

# **EXHIBIT 1**

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DISTRICT OF UTAH U.S. DISTRICT COURT

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# of pages 22  
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IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE COMMISSION,

PLAINTIFF,

v.

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

DEFENDANTS.

~~PROPOSED~~ ORDER  
APPOINTING RECEIVER AND  
STAYING LITIGATION

Civil No.: 2:12cv591

Judge: [Signature]

WHEREAS this matter has come before this Court upon the ex parte motion of Plaintiff,  
U.S. Securities and Exchange Commission (the "Commission"), to appoint a receiver in the  
above-captioned action; and,

WHEREAS the Court finds that, based on the record in these proceedings, the  
appointment of a receiver in this action is necessary and appropriate for the purposes of  
marshaling and preserving all assets, property and interest of Defendants National Note of Utah,

LC ("National Note") and Wayne LaMar Palmer ("Palmer") together with any and all subsidiaries and affiliated entities, including but not limited to, Land, Utah, LC; Passport Properties, L.C.; The Property Company, LLC; The Corner Corporation; Territory Land Company, Incorporated; Koala T Investments LLC; Prime Wave I, LLC; Note Systems, Inc.; DPLM LLC; Ovation 106, LLC; Top Flight, LLC; Freedom Minerals I, LLC; Homeland Funding Corp.; Homeland Mortgage, L.C.; Centennial Aviation, LLC; Homeland Minerals, LLC; Riverbend Estates LC; Homeland Holding Corp.; Spanish Fork Development, L.L.C.; Indian Canyon, LLC; Freedom Minerals II LLC; Homeland Mortgage, Inc.; Real Estate Finance Institute, Inc.; Vision Land, LLC; Old Glory Minting Company LLC; Presidential Utah Properties LC; Traditions in Timber; HSB Technologies, LLC; Bonneville Minerals, LLC; Twin Pines Property, LC; NPL America LLC; Network Leisure Shoppes, Inc.; Elkhorn Ridge, LLC; and, Expressway Business Park Owners Organization, LLC (collectively, the "Palmer Entities"); and,

**WHEREAS** this Court has subject matter jurisdiction over this action and personal jurisdiction over the Defendants, and venue properly lies in this district.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

1. This Court hereby takes exclusive jurisdiction and possession of the assets, property and interest, of whatever kind and wherever situated, of Defendants National Note of Utah, LC ("National Note") and Wayne LaMar Palmer ("Palmer") (collectively, the "Receivership Defendants") together with any and all subsidiaries and affiliated entities, including but not limited to, Land, Utah, LC; Passport Properties, L.C.; The Property Company, LLC; The Corner Corporation; Territory Land Company, Incorporated; Koala T Investments

LLC; Prime Wave I, LLC; Note Systems, Inc.; DPLM LLC; Ovation 106, LLC; Top Flight, LLC; Freedom Minerals I, LLC; Homeland Funding Corp.; Homeland Mortgage, L.C.; Centennial Aviation, LLC; Homeland Minerals, LLC; Riverbend Estates LC; Homeland Holding Corp.; Spanish Fork Development, L.L.C.; Indian Canyon, LLC; Freedom Minerals II LLC; Homeland Mortgage, Inc.; Real Estate Finance Institute, Inc.; Vision Land, LLC; Old Glory Minting Company LLC; Presidential Utah Properties LC; Traditions in Timber; HSB Technologies, LLC; Bonneville Minerals, LLC; Twin Pines Property, LC; NPL America LLC; Network Leisure Shoppes, Inc.; Elkhorn Ridge, LLC; and, Expressway Business Park Owners Organization, LLC; Homeland Development I, LLC; Homeland Development II, LLC; Farrell Business Park Association; Made Art Licensing, LLC; Montana One, LLC; ND I, LLC; and, Pedigree Properties, LLC (collectively, the "Palmer Entities"); and,

2. Until further Order of this Court, Wayne Klein, is hereby appointed to serve without bond as receiver (the "Receiver") for the estates of the Receivership Defendants, together with, but not limited to, National Note's and/or Palmer's interest in the above-named Palmer Entities.

**I. Asset Freeze**

3. Except as otherwise specified herein, any and all assets of the Receivership Defendants and the affiliated Palmer Entities ("Receivership Assets") are frozen until further order of this Court. Accordingly, all persons and entities with direct or indirect control over any Receivership Assets and/or any Recoverable Assets, other than the Receiver, are hereby restrained and enjoined from directly or indirectly transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing such assets. This freeze shall include, but not be limited to, Receivership Assets and/or Recoverable Assets

that are on deposit with financial institutions such as banks, brokerage firms and mutual funds.

