagram illustrates the transactions:



26. National Note did not execute a trust deed for Expressway in favor of Keeton. Moreover, Expressway Business Park, LLC is not a party to the First Keeton ABI. Indeed, there is no privity of contract between Expressway Business Park, LLC and Keeton. Finally, the First Keeton ABI did not assign National Note's rights under the Expressway Note to Keeton. Accordingly, the First Keeton ABI did not give Keeton the right to demand payment under the Expressway Note.

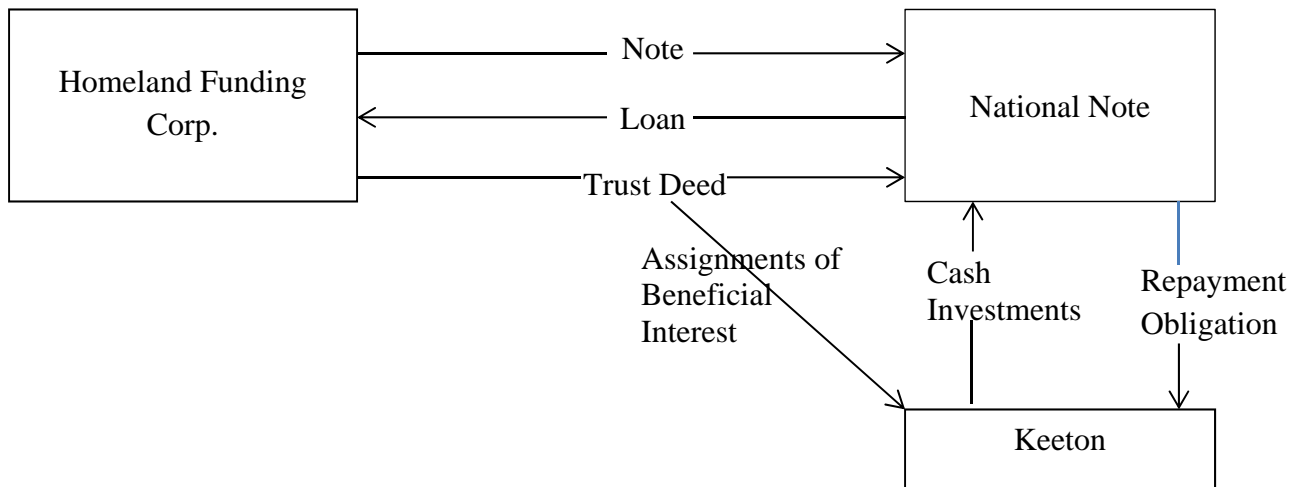
27. All that Keeton purported to receive through the First Keeton ABI was an assignment of National Note's security interest in the Expressway Trust Deed. National Note's security interest merely gave National Note the right to foreclose on Expressway if Expressway Business Park, LLC defaulted on the Expressway Note. If, however, Expressway Business Park, LLC never defaulted and the Expressway Note was paid, the Expressway Trust Deed was cancelled and the secured interest disappeared, regardless of whether National Note honored the First Keeton Note.

28. Conversely, the First Keeton ABI gave Keeton no right to foreclose on Expressway, had National Note defaulted on the First Keeton Note. This is because the Expressway Trust Deed did not secure the First Keeton Note. Accordingly, as a matter of law and fact, the First Keeton ABI gave no security to Keeton. The First Keeton Note was nothing more than an unsecured note.

Keeton's Investment Related to the Fairfield Property

29. In 2007, Keeton invested with National Note. This agreement was documented in a two Promissory Notes, dated May 31, 2007 and July 2, 2007 (the "Second and Third Keeton Notes").

