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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>GLENDALE M. EATON, individually and as trustee of the GM & CR Eaton Living Trust, the GM & CR EATON LIVING TRUST, and JOHN DOES 1-5,</p> <p style="text-align: center;">Defendants.</p>	<p style="text-align: center;">COMPLAINT</p> <p style="text-align: center;">(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 Glendale

M. Eaton (“Eaton”), the GM & CR Eaton Living Trust (the “Trust”), 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, Eaton is a resident of or is domiciled in the State of Texas and is the trustee of the GM & CR Eaton Living Trust.

4. Upon information and belief, the Trust was established for the benefit of Eaton.

5. Upon information and belief, Defendant Does are currently unknown parties who have received monies or property from NNU, or are persons to whom the Eaton and/or the Trust

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).

have transferred monies or property received from NNU.

JURISDICTION AND VENUE

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

FACTS

The Ponzi Scheme

9. 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.

10. 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.”

11. 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”).

12. 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.

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

Eaton's Investment and the Transfers

14. On or about 2006, Eaton and the Trust commenced investing with NNU.

Histories of Eaton and the Trust's investments are attached hereto as Exhibit A.

15. Eaton and the Trust paid NNU cash in the total amount of \$50,000 on or about 2006 (the "Principal Cash Investment").

16. As set forth on Exhibit A, NNU transferred a total of \$62,091.78 in cash to Eaton and the Trust (the "Total Transfers").

17. Of the Total Transfers, \$12,091.78 is an amount that is over and above Eaton and the Trust's Principal Cash Investment (the "False Profit Transfers") (collectively, the Total Transfers and the False Profit Transfers are the "Transfers").⁴

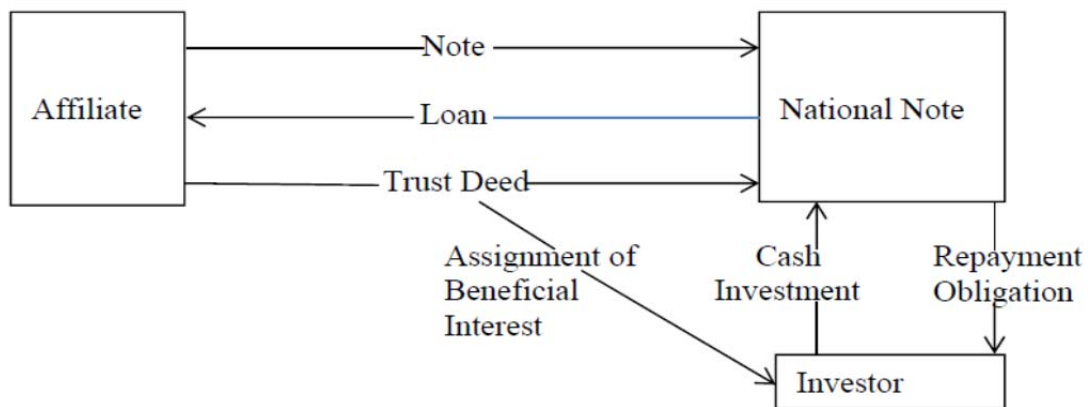
National Note's Investment Scheme

18. 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.

19. 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").

⁴ See Exh. A.

20. 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”). 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:



21. 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.

