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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p style="text-align: center;">Plaintiff,</p> <p style="text-align: center;">vs.</p> <p>NATIONAL NOTE OF UTAH, LC, et al.,</p> <p style="text-align: center;">Defendants.</p>	<p>Case No. 22:12-cv-591-BSJ</p> <p>COMBINED MOTION TO INTERVENE AND LIFT LITIGATION STAY AND SUPPORTING MEMORANDUM BY PAUL HAWKINS</p> <p>Judge Bruce S. Jenkins</p>
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MOTION

Paul Hawkins (“Hawkins” or “Intervenor”) hereby moves this Court for permission to intervene in this case and seek to have the litigation stay lifted to allow Intervenor to pursue claims and remedies against certain individuals and/or entities responsible for Intervenor’s lost silver holdings with the now defunct Old Glory Minting Company (“Old Glory”). Intervenor does not seek to obtain any remedy that would conflict with the purposes or rights of the current receivership, nor does he seek to attach

or collect against receivership property. Intervenor first and foremost seeks to recover his silver and/or its proceeds. That silver is not property of the receivership estate. Intervenor believes that his silver was in the custody and control of Old Glory as of June 25, 2012.

Intervenor's proposed Complaint is attached as Exhibit 1 to this Motion.

MEMORANDUM

Introduction

Hawkins is one of many trusting, innocent victims of an unlawful enterprise created and perpetuated by Wayne LaMar Palmer ("Palmer"). Hawkins believes and intends to assert that certain individuals – currently including Reed Larsen and Brett Romney -- actively and unlawfully participated in that unlawful enterprise and, through that unlawful conduct, took from Hawkins his entire life savings in the form of silver holdings with Old Glory. Therefore, Hawkins hereby moves this court for an Order lifting the litigation stay so that he may bring a case to hold Reed Larsen and Brett Romney – and any other individuals and non-receivership entities discovered to have been involved -- responsible for their malicious and shameful acts. More fundamentally, however, Hawkins seeks to recover his silver or its proceeds. That silver (and its proceeds) is Hawkins' property, not property of the receivership estate. Hawkins seeks a constructive trust over his silver to allow him to recover the silver or its proceeds.¹

¹ For purposes of the constructive trust remedy, Hawkins has included Old Glory as a defendant. Old Glory is technically a receivership entity, but is defunct and not contributing in any manner to the overall benefit to the receivership estate.

FACTUAL BACKGROUND

The Litigation Stay

1. On June 25, 2012, the Securities and Exchange Commission filed this action against National Note of Utah, LC (“National Note”). (Doc. 1)

2. On June 25, 2012, this Court entered Order Appointing Receiver and Staying Litigation (Doc. 9), appointing Wayne Klein as receiver for National Note and its related entities, including Old Glory. The Court also ordered the freezing of assets of National Note and its related entities, including Old Glory. (Doc. 8)

3. The litigation stay is found in section 8 of the Court’s Order Appointing Receiver and stays

All civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving: (a) the Receiver, in his capacity as Receiver; (b) any Receivership Property, wherever located; (c) any of the Receivership Defendants and/or Palmer Entities, including subsidiaries and partnerships; or, (d) any of the Receivership Defendants' and/or Palmer Entities' past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise (such proceedings are hereinafter referred to as "Ancillary Proceedings").

(Doc. 9, section VIII, ¶ 32)

4. Admittedly, Old Glory is a Palmer entity and is plainly covered by the litigation stay. Reed Larsen and Brett Romney both come within the general, catch-all description of “any of the Receivership Defendants' and/or Palmer Entities' past or

present officers, directors, managers, agents, or general or limited partners...” There may be other individuals or entities outside that catch-all description, such as lawyers and business associates.

Hawkins’ Purchase and Leaseback of Silver Through Old Glory

5. As the allegations of Hawkins’ proposed complaint set forth, Reed Larsen and Wayne Palmer owned and controlled Old Glory. Brett Romney was a manager of Old Glory and participated in the control of Old Glory.