## **II. General Powers and Duties of Receiver**

4. The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the entity Receivership Defendants together with, but not limited to, the Palmer Entities under applicable state and federal law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all powers conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692, and Fed. R. Civ. P. 66.

5. The trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys and other agents of the Receivership Defendants and the Palmer Entities are hereby dismissed and the powers of any general partners, directors and/or managers are hereby suspended. Such persons and entities shall have no authority with respect to the Receivership Defendants' and Palmer Entities' operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume and control the operation of the Receivership Defendants and the Palmer Entities and shall pursue and preserve all of their claims.

6. No person holding or claiming any position of any sort with any of the Receivership Defendants or the Palmer Entities shall possess any authority to act by or on behalf of any of the Receivership Defendants and/or the Palmer Entities.

7. Subject to the specific provisions in Sections III through XIV, below, the Receiver shall have the following general powers and duties:

- A. To use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Defendants and the Palmer Entities, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets,

together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Defendants and/or the Palmer Entities own, possess, have a beneficial interest in, or control directly or indirectly (the "Receivership Property" or, collectively, the "Receivership Estates");

- B. To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Defendants and/or the Palmer Entities; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto;
- C. To manage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property, pending further Order of this Court;
- D. To use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver;
- E. To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, partners, managers, trustees and agents of the Receivership Defendants and/or the Palmer Entities;
- F. To engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers;
- G. To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property;
- H. The Receiver is authorized to issue subpoenas for documents and testimony consistent with the Federal Rules of Civil Procedure;
- I. To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver;
- J. To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estates; and,

K. To take such other action as may be approved by this Court.

### **III. Access to Information**

8. The individual Receivership Defendants and the affiliated Palmer Entities and their past and/or present officers, directors, agents, managers, general and limited partners, trustees, attorneys, accountants and employees of the entity Receivership Defendants and/or the Palmer Entities, as well as those acting in their place, are hereby ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the Receivership Defendants and the Palmer Entities and/or all Receivership Property; such information shall include but not be limited to books, records, documents, accounts and all other instruments and papers.

9. Within ten (10) days of the entry of this Order, the Receivership Defendants and the Palmer Entities shall file with the Court and serve upon the Receiver and the Commission a sworn statement, listing: (a) the identity, location and estimated value of all Receivership Property; (b) all employees (and job titles thereof), other personnel, attorneys, accountants and any other agents or contractors of the Receivership Defendants and the Palmer Entities; and, (c) the names, addresses and amounts of claims of all known creditors of the Receivership Defendants and the Palmer Entities.

10. Within thirty (30) days of the entry of this Order, the Receivership Defendants and the Palmer Entities shall file with the Court and serve upon the Receiver and the Commission a sworn statement and accounting, with complete documentation, covering the period from January 1, 2003 to the present:

A. Of all Receivership Property, wherever located, held by or in the name of the Receivership Defendants or the Palmer Entities, or in which any of them, directly or indirectly, has or had any beneficial interest, or over which any of them maintained or maintains and/or exercised or exercises

control, including, but not limited to: (a) all securities, investments, funds, real estate, automobiles, jewelry and other assets, stating the location of each; and (b) any and all accounts, including all funds held in such accounts, with any bank, brokerage or other financial institution held by, in the name of, or for the benefit of any of them, directly or indirectly, or over which any of them maintained or maintains and/or exercised or exercises any direct or indirect control, or in which any of them had or has a direct or indirect beneficial interest, including the account statements from each bank, brokerage or other financial institution;

- B. Identifying every account at every bank, brokerage or other financial institution: (a) over which Receivership Defendants and the Palmer Entities have signatory authority; and (b) opened by, in the name of, or for the benefit of, or used by, the Receivership Defendants and/or the Palmer Entities;
- C. Identifying all credit, bank, charge, debit or other deferred payment card issued to or used by each Receivership Defendant or Palmer Entity, including but not limited to the issuing institution, the card or account number(s), all persons or entities to which a card was issued and/or with authority to use a card, the balance of each account and/or card as of the most recent billing statement, and all statements for the last twelve months;
- D. Of all assets received by any of them from any person or entity, including the value, location, and disposition of any assets so received;
- E. Of all funds received by the Receivership Defendants and/or the Palmer Entities, and each of them, in any way related, directly or indirectly, to the conduct alleged in the Commission's Complaint. The submission must clearly identify, among other things, all investors, the securities they purchased, the date and amount of their investments, and the current location of such funds;
- G. Of all expenditures exceeding \$1,000 made by any of them, including those made on their behalf by any person or entity; and
- H. Of all transfers of assets made by any of them.

11. Within thirty (30) days of the entry of this Order, the Receivership Defendants and the Palmer Entities shall provide to the Receiver and the Commission copies of the Receivership Defendants' federal income tax returns for January 1, 2003 with all relevant and necessary underlying documentation.