30. Consistent with the financing scheme outlined above, the Second and Third Keeton Notes were not secured by deeds of trust. Instead, on June 26, 2007 and July 6, 2007, National Note executed Assignments of Beneficial Interest in Trust Deed in favor of Keeton (the “Second and Third Keeton ABIs”). The Second and Thirds Keeton ABIs purported to assign National Note’s interest in a Trust Deed for real property in Fairfield, Utah (“Fairfield”). This Trust Deed was executed by Homeland Funding Corp. in favor of National Note (the “Fairfield Trust Deed”). The Fairfield Trust Deed was security for a purported loan between National Note and Homeland Funding Corp. (the “Fairfield Note”). National Note did not assign its beneficial interest in the Fairfield Note to Keeton. The following diagram illustrates the transactions:



31. National Note did not execute a trust deed for Fairfield in favor of Keeton. Moreover, Homeland Funding Corp. is not a party to the Second or Third Keeton ABIs. Indeed, there is no privity of contract between Homeland Funding Corp. and Keeton. Finally, the Second and Third Keeton ABIs did not assign National Note’s rights under the Fairfield Note to Keeton. Accordingly, the Second and Third Keeton ABIs did not give Keeton the right to demand payment under the Fairfield Note.

32. All that Keeton purported to receive through the Second and Third Keeton ABIs was an assignment of National Note's security interest in the Fairfield Trust Deed. National Note's security interest merely gave National Note the right to foreclose on Fairfield if Homeland Funding Corp. defaulted on the Fairfield Note. If, however, Homeland Funding Corp. never defaulted and the Fairfield Note was paid, the Fairfield Trust Deed was cancelled and the secured interest disappeared, regardless of whether National Note honored the Second and Third Keeton Notes.

33. Conversely, the Second and Third Keeton ABIs gave Keeton no right to foreclose on Fairfield, had National Note defaulted on the Second and Third Keeton Note. This is because the Fairfield Trust Deed did not secure the Second and Third Keeton Notes. Accordingly, as a matter of law and fact, the Second and Third Keeton ABIs gave no security to Keeton. The Second and Third Keeton Notes were nothing more than unsecured notes.

The SEC Civil Case and the Receiver's Appointment

34. On June 25, 2012, the SEC Civil Enforcement Case was filed, alleging that NNU is a Ponzi scheme, and seeking, among other things, orders (a) restraining and enjoining NNU and Palmer from continuing to violate federal securities laws, (b) freezing assets and prohibiting NNU from transferring, changing, wasting, dissipating, converting, concealing, or otherwise disposing of assets, (c) prohibiting NNU from destroying, mutilating, concealing, transferring, altering, or otherwise disposing of NNU's books and records, (d) imposing civil money penalties

against NNU and Palmer, and (e) requiring the disgorgement by NNU and Palmer of all ill-gotten gains received by them pursuant to the scheme.⁵

35. Also on June 25, 2012, as a result of the filing of the SEC Civil Enforcement Action, the Court entered a Temporary Restraining Order and Order to Show Cause against the defendants⁶ and the Receivership Order appointing the Receiver.⁷ Since that time, both National Note and Palmer have stipulated to a Preliminary Injunction Order that prohibits National Note and Palmer from committing any further acts in furtherance of the Ponzi scheme and that prohibits National Note and Palmer from withdrawing, transferring, selling, buying, pledging, encumbering, assigning, dissipating, concealing, or otherwise disposing of any of their assets.⁸

36. On or about May 21, 2013, the Court entered an Order authorizing the Receiver to commence legal proceedings for the benefit of and on behalf of the receivership estate.⁹

FIRST CLAIM FOR RELIEF

(Avoidance of Fraudulent Transfers Under Utah Code Ann. §§ 25-6-5(1)(a) and 25-6-8)

37. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

38. NNU was engaged in an enterprise with all of the characteristics of a Ponzi scheme.

⁵ SEC Civil Enforcement Case, Docket No. 1 (Complaint).

⁶ *Id.*, Docket No. 7.

⁷ *Id.*, Docket No. 9.

⁸ *Id.*, Docket Nos. 45 and 46.

⁹ *Id.*, Docket No. 315.

39. NNU made the Transfers to Keeton in furtherance of the Ponzi scheme.

40. At all relevant times hereto, NNU had at least one creditor.

41. The Transfers were made and any obligations to Keeton were incurred with actual intent to hinder, delay or defraud a creditor of NNU.

42. Pursuant to Utah Code Ann. §§ 25-6-5(1)(a) and 25-6-8, the Receiver may avoid and recover the Transfers to Keeton, or in the event such Transfers were transferred, from the Defendants.