22. 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

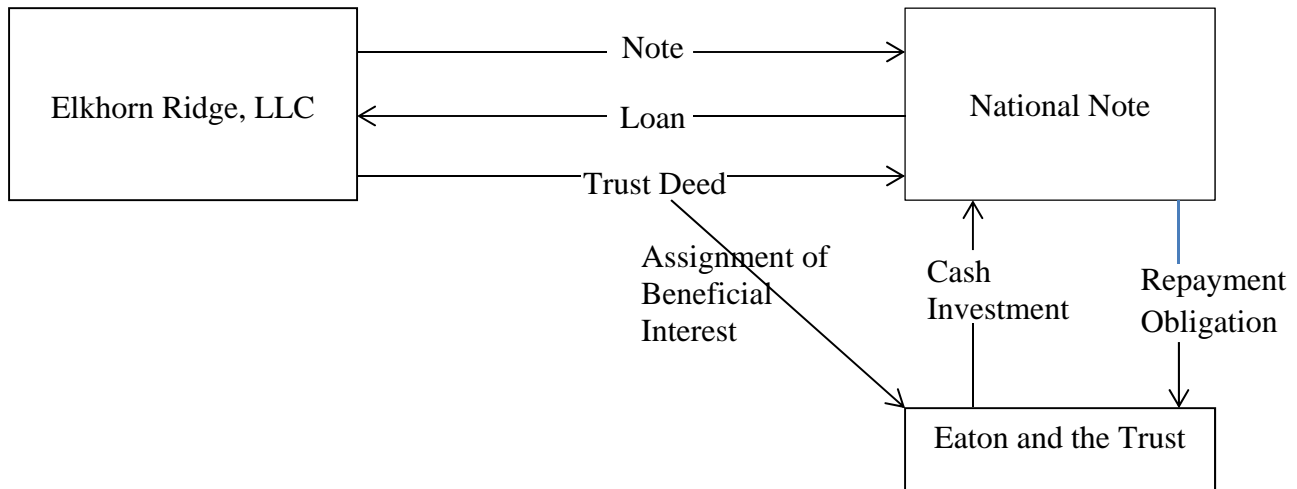
to the investors. Accordingly, the ABI did not give the Investor the right to demand payment under the Affiliate Note.

23. 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.

Eaton's Investment Related to Elkhorn Ridge Property

24. In 2006, Eaton and the Trust invested with National Note. This agreement was documented in a Promissory Note, dated September 26, 2006 (the "Eaton Note").

25. Consistent with the financing scheme outlined above, the Eaton Note was not secured by a deed of trust. Instead, on January 9, 2008, National Note executed an Assignment of Beneficial Interest in Trust Deed in favor of the Trust (the "Eaton ABI"). The Eaton ABI purported to assign National Note's interest in a Trust Deed for real property in Malad, Idaho ("Elkhorn Ridge"). This Trust Deed was executed by Elkhorn Ridge, LLC in favor of National Note (the "Elkhorn Ridge Trust Deed"). The Elkhorn Ridge Trust Deed was security for a loan between National Note and Elkhorn Ridge, LLC (the "Elkhorn Ridge Note"). National Note did not assign its beneficial interest in the Elkhorn Ridge Note to Eaton or the Trust. The following diagram illustrates the transactions:



27. National Note did not execute a trust deed for Elkhorn Ridge in favor of Eaton or the Trust. Moreover, Elkhorn Ridge, LLC is not a party to the Eaton ABI. Indeed, there is no privity of contract between Elkhorn Ridge, LLC and Eaton or the Trust. Finally, the Eaton ABI did not assign National Note's rights under the Elkhorn Ridge Note to Eaton or the Trust. Accordingly, the Eaton ABI did not give Eaton or the Trust the right to demand payment under the Elkhorn Ridge Note.

28. All that Eaton or the Trust purported to receive through the Eaton ABI was an assignment of National Note's security interest in the Elkhorn Ridge Trust Deed. National Note's security interest merely gave National Note the right to foreclose on Elkhorn Ridge if Elkhorn Ridge, LLC defaulted on the Elkhorn Ridge Note. If, however, Elkhorn Ridge, LLC never defaulted and the Elkhorn Ridge Note was paid, the Elkhorn Ridge Trust Deed was cancelled and the secured interest disappeared, regardless of whether National Note honored the Eaton Note.

29. Conversely, the Eaton ABI gave Eaton and the Trust no right to foreclose on Elkhorn Ridge, had National Note defaulted on the Eaton Note. This is because the Elkhorn

Ridge Trust Deed did not secure the Eaton Note. Accordingly, as a matter of law and fact, the Eaton ABI gave no security to Eaton or the Trust. The Eaton Note was nothing more than an unsecured note.

The SEC Civil Case and the Receiver's Appointment

30. 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

31. 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

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

⁶ *Id.*, Docket No. 7.