12. Palmer as well as the past and/or present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers and general and limited partners of National Note and the Palmer Entities, and other appropriate persons or entities shall answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Defendants and the Palmer Entities, or any other matter relevant to the operation or administration of the receivership or the collection of funds due to the Receivership Defendants and/or the Palmer Entities. In the event that the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, the Receiver shall make its discovery requests in accordance with the Federal Rules of Civil Procedure.

13. To issue subpoenas to compel testimony of persons or production of records, consistent with the Federal Rules of Civil Procedure and applicable Local Rules, except for the provisions of Fed. R. Civ. P. 26(d)(1), concerning any subject matter within the powers and duties granted by this Order.

14. The Receivership Defendants and the Palmer Entities are required to assist the Receiver in fulfilling his duties and obligations. As such, they must respond promptly and truthfully to all requests for information and documents from the Receiver.

#### **IV. Access to Books, Records and Accounts**

15. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to the Receivership Defendants and/or the Palmer Entities. All persons and entities having control, custody or possession of any Receivership Property are hereby directed to turn such property over to the Receiver.

16. The Receivership Defendants and the Palmer Entities, as well as their agents, servants, employees, attorneys, any persons acting for or on behalf of the Receivership Defendants and/or the Palmer Entities, and any persons receiving notice of this Order by personal service, facsimile transmission or otherwise, having possession of the property, business, books, records, accounts or assets of the Receivership Defendants and/or the Palmer Entities are hereby directed to deliver the same to the Receiver, his agents and/or employees.

17. All banks, brokerage firms, financial institutions, and other persons or entities which have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, and of the Receivership Defendants and/or the Palmer Entities that receive actual notice of this Order by personal service, facsimile transmission or otherwise shall:

- A. Not liquidate, transfer, sell, convey or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Defendants and/or the Palmer Entities except upon instructions from the Receiver;
- B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;
- C. Within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the Commission a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice; and,
- D. Cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver.

#### **V. Access to Real and Personal Property**

18. The Receiver is authorized to take immediate possession of all personal property of the Receivership Defendants and the Palmer Entities, wherever located, including but not

limited to electronically stored information, computers, laptops, hard drives, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment.

19 The Receiver is authorized to take immediate possession of all real property of the Receivership Defendants and the Palmer Entities, wherever located, including but not limited to all ownership and leasehold interests and fixtures. Upon receiving actual notice of this Order by personal service, facsimile transmission or otherwise, all persons other than law enforcement officials acting within the course and scope of their official duties, are (without the express written permission of the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such premises; or, (c) destroying, concealing or erasing anything on such premises.

20. In order to execute the express and implied terms of this Order, the Receiver is authorized to change door locks to the premises described above. The Receiver shall have exclusive control of the keys. The Receivership Defendants and the Palmer Entities, or any other person acting or purporting to act on their behalf, are ordered not to change the locks in any manner, nor to have duplicate keys made, nor shall they have keys in their possession during the term of the receivership.

21. The Receiver is authorized to open all mail directed to or received by or at the offices or post office boxes of the Receivership Defendants and/or the Palmer Entities, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

22. Upon the request of the Receiver, the United States Marshal Service, in any judicial district, is hereby ordered to assist the Receiver in carrying out his duties to take possession, custody and control of, or identify the location of, any assets, records or other materials belonging to the Receivership Estate.

#### **VI. Notice to Third Parties**

23. The Receiver shall promptly give notice of his appointment to all known officers, directors, agents, employees, shareholders, creditors, debtors, managers and general and limited partners of the Receivership Defendants and the Palmer Entities, as the Receiver deems necessary or advisable to effectuate the operation of the receivership.

24. All persons and entities owing any obligation, debt, or distribution with respect to an ownership interest to any Receivership Defendant and/or Palmer Entity shall, until further ordered by this Court, pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for such payments shall have the same force and effect as if the Receivership Defendant or Palmer Entity had received such payment.

25. In furtherance of his responsibilities in this matter, the Receiver is authorized to communicate with, and/or serve this Order upon, any person, entity or government office that he deems appropriate to inform them of the status of this matter and/or the financial condition of the Receivership Estates. All government offices which maintain public files of security interests in real and personal property shall, consistent with such office's applicable procedures, record this Order upon the request of the Receiver or the Commission.

26. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of any of the Receivership Defendants and/or the Palmer Entities (the "Receiver's Mail"), including all

mail addressed to, or for the benefit of, the Receivership Defendants and/or the Palmer Entities.