43. Alternatively, to the extent that Keeton took in good faith and for a reasonably equivalent value, the Receiver may avoid and recover the False Profit Transfers from Keeton, or in the event such False Profit Transfers were transferred, from the Defendants.

SECOND CLAIM FOR RELIEF

(Avoidance of Fraudulent Transfers Under Utah Code Ann. §§ 25-6-5(1)(b) and 25-6-8)

44. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

45. NNU was engaged in an enterprise that has all of the characteristics of a Ponzi scheme.

46. NNU made the Transfers to Keeton in furtherance of the Ponzi scheme.

47. At all relevant times hereto, NNU had at least one creditor.

48. The Transfers were made or the obligations to Keeton were incurred by NNU without receiving a reasonably equivalent value in exchange for the Transfers or obligations.

49. At the time the Transfers were made, NNU (a) was engaged or was about to be engaged in a business or transaction for which the remaining assets of NNU were unreasonably

small in relation to the business or transaction; or (b) intended to incur, or believed or reasonably should have believed that it would incur, debts beyond its ability to pay as such debts became due.

50. Pursuant to Utah Code Ann. §§ 25-6-5(1)(b) and 25-6-8, the Receiver may avoid and recover the Transfers from Keeton, or in the event such Transfers were transferred, from the Defendants.

51. Alternatively, to the extent that Keeton took in good faith and for a reasonably equivalent value, the Receiver may avoid and recover the False Profit Transfers from Keeton, or in the event such False Profit Transfers were transferred, from the Defendants.

THIRD CLAIM FOR RELIEF

(Avoidance of Fraudulent Transfers Under Utah Code Ann. §§ 25-6-6(1) and 25-6-8)

52. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

53. NNU was engaged in a Ponzi scheme.

54. NNU made the Transfers to Keeton in furtherance of the Ponzi scheme.

55. NNU had at least one creditor at the time that the Transfers were made or the obligation to Keeton was incurred.

56. The Transfers were made or the obligation to Keeton was incurred by NNU without NNU receiving a reasonably equivalent value in exchange for the Transfers or obligation.

57. NNU was insolvent at the time the Transfers were made or the obligation was incurred, or became insolvent as a result of the Transfers or the obligation incurred.

58. Pursuant to Utah Code Ann. §§ 25-6-6(1) and 25-6-8, the Receiver may avoid and recover the Transfers to Keeton, or in the event such Transfers were transferred, from the Defendants.

59. Alternatively, to the extent that Keeton took in good faith and for a reasonably equivalent value, the Receiver may avoid and recover the False Profit Transfers from Keeton, or in the event such Transfers were transferred, from the Defendants.

FOURTH CLAIM FOR RELIEF
(Constructive Trust)

60. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

61. The Transfers to Defendants were comprised of property of NNU and were made by NNU in furtherance of the Ponzi scheme.

62. Allowing Defendants to retain the Transfers would unjustly enrich Defendants and would be inequitable.

63. The Transfers can be traced to wrongful behavior.

64. An injustice would result if Defendants were allowed to keep the Transfers.

65. A constructive trust for the benefit of the receivership estate must be imposed for the benefit of the receivership estate in the amount of the Transfers made by NNU to Defendants, or in the alternative if Keeton acted in good faith, for the False Profit Transfers.

FIFTH CLAIM FOR RELIEF
(Unjust Enrichment)

66. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

67. The Transfers to Defendants were comprised of property of NNU and were made by NNU in furtherance of the Ponzi scheme.

68. The Transfers conferred a benefit upon Defendants.

69. The Defendants knowingly benefitted from the Transfers.

70. Allowing Defendants to retain the Transfers would unjustly enrich Defendants and would be inequitable.

71. Absent return of the Transfers, the receivership estate will be damaged by Defendants' unjust enrichment and may have no adequate remedy at law.

72. Defendants must disgorge the amount of the Transfers, or if Keeton acted in good faith, the False Profit Transfers, for the benefit of the receivership estate.

SIXTH CLAIM FOR RELIEF

(Disgorgement)

73. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

74. The Transfers were made as part of and in furtherance of a Ponzi scheme.

75. The Transfers were ill-gotten by Defendants.

76. Defendants have no claim to the Transfers made by NNU, or derivatively, from NNU's investors.

77. All Transfers made to Defendants, or if Keeton acted in good faith, the False Profit Transfers, should be disgorged to the Receiver for the benefit of the receivership estate.