6. In May of 2011, Hawkins entered into a “Buyer Agreement” with Old Glory to acquire silver from Old Glory. Following that purchase, Hawkins had approximately \$254,000 in silver. Hawkins was concerned about where he could safely store that much silver. On May 12, 2011, Reed Larsen persuaded Hawkins to sign a “Precious Metals Lease Agreement” (“the Leaseback Agreement”), by which Hawkins “leased back” to Old Glory all of his \$254,000 worth of silver.

7. Hawkins never relinquished ownership of the silver he was storing at and had leased back to Old Glory.

8. To help him pay income taxes, Hawkins sold approximately 911 ounces of his silver to Old Glory, leaving the remaining approximate 5,787 ounces at Old Glory’s facility.

9. On May 15, 2012, Larsen represented to Hawkins that Old Glory had Hawkins’ 5,787 ounces of silver and told Hawkins that the silver was worth \$164,061.45.

10. The next month, on June 25, 2012, this Court entered the Order Appointing Receiver and froze the assets of the Palmer/receivership entities, including Old Glory

Minting. Hawkins contacted Romney at Old Glory to determine the status of his silver. Romney told Hawkins that Palmer and Larsen had come to Old Glory and had taken then silver. In a second conversation with Hawkins, Romney told Hawkins that he (Romney) had shipped Hawkins' silver out and that it was no longer there.

11. Following Romney's admission to Hawkins and despite Hawkins' best efforts, Hawkins has been unable to locate his 5,787 ounces of silver.

ARGUMENT

Hawkins respectfully asks this Court to allow him to intervene in this action for the purpose of persuading this Court to lift the litigation stay and allow him to proceed with his claims against Larsen, Romney, Old Glory, and any other individual or non-receivership entity responsible for the theft of his 5,787 ounces of silver.

No other party, including the Receiver, is able to protect Hawkins' interests in this proceeding. Hawkins seeks to litigate his personal claims. He seeks only his own property, not property of the Receivership Estate. The Receiver is not empowered to pursue such claims.

Moreover, despite the impressive job the Receiver and his counsel have done so far, the Receiver is fully occupied with proceeding with newly filed claims on behalf of the receivership estate against literally dozens of third parties who allegedly owe money to the estate. (See Receiver's Fourth Status Report, Doc. 408, dated August 13, 2013)

Allowing Hawkins to proceed will not prejudice any party to this matter and will relieve the Receiver from having to deal with Hawkins' claim. Through counsel, Hawkins has discussed with the Receiver Hawkins' desire to proceed with an action

against Larsen and Romney (and possibly others). Hawkins is willing to waive his right to pursue a claim in the receivership proceeding for his loss, eliminating the need for the Receiver to evaluate and allow or disallow Hawkins' claims. Hawkins' recovery will likewise come from outside the receivership estate and will relieve the estate from having to administer that relief. Hawkins will not seek to recover or collect from receivership estate assets.

Allowing Hawkins to proceed individually can create a tangible benefit for the receivership estate. Given the nature of his claims, Hawkins may well discover parties and assets subject to liability to the receivership estate. Hawkins agrees to fully cooperate with the Receiver in that regard.

CONCLUSION

In light of these factors, and pursuant to Rule 24(a) and (b), this Court should grant Hawkins' motion to intervene and should lift the litigation stay so that Hawkins may file his complaint against Old Glory, Reed Larsen, and Brett Romney – and any other individuals and non-receivership entities discovered to have been involved -- and recover for the loss of his silver.

Dated this 14th day of September, 2013.

/s/ Mel C. Orchard, III
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CERTIFICATE OF SERVICE

I hereby certify that I have this 14th day of September 2013, served a true and accurate copy of the above and foregoing Entry of Appearance via ECF on all parties who have requested notice in this case and via U.S. Mail postage prepaid to the following:

Steve Zimmerman
Barclay Associates, LLC/President
999 Fifth Ave
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/s/ Mel C. Orchard, III
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