The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver's Mail. The Receivership Defendants and the Palmer Entities shall not open any of the Receiver's Mail and shall immediately turn over such mail, regardless of when received, to the Receiver. All personal mail of Palmer, and/or any mail appearing to contain privileged information, and/or any mail not falling within the mandate of the Receiver, shall be released to the named addressee by the Receiver. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mail box, depository, business or service, or mail courier or delivery service, hired, rented or used by the Receivership Defendants and/or the Palmer Entities. The Receivership Defendants and the Palmer Entities shall not open a new mailbox, or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a private mail depository or courier service.

27. Subject to payment for services provided, any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to the Receivership Defendants and/or the Palmer Entities shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver.

28. The Receiver is authorized to assert, prosecute and/or negotiate any claim under any insurance policy held by or issued on behalf of the Receivership Defendants and/or the Palmer Entities, or their officers, directors, agents, employees or trustees, and to take any and all appropriate steps in connection with such policies.

## **VII. Injunction Against Interference with Receiver**

29. The Receivership Defendants and the Palmer Entities and all persons receiving

notice of this Order by personal service, facsimile or otherwise, are hereby restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would:

- A. Interfere with the Receiver's efforts to take control, possession, or management of any Receivership Property; such prohibited actions include but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property;
- B. Hinder, obstruct or otherwise interfere with the Receiver in the performance of his duties; such prohibited actions include but are not limited to, concealing, destroying or altering records or information;
- C. Dissipate or otherwise diminish the value of any Receivership Property; such prohibited actions include but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property, enforcing judgments, assessments or claims against any Receivership Property or any Receivership Defendant or any Palmer Entity, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any Receivership Defendant or by any Palmer Entity or which otherwise affects any Receivership Property; or,
- D. Interfere with or harass the Receiver, or interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Estates.

30. The Receivership Defendants and the Palmer Entities shall cooperate with and assist the Receiver in the performance of his duties.

31. The Receiver shall promptly notify the Court and Commission counsel of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.

#### **VIII. Stay of Litigation**

32. As set forth in detail below, the following proceedings, excluding the instant

proceeding and all police or regulatory actions and actions of the Commission related to the above-captioned enforcement action, are stayed until further Order of this Court:

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").

The Notice of Stay attached as Exhibit 2 to the Commission's Ex Parte Motion to Appoint a Receiver and to Stay Litigation is approved. The Court orders the Receiver to file the Notice of Stay in any and all currently pending litigation (excluding this action) and in any and all actions that may be filed against National Note, Palmer and/or the Palmer Entities in the future.

33. — The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

34. All Ancillary Proceedings are stayed in their entirety, and all Courts having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of one or more of the Receivership Defendants and/or the Palmer Entities against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

#### **IX. Managing Assets**

35. For each of the Receivership Estates, the Receiver shall establish one or more custodial accounts at a federally insured bank to receive and hold all cash equivalent

Receivership Property (the "Receivership Funds").

36. The Receiver's deposit account shall be entitled "Receiver's Account, Estate of National Note of Utah, LC together with the name of the action.

37. The Receiver may, without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

38. Subject to Paragraph 39, immediately below, the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estates, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property.

39. Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property in the Receivership Estates.

40. The Receiver is authorized to take all actions to manage, maintain, and/or wind-down business operations of the Receivership Estates, including making legally required payments to creditors, employees, and agents of the Receivership Estates and communicating with vendors, investors, governmental and regulatory authorities, and others, as appropriate.

41. The Receiver shall take all necessary steps to enable the Receivership Funds to obtain and maintain the status of a taxable "Settlement Fund," within the meaning of Section

468B of the Internal Revenue Code and of the regulations, when applicable, whether proposed, temporary or final, or pronouncements thereunder, including the filing of the elections and statements contemplated by those provisions. The Receiver shall be designated the administrator of the Settlement Fund, pursuant to Treas. Reg. § 1.468B-2(k)(3)(i), and shall satisfy the administrative requirements imposed by Treas. Reg. § 1.468B-2, including but not limited to (a) obtaining a taxpayer identification number, (b) timely filing applicable federal, state, and local tax returns and paying taxes reported thereon, and (c) satisfying any information, reporting or withholding requirements imposed on distributions from the Settlement Fund. The Receiver shall cause the Settlement Fund to pay taxes in a manner consistent with treatment of the Settlement Fund as a "Qualified Settlement Fund." The Receivership Defendants and the Palmer Entities shall cooperate with the Receiver in fulfilling the Settlement Funds' obligations under Treas. Reg. § 1.468B-2.

#### **X. Investigate and Prosecute Claims**

42. Subject to the requirement, in Section VII above, that leave of this Court is required to resume or commence certain litigation, the Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in his discretion, and in consultation with Commission counsel, be advisable or proper to recover and/or conserve Receivership Property.