SEVENTH CLAIM FOR RELIEF

(Declaratory Judgment)

78. The Receiver incorporates by reference herein all previous paragraphs of this

Complaint.

79. An actual controversy has arisen between the Receiver and Keeton regarding the enforceability of the First, Second, and Third Keeton ABIs.

80. The Receiver is entitled to a declaratory judgment that:

- a. The First Keeton ABI is invalid and never gave Keeton any security for his investment with National Note.
- b. The Second Keeton ABI is invalid and never gave Keeton any security for his investment with National Note.
- c. The Third Keeton ABI is invalid and never gave Keeton any security for his investment with National Note.

81. A judicial declaration is necessary and appropriate at this time under the circumstances in order that the respective rights and duties of the parties may be determined.

PRAYER FOR RELIEF

WHEREFORE, the Receiver prays for Judgment against Defendants as follows:

A. Pursuant to the Receiver's First Claim for Relief, judgment against the Defendants avoiding the Transfers under Utah Code Ann. §§ 25-6-5(a)(1) and 25-6-8, and permitting Plaintiff's recovery of the value of the Transfers in the total amount of \$129,524.61, or alternatively, the False Profit Transfers, in the total amount of \$19,524.61.

B. Pursuant to the Receiver's Second Claim for Relief, judgment against the Defendants avoiding the Transfers under Utah Code Ann. §§ 25-6-5(a)(1) and 25-6-8, and permitting Plaintiff's recovery of the value of the Transfers in the total amount of \$129,524.61, or alternatively, the False Profit Transfers, in the total amount of \$19,524.61.

C. Pursuant to the Receiver's Third Claim for Relief, judgment against the Defendants avoiding the Transfers under Utah Code Ann. §§ 25-6-5(a)(1) and 25-6-8, and permitting Plaintiff's recovery of the value of the Transfers in the total amount of \$129,524.61, or alternatively, the False Profit Transfers, in the total amount of \$19,524.61.

D. Pursuant to the Receiver's Fourth Claim for Relief, judgment against Defendants imposing a constructive trust for the benefit of the receivership estate on the Transfers, or alternatively, the False Profit Transfers.

E. Pursuant to the Receiver's Fifth Claim for Relief, judgment against Defendants for unjust enrichment, and requiring Defendants to disgorge the Transfers in the total amount of \$129,524.61, or alternatively, the False Profit Transfers, in the total amount of \$19,524.61.

F. Pursuant to the Receiver's Sixth Claim for Relief, entry of an Order requiring the Defendants to disgorge the Transfers in the total amount of \$129,524.61, or alternatively, the False Profit Transfers, in the total amount of \$19,524.61.

G. Pursuant to the Receiver's Seventh Claim for Relief, entry of an Order and Judgment declaring that:

- a. The First Keeton ABI is invalid and never gave Keeton any security for his loan to National Note.
- b. The Second Keeton ABI is invalid and never gave Keeton any security for his loan to National Note.
- c. The Third Keeton ABI is invalid and never gave Keeton any security for his loan to National Note.

H. Judgment for pre-judgment interest, costs, and fees, including reasonable attorney's fees, as may be allowed by law.

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I. For such other and further relief as the Court deems just and proper.

DATED this 7th day of June, 2013.

DORSEY & WHITNEY LLP

/s/ Peggy Hunt

Peggy Hunt

Chris Martinez

Jeffrey M. Armington

Attorneys for Receiver

EXHIBIT A

National Note of Utah, LC
 1549 West 7800 South
 West Jordan, UT 84088
 801-566-7337 Julie@nationalnote.com

Investment Pay History

Reference

Keeton TK06-0921-PY NNU
 Printed 02/07/13 Period of 01/01/90 - 12/31/12

Internal report: Do not mail to this address!