⁷ *Id.*, Docket No. 9.

prohibits National Note and Palmer from withdrawing, transferring, selling, buying, pledging, encumbering, assigning, dissipating, concealing, or otherwise disposing of any of their assets.⁸

32. 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)

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

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

35. NNU made the Transfers to Eaton and the Trust in furtherance of the Ponzi scheme.

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

37. The Transfers were made and any obligations to Eaton and the Trust were incurred with actual intent to hinder, delay or defraud a creditor of NNU.

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

39. Alternatively, to the extent that Eaton and the Trust took in good faith and for a reasonably equivalent value, the Receiver may avoid and recover the False Profit Transfers from

⁸ *Id.*, Docket Nos. 45 and 46.

⁹ *Id.*, Docket No. 315.

Eaton and the Trust, 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)

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

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

42. NNU made the Transfers to Eaton and the Trust in furtherance of the Ponzi scheme.

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

44. The Transfers were made or the obligations to Eaton and the Trust were incurred by NNU without receiving a reasonably equivalent value in exchange for the Transfers or obligations.

45. 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.

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

47. Alternatively, to the extent that Eaton and the Trust took in good faith and for a reasonably equivalent value, the Receiver may avoid and recover the False Profit Transfers from Eaton and the Trust, 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)

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

49. NNU was engaged in a Ponzi scheme.

50. NNU made the Transfers to Eaton and the Trust in furtherance of the Ponzi scheme.

51. NNU had at least one creditor at the time that the Transfers were made or the obligation to Eaton and the Trust was incurred.

52. The Transfers were made or the obligation to Eaton and the Trust was incurred by NNU without NNU receiving a reasonably equivalent value in exchange for the Transfers or obligation.

53. 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.

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

55. Alternatively, to the extent that Eaton and the Trust took in good faith and for a

reasonably equivalent value, the Receiver may avoid and recover the False Profit Transfers from Eaton and the Trust, or in the event such Transfers were transferred, from the Defendants.

FOURTH CLAIM FOR RELIEF

(Constructive Trust)

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

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

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

59. The Transfers can be traced to wrongful behavior.

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

61. 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 Eaton and the Trust acted in good faith, for the False Profit Transfers.

FIFTH CLAIM FOR RELIEF

(Unjust Enrichment)

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

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

64. The Transfers conferred a benefit upon Defendants.

65. The Defendants knowingly benefitted from the Transfers.

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

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

68. Defendants must disgorge the amount of the Transfers, or if Eaton and the Trust acted in good faith, the False Profit Transfers, for the benefit of the receivership estate.

SIXTH CLAIM FOR RELIEF

(Disgorgement)

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

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

71. The Transfers were ill-gotten by Defendants.

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

73. All Transfers made to Defendants, or if Eaton and the Trust 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)

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

75. An actual controversy has arisen between the Receiver and Eaton and the Trust regarding the enforceability of the Eaton ABI.

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

a. The Eaton ABI is invalid and never gave Eaton and the Trust any security for their investment with National Note.

77. 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 \$62,091.78, or alternatively, the False Profit Transfers, in the total amount of \$12,091.78.

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 \$62,091.78, or alternatively, the False Profit Transfers, in the total amount of \$12,091.78.

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 \$62,091.78, or alternatively, the False Profit Transfers, in the total amount of \$12,091.78.

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 \$62,091.78, or alternatively, the False Profit Transfers, in the total amount of \$12,091.78.

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 \$62,091.78, or alternatively, the False Profit Transfers, in the total amount of \$12,091.78.

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

a. The Eaton ABI is invalid and never gave Eaton or the Trust any security for their loan to National Note.

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

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

DATED this 12th 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

Eaton GE06-0926-PY NNU
 Printed 02/12/13 Period of 01/01/90 - 12/31/12

Internal report: Do not mail to this address!