43. Subject to his obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered and directed to investigate the manner in which the financial and business affairs of the Receivership Defendants and the Palmer Entities were conducted and (after obtaining leave of this Court) to institute such actions and

legal proceedings, for the benefit and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and restitution, collection of debts, and such other relief from this Court as may be necessary to enforce this Order. Where appropriate, the Receiver should provide prior notice to Counsel for the Commission before commencing investigations and/or actions.

44. The Receiver hereby holds, and is therefore empowered to waive, all privileges, including the attorney-client privilege, held by all entity Receivership Defendants and/or the Palmer Entities.

45. The receiver has a continuing duty to ensure that there are no conflicts of interest between the Receiver, his Retained Personnel (as that term is defined below), and the Receivership Estate.

## **XII. Bankruptcy Filing**

46. The Receiver may seek authorization of this Court to file voluntary petitions for relief under Title 11 of the United States Code (the "Bankruptcy Code") for the Receivership Defendants and/or the Palmer Entities. If a Receivership Defendant or a Palmer Entity is placed in bankruptcy proceedings, the Receiver may become, and may be empowered, to operate each of the Receivership Estates as a debtor in possession. In such a situation, the Receiver shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy Code to the exclusion of any other person or entity. Pursuant to Paragraph 4 above, the Receiver is vested with management authority for all entity Receivership Defendants and the Palmer Entities and may therefore file and manage a Chapter 11 petition.

47. The provisions of Section VIII, above, bar any person or entity, other than the Receiver, from placing any of the Receivership Defendants and/or the Palmer Entities in bankruptcy proceedings.

## **XII. Liability of Receiver**

48. Until further Order of this Court, the Receiver shall not be required to post bond or give an undertaking of any type in connection with his fiduciary obligations in this matter.

49. The Receiver and his agents, acting within scope of such agency ("Retained Personnel") are entitled to rely on all outstanding rules of law and Orders of this Court and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by this Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

50. This Court shall retain jurisdiction over any action filed against the Receiver or Retained Personnel based upon acts or omissions committed in their representative capacities.

51. In the event the Receiver decides to resign, the Receiver shall first give written notice to the Commission's counsel of record and the Court of its intention, and the resignation shall not be effective until the Court appoints a successor. The Receiver shall then follow such instructions as the Court may provide.

## **XIII. Recommendations and Reports**

52. The Receiver is authorized, empowered and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable

Receivership Property (the "Liquidation Plan").

53. Within ninety (90) days of the entry date of this Order, the Receiver shall file the Liquidation Plan in the above-captioned action, with service copies to counsel of record.

54. Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the "Quarterly Status Report"), reflecting (to the best of the Receiver's knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

55. The Quarterly Status Report shall contain the following:

- A. A summary of the operations of the Receiver;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
- C. A schedule of all the Receiver's receipts and disbursements (attached as Exhibit "A" to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;
- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and, (ii) collecting such judgments);
- F. A list of all known creditors with their addresses and the amounts of their claims;
- G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and,

H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

56. On the request of the Commission, the Receiver shall provide the Commission with any documentation that the Commission deems necessary to meet its reporting requirements, that is mandated by statute or Congress, or that is otherwise necessary to further the Commission's mission.

#### **XIV. Fees, Expenses and Accountings**

57. Subject to Paragraphs 58 – 64, immediately below, the Receiver need not obtain Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary course of the administration and operation of the receivership. Further, prior Court approval is not required for payments of applicable federal, state or local taxes.

58. Subject to Paragraph 59, immediately below, the Receiver is authorized to solicit persons and entities ("Retained Personnel") to assist him in carrying out the duties and responsibilities described in this Order. The Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement.

59. The Receiver and Retained Personnel are entitled to reasonable compensation and expense reimbursement from the Receivership Estates as described in the "Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission" (the "Billing Instructions") agreed to by the Receiver. Such compensation shall require the prior approval of the Court.

60. Within forty-five (45) days after the end of each calendar quarter, the Receiver and Retained Personnel shall apply to the Court for compensation and expense reimbursement from the Receivership Estates (the "Quarterly Fee Applications"). At least thirty (30) days prior to

filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the Commission a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by Commission staff.

61. All Quarterly Fee Applications will be interim and will be subject to cost benefit and final reviews at the close of the receivership. At the close of the receivership, the Receiver will file a final fee application, describing in detail the costs and benefits associated with all litigation and other actions pursued by the Receiver during the course of the receivership.