Keeton, Timothy F.
 1738 Dahlia Avenue
 San Diego, CA 92154

Additional information

Tim Keeton #2 #432

Regular pmt:	0.01	Int rate:	12.000 12.000	Acct closed:	06/01/09	Orig bal:	0.00
Escrow pmt:	0.00	Int calc:	Fixed			Orig date:	09/21/06
Service fee:	0.00	Pmt type:	1099 T USRule 365 M			Maturity:	10/01/10
Total pmt:	0.01	NSF fee:	25.00				
		Reminder:	10/01/10				

MATURITY DATE									
Pay Date	Due/Type	Amount	RetCap/Ref	Income	DiscEarn	Basis	----- Payment/Balance -----		
							Escrow	Late	Svc
09/21/06		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
09/21/06	P	-30000.00	-30000.00	0.00	0.00	30000.00	0.00	0.00	0.00
			1012						
11/01/06	11/01/06 R	404.38	0.00	0.01	0.00	30000.00	0.00	0.00	0.00
			19757	404.37 AI					
11/01/06	P	0.00	0.00	404.37	0.00	30000.00	0.00	0.00	0.00
			19757						
11/01/06	P	-404.38	-404.38	0.00	0.00	30404.38	0.00	0.00	0.00
			ADD2PRIN						
11/07/06	P	-10000.00	-10000.00	0.00	0.00	40404.38	0.00	0.00	0.00
			1014	59.98 AI					
12/01/06	12/01/06 R	378.79	0.00	0.01	0.00	40404.38	0.00	0.00	0.00
			20186	378.78 AI					
12/01/06	P	0.00	0.00	378.78	0.00	40404.38	0.00	0.00	0.00
			20186						
12/01/06	P	-378.79	-378.79	0.00	0.00	40783.17	0.00	0.00	0.00
			ADD2PRIN						
12/29/06	P	-10000.00	-10000.00	0.00	0.00	50783.17	0.00	0.00	0.00
			1017	375.43 AI					
Annual Total:		783.17	-50783.17	783.17	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
01/01/07	01/01/07 R	425.52	0.00	0.01	0.00	50783.17	0.00	0.00	0.00
			20625	425.51 AI					
01/01/07	P	0.00	0.00	425.51	0.00	50783.17	0.00	0.00	0.00
			20625						
01/01/07	P	-425.52	-425.52	0.00	0.00	51208.69	0.00	0.00	0.00
			ADD2PRIN						
02/01/07	02/01/07 R	512.09	0.00	0.01	0.00	51208.69	0.00	0.00	0.00
			21071	512.08 AI					
02/01/07	P	0.00	0.00	512.08	0.00	51208.69	0.00	0.00	0.00
			21071						
02/01/07	P	-512.09	-512.09	0.00	0.00	51720.78	0.00	0.00	0.00
			ADD2PRIN						
03/01/07	03/01/07 R	517.21	0.00	0.01	0.00	51720.78	0.00	0.00	0.00
			21535	517.20 AI					
03/01/07	P	0.00	0.00	517.20	0.00	51720.78	0.00	0.00	0.00
			21535						

National Note of Utah, LC
 1549 West 7800 South
 West Jordan, UT 84088
 801-566-7337 Julie@nationalnote.com