GM & CR Eaton Living Trust dtd 2/10/94
 Eaton, Glendale M.
 23532 Deer Run
 Bullard, TX 75757-9793

Additional information

GM & CR Eaton Living Trust # 437
 Catherine R. Eaton

Regular pmt:	500.00	Int rate:	12.000	12.000	Acct closed:	10/01/08	Orig bal:	0.00
Escrow pmt:	0.00	Int calc:		Fixed			Orig date:	09/26/06
Service fee:	0.00	Pmt type:	1099 T USRule	365 M			Maturity:	10/01/08
Total pmt:	500.00	NSF fee:		25.00				
Ord/Day/LFee:	1/15 10.00	Reminder:		10/01/08				
Total if late:	510.00	MATURITY DATE						

Pay Date	Due/Type	Amount	RetCap/Ref	Income	DiscEarn	Basis	----- Payment/Balance -----		
							Escrow	Late	Svc
09/26/06		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
09/26/06	P	-50000.00	-50000.00	0.00	0.00	50000.00	0.00	0.00	0.00
			2005						
11/01/06	11/01/06 R	591.78	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			19669	91.78 AI					
11/01/06	P	0.00	0.00	91.78	0.00	50000.00	0.00	0.00	0.00
			19669						
12/01/06	12/01/06 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			20096						
Annual Total:		1091.78	-50000.00	1091.78	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
01/01/07	01/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			20535						
02/01/07	02/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			20984						
03/01/07	03/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			21437						
04/01/07	04/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			21890						
05/01/07	05/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			22363						
06/01/07	06/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			22829						
07/01/07	07/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			23300						
08/01/07	08/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			23783						
09/01/07	09/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			24268						
10/01/07	10/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			24760						
11/01/07	11/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			25258						
12/01/07	12/01/07 R	500.00	0.00	500.00	0.00	50000.00	0.00	0.00	0.00
			25767						

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

Investment Pay History

Reference

Eaton GE06-0926-PY NNU Page 2
 Printed 02/12/13 Period of 01/01/90 - 12/31/12

Pay Date	Due/Type	Amount	RetCap/Ref	Income	DiscEarn	Basis	Escrow	Payment/Balance Late	Svc
Annual Total:		6000.00	0.00	6000.00	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
01/01/08	01/01/08 R	500.00	0.00 26283	500.00	0.00	50000.00	0.00	0.00	0.00
02/01/08	02/01/08 R	500.00	0.00 26798	500.00	0.00	50000.00	0.00	0.00	0.00
03/01/08	03/01/08 R	500.00	0.00 27322	500.00	0.00	50000.00	0.00	0.00	0.00
04/01/08	04/01/08 R	500.00	0.00 27857	500.00	0.00	50000.00	0.00	0.00	0.00
05/01/08	05/01/08 R	500.00	0.00 28399	500.00	0.00	50000.00	0.00	0.00	0.00
06/01/08	06/01/08 R	500.00	0.00 28947	500.00	0.00	50000.00	0.00	0.00	0.00
07/01/08	07/01/08 R	500.00	0.00 29499	500.00	0.00	50000.00	0.00	0.00	0.00
08/01/08	08/01/08 R	500.00	0.00 30058	500.00	0.00	50000.00	0.00	0.00	0.00
09/01/08	09/01/08 R	500.00	0.00 30606	500.00	0.00	50000.00	0.00	0.00	0.00
10/01/08	10/01/08 R	0.00	0.00	0.00	0.00	50000.00	0.00	0.00	0.00
10/01/08	Y	50500.00	4PAYOFF 50000.00 4512	500.00 AI	0.00	0.00	0.00	0.00	0.00
Annual Total:		55000.00	50000.00	5000.00	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
Report Total:		62091.78	0.00	12091.78	0.00		0.00	0.00	0.00
Escrow Paid Out:							0.00		
Balances:						0.00	0.00	0.00	0.00

Taxable: 12091.78

EXHIBIT B

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

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

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

DEFENDANTS
 Glendale M. Eaton, individually and as trustee of the GM & CR Eaton Living Trust, the GM & CR Eaton Living Trust and John Does 1-5,

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

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

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"/> 195 Contract 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 Antitrust <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 <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	CIVIL RIGHTS <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	PRISONER PETITIONS 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 \$ 62,091.78

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 June 12, 2013 SIGNATURE OF ATTORNEY OF RECORD 

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

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
- United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the six boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- Date and Attorney Signature.** Date and sign the civil cover sheet.