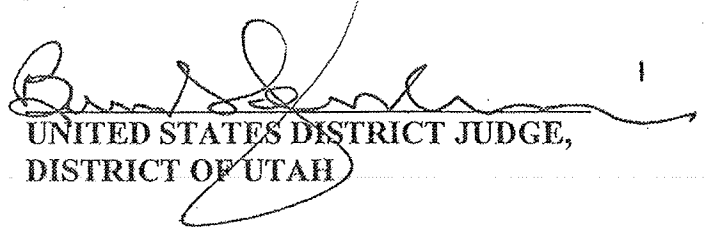
62. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court. The total amounts held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.

63. Each Quarterly Fee Application shall:

- A. Comply with the terms of the Billing Instructions agreed to by the Receiver; and,
- B. Contain representations (in addition to the Certification required by the Billing Instructions) that: (i) the fees and expenses included therein were incurred in the best interests of the Receivership Estate; and, (ii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

64. At the close of the Receivership, the Receiver shall submit a Final Accounting, in a format to be provided by Commission staff, as well as the Receiver's final application for compensation and expense reimbursement.

IT IS SO ORDERED, this 25<sup>th</sup> day of June, 2012. at 1:35 P.M.

  
UNITED STATES DISTRICT JUDGE,  
DISTRICT OF UTAH

## **EXHIBIT 2**

APS - NNU Investors			
National Note Loan Number	Current Note Balance Per NNU Records	Potential Recovery / (Claim) Amount in NNU Case	APS Ref # as Shown in NNU Records
JA09-0312-PY	\$0.00	\$613.84	ROTH #9193
JA05-0929-PY	\$21,320.16	(\$10,000.00)	IRA # 7012
BA98-0112-PY	\$7,967.14	(\$7,793.70)	
CA06-0519-PY	\$0.00	\$2,389.15	ROTH # 7410
MB05-0910-PY	\$79,479.13	(\$36,129.62)	IRA # 6684
AB05-0517-PY	\$0.00	\$2,849.83	IRA #6699
EB05-0517-PY	\$0.00	\$228.60	IRA # 6698
KB05-1227-PY	\$39,695.30	(\$22,003.28)	IRA # 7212
RL95-0501-PY	\$0.00	\$6,000.00	529-34-8394
LB94-0818-PY	\$0.00	\$3,291.78	
LB94-1025-PY	\$0.00	\$617.85	
LB94-1034-PY	\$0.00	\$5,068.03	
LB94-1046-PY	\$0.00	\$388.89	
LB95-0330-PY	\$0.00	\$1,804.53	
LB95-0815-PY	\$0.00	\$2,656.27	
LB97-0201-PY	\$0.00	\$1,448.63	
LB97-0910-PY	\$0.00	\$271.36	IRA # 2699
LB98-0215-PY	\$0.00	\$5,909.27	
SusAPLB12-PY	\$166,731.93	(\$34,694.85)	IRA #2699
SusAPLB16-PY	\$0.00	\$0.00	
SuspAPSLB-PY	\$0.00	\$0.00	
KB95-1228-PY	\$0.00	\$6,512.23	
KB99-0708-PY	\$103,135.15	(\$28,990.64)	IRA # 3094
LB95-1220-PY	\$0.00	\$6,289.79	
LB99-0708-PY	\$102,662.60	(\$29,651.24)	IRA #3095
JB94-1030-PY	\$0.00	\$11,620.00	
JB96-0723-PY	\$0.00	\$1,809.45	
SuspAPSB-PY	\$106,405.49	(\$33,978.43)	IRA #3057
MC08-1002-PY	\$100,330.61	(\$64,985.44)	IRA #10025
GC09-1211-PY	\$50,500.00	(\$44,595.20)	IRA #11279
DC07-0716-PY	\$0.00	\$3,671.84	IRA #8586
CC07-1201-PY	\$0.00	\$2,413.07	IRA # 8919
JC05-0620-PY	\$14,165.36	(\$2,403.83)	IRA # 6810
JC05-0404-PY	\$200,000.00	(\$44,290.41)	IRA #6681
CC09-0825-PY	\$172,419.02	(\$132,374.15)	IRA #11080
RC11-0922-PY	\$26,096.26	(\$25,000.00)	IRA 12792
BC04-0415-PY	\$10,950.00	(\$9,284.89)	IRA # 6350
VC04-0415-PY	\$55,525.00	(\$48,073.10)	IRS Acct #6
VC04-0416-PY	\$6,100.00	(\$5,186.40)	R. IRA Acct