Investment Pay History

Reference

Keeton TK06-0921-PY NNU

Page 2

Printed 02/07/13

Period of 01/01/90 - 12/31/12

Pay Date	Due/Type	Amount	RetCap/Ref	Income	DiscEarn	Basis	Escrow	Payment/Balance Late	Svc
03/01/07	P	-517.21	-517.21	0.00	0.00	52237.99	0.00	0.00	0.00
			ADD2PRIN						
03/01/07	P	-10000.00	-10000.00	0.00	0.00	62237.99	0.00	0.00	0.00
			1019						
04/01/07	04/01/07 R	622.38	0.00	0.01	0.00	62237.99	0.00	0.00	0.00
			21997	622.37 AI					
04/01/07	P	0.00	0.00	622.37	0.00	62237.99	0.00	0.00	0.00
			21997						
04/01/07	P	-622.38	-622.38	0.00	0.00	62860.37	0.00	0.00	0.00
			ADD2PRIN						
05/01/07	05/01/07 R	628.60	0.00	0.01	0.00	62860.37	0.00	0.00	0.00
			22466	628.59 AI					
05/01/07	P	0.00	0.00	628.59	0.00	62860.37	0.00	0.00	0.00
			22466						
05/01/07	P	-628.60	-628.60	0.00	0.00	63488.97	0.00	0.00	0.00
			ADD2PRIN						
05/31/07	P	-10000.00	-10000.00	0.00	0.00	73488.97	0.00	0.00	0.00
			1024	626.19 AI					
06/01/07	06/01/07 R	650.35	0.00	0.01	0.00	73488.97	0.00	0.00	0.00
			22939	650.34 AI					
06/01/07	P	0.00	0.00	650.34	0.00	73488.97	0.00	0.00	0.00
			22939						
06/01/07	P	-650.35	-650.35	0.00	0.00	74139.32	0.00	0.00	0.00
			ADD2PRIN						
07/01/07	07/01/07 R	741.39	0.00	0.01	0.00	74139.32	0.00	0.00	0.00
			23412	741.38 AI					
07/01/07	P	0.00	0.00	741.38	0.00	74139.32	0.00	0.00	0.00
			23412						
07/01/07	P	-741.39	-741.39	0.00	0.00	74880.71	0.00	0.00	0.00
			ADD2PRIN						
07/02/07	P	-10000.00	-10000.00	0.00	0.00	84880.71	0.00	0.00	0.00
			1023	24.62 AI					
08/01/07	08/01/07 R	861.80	0.00	0.01	0.00	84880.71	0.00	0.00	0.00
			23892	861.79 AI					
08/01/07	P	0.00	0.00	861.79	0.00	84880.71	0.00	0.00	0.00
			23892						
08/01/07	P	-861.80	-861.80	0.00	0.00	85742.51	0.00	0.00	0.00
			ADD2PRIN						
09/01/07	09/01/07 R	857.43	0.00	0.01	0.00	85742.51	0.00	0.00	0.00
			24375	857.42 AI					
09/01/07	P	0.00	0.00	857.42	0.00	85742.51	0.00	0.00	0.00
			24375						
09/01/07	P	-857.43	-857.43	0.00	0.00	86599.94	0.00	0.00	0.00
			ADD2PRIN						
09/17/07	P	-10000.00	-10000.00	0.00	0.00	96599.94	0.00	0.00	0.00
			1030	455.54 AI					
10/01/07	10/01/07 R	900.16	0.00	0.01	0.00	96599.94	0.00	0.00	0.00
			24876	900.15 AI					
10/01/07	P	0.00	0.00	900.15	0.00	96599.94	0.00	0.00	0.00
			24876						

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Investment Pay History

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Period of 01/01/90 - 12/31/12