DD05-0516-PY	\$30,202.52	(\$13,672.12)	IRA # 6686
DD07-0209-PY	\$55,981.56	(\$30,485.37)	IRA #8169
JD09-1231-PY	\$180,409.99	(\$140,458.26)	IRA #11384
DENSONSUS-PY	\$0.00	\$6,960.00	IRA #3347
JD97-0912-PY	\$0.00	\$3,000.36	IRA #3347
DD0909151-PY	\$2,656.81	(\$2,000.00)	IRA #1121
DD0909152-PY	\$929.91	(\$700.00)	ROTH #5722
MD0909151-PY	\$2,656.81	(\$2,000.00)	IRA #1369
MD0909152-PY	\$531.37	(\$400.00)	Roth #5723
MD0909153-PY	\$29,523.71	(\$22,700.00)	R 401k 9470
MD0909154-PY	\$5,342.19	(\$4,100.00)	401k #9471
DD0909153-PY	\$1,195.61	(\$900.00)	#5820
AD06-0130-PY	\$0.00	\$4,505.57	ROTH #7303
MD06-0130-PY	\$0.00	\$4,505.57	ROTH #7302
MD10-0501-PY	\$0.00	\$31,372.93	ROTH 11659
MD04-0914-PY	\$0.00	\$116,159.26	IRA #6505
BE05-0920-PY	\$203,996.76	(\$89,065.77)	IRA # 6993
RE05-0920-PY	\$206,042.82	(\$95,137.00)	IRA # 6992
CE05-0927-PY	\$0.00	\$5,171.45	IRA # 6995
JF05-0322-PY	\$140,835.85	(\$62,330.18)	IRA # 6680
KF05-0322-PY	\$433,432.82	(\$180,134.38)	IRA # 6679
BF05-0620-PY	\$0.00	\$626.81	IRA # 6853
BF10-0201-PY	\$2,007.70	(\$1,581.21)	ROTH 11473
SF10-0624-PY	\$23,374.08	(\$19,300.00)	ROTH #11697
DF04-0816-PY	\$0.00	\$1,063.29	IRA #6474
RF04-0816-PY	\$0.00	\$1,063.29	IRA #6473
LF10-0422-PY	\$52,986.99	(\$42,861.55)	SEP #11619
DG05-0708-PY	\$42,059.07	(\$15,840.43)	IRA #6842
JG11-1110-PY	\$58,735.62	(\$56,050.00)	IRA #12907
LG05-1202-PY	\$0.00	\$6,574.36	IRA # 7136
RG05-1202-PY	\$0.00	\$91,808.11	IRA #7135
EG94-1004-PY	\$0.00	\$4,436.99	
EG99-0720-PY	\$22,295.77	(\$992.46)	IRA 2979
RW06-1229-PY	\$9,207.46	(\$5,012.21)	ROTH # 7313
PG08-0603-PY	\$24,063.11	(\$12,304.25)	IRA #9582
BG11-0929-PY	\$53,835.58	(\$50,150.00)	ROTH #12845
BH10-0907-PY	\$113,571.60	(\$100,000.00)	IRA #11859
RH07-0503-PY	\$8,446.09	(\$5,000.00)	ROTH # 8402
RH06-1121-PY	\$49,991.78	(\$26,728.56)	IRA # 7309
SuspAPSKH-PY	\$0.00	\$6,291.47	IRA 3090
AH10-0805-PY	\$68,978.03	(\$56,561.42)	IRA #11787
RH10-0513-PY	\$63,118.59	(\$51,407.36)	SEP #11596
MH11-0325-PY	\$172,603.76	(\$154,378.00)	I 12273
BH06-1002-PY	\$100,000.00	(\$34,006.58)	IRA # 7861
DH04-0415-PY	\$53,234.78	(\$18,815.55)	IRA #6305
RH04-0330-PY	\$0.00	\$234,099.05	IRA 6323
RH04-0415-PY	\$524,705.26	(\$403,023.82)	IRA 6304