Pay Date	Due/Type	Amount	RetCap/Ref	Income	DiscEarn	Basis	Escrow	Payment/Balance Late	Svc
10/01/07	P	-900.16	-900.16	0.00	0.00	97500.10	0.00	0.00	0.00
			ADD2PRIN						
11/01/07	11/01/07 R	975.00	0.00	0.01	0.00	97500.10	0.00	0.00	0.00
			25373	974.99 AI					
11/01/07	P	0.00	0.00	974.99	0.00	97500.10	0.00	0.00	0.00
			25373						
11/01/07	P	-975.00	-975.00	0.00	0.00	98475.10	0.00	0.00	0.00
			ADD2PRIN						
11/01/07	P	-20000.00	-20000.00	0.00	0.00	118475.10	0.00	0.00	0.00
			302						
12/01/07	12/01/07 R	1184.75	0.00	0.01	0.00	118475.10	0.00	0.00	0.00
			25881	1184.74 AI					
12/01/07	P	0.00	0.00	1184.74	0.00	118475.10	0.00	0.00	0.00
			25881						
12/01/07	P	-1184.75	-1184.75	0.00	0.00	119659.85	0.00	0.00	0.00
			ADD2PRIN						
12/27/07	P	20000.00	18977.15	1022.85	0.00	100682.70	0.00	0.00	0.00
			WT122707						
Annual Total:		28876.68	-49899.53	9899.53	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
01/01/08	01/01/08 R	165.51	0.00	0.01	0.00	100682.70	0.00	0.00	0.00
			26401	165.50 AI					
01/01/08	P	0.00	0.00	165.50	0.00	100682.70	0.00	0.00	0.00
			26401						
01/01/08	P	-165.51	-165.51	0.00	0.00	100848.21	0.00	0.00	0.00
			ADD2PRIN						
02/01/08	02/01/08 R	1008.48	0.00	0.01	0.00	100848.21	0.00	0.00	0.00
			26912	1008.47 AI					
02/01/08	P	0.00	0.00	1008.47	0.00	100848.21	0.00	0.00	0.00
			26912						
02/01/08	P	-1008.48	-1008.48	0.00	0.00	101856.69	0.00	0.00	0.00
			ADD2PRIN						
03/01/08	03/01/08 R	1018.57	0.00	0.01	0.00	101856.69	0.00	0.00	0.00
			27438	1018.56 AI					
03/01/08	P	0.00	0.00	1018.56	0.00	101856.69	0.00	0.00	0.00
			27438						
03/01/08	P	-1018.57	-1018.57	0.00	0.00	102875.26	0.00	0.00	0.00
			ADD2PRIN						
04/01/08	04/01/08 R	1028.75	0.00	0.01	0.00	102875.26	0.00	0.00	0.00
			27979	1028.74 AI					
04/01/08	P	0.00	0.00	1028.74	0.00	102875.26	0.00	0.00	0.00
			27979						
04/01/08	P	-1028.75	-1028.75	0.00	0.00	103904.01	0.00	0.00	0.00
			ADD2PRIN						
05/01/08	05/01/08 R	1039.04	0.00	0.01	0.00	103904.01	0.00	0.00	0.00
			28518	1039.03 AI					
05/01/08	P	0.00	0.00	1039.03	0.00	103904.01	0.00	0.00	0.00
			28518						

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Period of 01/01/90 - 12/31/12

Pay Date	Due/Type	Amount	RetCap/Ref	Income	DiscEarn	Basis	----- Payment/Balance -----		
							Escrow	Late	Svc
05/01/08	P	-1039.04	-1039.04 ADD2PRIN	0.00	0.00	104943.05	0.00	0.00	0.00
06/01/08	06/01/08 R	1049.43	0.00 29065	0.01 1049.42 AI	0.00	104943.05	0.00	0.00	0.00
06/01/08	P	0.00	0.00 29065	1049.42	0.00	104943.05	0.00	0.00	0.00
06/01/08	P	-1049.43	-1049.43 ADD2PRIN	0.00	0.00	105992.48	0.00	0.00	0.00
07/01/08	07/01/08 R	45000.00	0.00 29621	0.01 1059.91 AI	0.00	105992.48	0.00	0.00	0.00
07/01/08	P	0.00	43940.08 29621	1059.91	0.00	62052.40	0.00	0.00	0.00
08/01/08	08/01/08 R	620.52	0.00 30174	0.01 620.51 AI	0.00	62052.40	0.00	0.00	0.00
08/01/08	P	0.00	0.00 30174	620.51	0.00	62052.40	0.00	0.00	0.00
08/01/08	P	-620.52	-620.52 ADD2PRIN	0.00	0.00	62672.92	0.00	0.00	0.00
09/01/08	09/01/08 R	626.73	0.00 30724	0.01 626.72 AI	0.00	62672.92	0.00	0.00	0.00
09/01/08	P	0.00	0.00 30724	626.72	0.00	62672.92	0.00	0.00	0.00
09/01/08	P	-626.73	-626.73 ADD2PRIN	0.00	0.00	63299.65	0.00	0.00	0.00
09/10/08	P	52000.00	51812.70 4473	187.30	0.00	11486.95	0.00	0.00	0.00
10/01/08	10/01/08 R	79.31	0.00 31283	0.01 79.30 AI	0.00	11486.95	0.00	0.00	0.00
10/01/08	P	0.00	0.00 31283	79.30	0.00	11486.95	0.00	0.00	0.00
10/01/08	P	-79.31	-79.31 ADD2PRIN	0.00	0.00	11566.26	0.00	0.00	0.00
11/01/08	11/01/08 R	115.66	0.00 31844	0.01 115.65 AI	0.00	11566.26	0.00	0.00	0.00
11/01/08	P	0.00	0.00 31844	115.65	0.00	11566.26	0.00	0.00	0.00
11/01/08	P	-115.66	-115.66 ADD2PRIN	0.00	0.00	11681.92	0.00	0.00	0.00
12/01/08	12/01/08 R	116.82	0.00 32410	0.01 116.81 AI	0.00	11681.92	0.00	0.00	0.00
12/01/08	P	0.00	0.00 32410	116.81	0.00	11681.92	0.00	0.00	0.00
12/01/08	P	-116.82	-116.82 ADD2PRIN	0.00	0.00	11798.74	0.00	0.00	0.00
Annual Total:		103868.82	88883.96	8116.04	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
01/01/09	01/01/09 R	117.99	0.00 32980	0.01 117.98 AI	0.00	11798.74	0.00	0.00	0.00

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Reference

Keeton TK06-0921-PY NNU Page 5
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Pay Date	Due/Type	Amount	RetCap/Ref	Income	DiscEarn	Basis	Escrow	Payment/Balance Late	Svc
01/01/09	P	0.00	0.00	117.98	0.00	11798.74	0.00	0.00	0.00
			32980						
01/01/09	P	-117.99	-117.99	0.00	0.00	11916.73	0.00	0.00	0.00
			ADD2PRIN						
02/01/09	02/01/09 R	119.17	0.00	0.01	0.00	11916.73	0.00	0.00	0.00
			33546	119.16 AI					
02/01/09	P	0.00	0.00	119.16	0.00	11916.73	0.00	0.00	0.00
			33546						
02/01/09	P	-119.17	-119.17	0.00	0.00	12035.90	0.00	0.00	0.00
			ADD2PRIN						
03/01/09	03/01/09 R	120.36	0.00	0.01	0.00	12035.90	0.00	0.00	0.00
			34120	120.35 AI					
03/01/09	P	0.00	0.00	120.35	0.00	12035.90	0.00	0.00	0.00
			34120						
03/01/09	P	-120.36	-120.36	0.00	0.00	12156.26	0.00	0.00	0.00
			ADD2PRIN						
04/01/09	04/01/09 R	121.56	0.00	0.01	0.00	12156.26	0.00	0.00	0.00
			34701	121.55 AI					
04/01/09	P	0.00	0.00	121.55	0.00	12156.26	0.00	0.00	0.00
			34701						
04/01/09	P	-121.56	-121.56	0.00	0.00	12277.82	0.00	0.00	0.00
			ADD2PRIN						
05/01/09	05/01/09 R	122.78	0.00	0.01	0.00	12277.82	0.00	0.00	0.00
			35287	122.77 AI					
05/01/09	P	0.00	0.00	122.77	0.00	12277.82	0.00	0.00	0.00
			35287						
05/01/09	P	-122.78	-122.78	0.00	0.00	12400.60	0.00	0.00	0.00
			ADD2PRIN						
06/01/09	06/01/09 R	12524.61	0.00	0.01	0.00	12400.60	0.00	0.00	0.00
			35877	124.00 AI					
06/01/09	P	0.00	12400.60	124.00	0.00	0.00	0.00	0.00	0.00
			35877						
Annual Total:		13126.47	11798.74	725.87	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
Report Total:		146655.14	0.00	19524.61	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
Balances:						0.00	0.00	0.00	0.00

Taxable: 19524.61

JS 44 (Rev. 12/12)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

R. Wayne Klein, as Receiver

DEFENDANTS

Timothy F. Keeton and John Does 1-5,

(b) County of Residence of First Listed Plaintiff Salt Lake
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant State of California
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) Attorneys (Firm Name, Address, and Telephone Number)
Peggy Hunt
Dorsey & Whitney, LLP
136 South Main Street #1000, SLC, UT 84101; 801-933-7360

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Anútrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS			
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from Another District (specify)
- 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
28 U.S.C. § 754

Brief description of cause:
Recovery of the value of transfers from Defendant for the benefit of the receivership estate.

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ 129,524.61 CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE Jenkins DOCKET NUMBER 2:12-cv-00591

DATE

6-7-13

SIGNATURE OF ATTORNEY OF RECORD

[Handwritten Signature]

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFF _____ JUDGE _____ MAG. JUDGE _____