AH10-0624-PY	\$38,633.82	(\$31,900.00)	ROTH #11698
DH95-0510-PY	\$0.00	\$5,894.80	
DH97-0610-PY	\$128,257.95	\$10,597.60	IRA #2916
SuspAPSDH-PY	\$0.00	\$128.02	
MH05-0211-PY	\$17,363.26	(\$5,372.46)	IRA #6649
TH05-0920-PY	\$42,208.82	(\$19,331.83)	IRA # 6979
WH05-0211-PY	\$60,079.16	(\$18,337.13)	IRA #6648
GH94-0512-PY	\$0.00	\$1,547.24	
GH94-1004-PY	\$0.00	\$700.01	
GH96-0423-PY	\$0.00	\$4,549.53	
GH97-0910-PY	\$0.00	\$597.87	
GH98-0601-PY	\$0.00	\$498.42	
GH98-0801-PY	\$0.00	\$3,239.73	
SuspAPSGH-PY	\$114,693.59	(\$26,833.78)	IRA #2926
DH09-0611-PY	\$703,993.11	(\$493,434.91)	IRA #10923
SH06-0720-PY	\$50,450.44	(\$18,647.87)	IRA #7570
TH10-0129-PY	\$0.00	\$61,425.30	IRA # 11455
MH06-0519-PY	\$30,290.41	(\$15,332.00)	IRA #7463
RH10-1109-PY	\$122,808.59	(\$106,071.72)	IRA #11961
GH06-0901-PY	\$95,440.35	(\$40,232.77)	IRA 7773
AJ06-1229-PY	\$14,126.87	(\$7,690.17)	IRA # 8068
CJ04-1103-PY	\$248,603.46	\$32,847.18	IRA #6535
CJ05-1020-PY	\$0.00	\$8,678.06	IRA # 6683
DJ07-0503-PY	\$80,079.27	(\$48,256.42)	SEP # 8478
KJ06-1229-PY	\$9,245.33	(\$5,032.81)	IRA #7999
GJ11-0114-PY	\$340,048.00	(\$300,000.00)	ROTH 11963
BK11-0218-PY	\$59,991.92	(\$53,652.43)	ROTH 12064
DK10-1230-PY	\$113,487.76	(\$97,670.48)	ROTH 12038
LK08-1013-PY	\$10,791.25	(\$7,275.00)	IRA # 9570
WK04-0914-PY	\$43,841.96	(\$18,025.44)	IRA #6482
CL05-0915-PY	\$48,091.03	(\$30,480.13)	ROTH # 6978
GL04-0609-PY	\$28,637.73	(\$11,354.96)	IRA # 6423
GL05-0823-PY	\$39,383.27	(\$26,436.87)	ROTH #6905
SL04-0920-PY	\$0.00	\$9,852.74	IRA #6492
SL04-1008-PY	\$1,450,000.00	(\$548,253.12)	IRA # 6492
SL06-0427-PY	\$0.00	\$118,615.34	IRA # 6492
JL08-0501-PY	\$36,577.42	(\$23,542.24)	ROTH #8537
JL08-0528-PY	\$58,970.68	(\$38,018.02)	IRA #8622
ML07-1221-PY	\$74,446.71	(\$40,987.16)	IRA # 8851
LL06-0313-PY	\$257,198.17	(\$114,500.00)	IRA # 7229
RL95-0502-PY	\$20,000.00	\$9,600.00	IRA # 3159
RL97-1101-PY	\$0.00	\$1,760.00	
RL97-1102-PY	\$0.00	\$1,080.00	
RL98-0922-PY	\$0.00	\$960.00	
DL05-1230-PY	\$80,806.58	(\$39,050.00)	IRA # 7147
SL10-0827-PY	\$88,720.65	(\$73,598.06)	IRA 11846
LL05-0812-PY	\$59,647.60	(\$29,139.42)	IRA # 6903

LL03-0214-PY	\$105,000.00	\$1,107.06	IRA #5935
CL08-0117-PY	\$40,339.67	(\$29,795.28)	ROTH # 9130
FL08-0117-PY	\$40,339.67	(\$29,795.28)	ROTH #9131
RL08-0128-PY	\$474,727.13	(\$293,057.90)	IRA #9176
DM07-1113-PY	\$185,036.62	(\$111,980.73)	IRA # 8852
JM94-1043-PY	\$0.00	\$4,038.30	
JM970910A-PY	\$0.00	\$2,004.01	IRA # 3081
JM970910B-PY	\$0.00	\$1,775.24	IRA # 3081
SuspAPSM-PY	\$0.00	\$23,711.87	
RM05-1230-PY	\$361,162.66	(\$169,400.00)	IRA # 7196
MM07-0321-PY	\$49,669.23	(\$29,755.00)	IRA #8307
SM07-0321-PY	\$43,818.73	(\$26,477.49)	IRA # 8308
GM08-0305-PY	\$91,615.20	(\$50,333.45)	IRA #9256
LM07-1030-PY	\$10,290.99	(\$6,256.13)	IRA #8895
LM07-1031-PY	\$0.00	\$3,496.01	ROTH #8896
RM07-1029-PY	\$0.00	\$3,552.30	IRA #8892
RM07-1030-PY	\$3,148.38	(\$1,895.03)	ROTH #8893
RM07-1031-PY	\$10,586.86	(\$6,372.26)	SIMPLE 8894
AM96-0611-PY	\$21,400.00	\$10,283.44	IRA #3398
KM06-0519-PY	\$39,512.57	(\$20,000.00)	SIMPLE 7509
MM06-0519-PY	\$19,327.52	(\$9,699.79)	SIMPLE 7510
LM09-0424-PY	\$0.00	\$3,236.43	IRA #8433
LM11-0101-PY	\$20,185.72	(\$17,736.43)	ROTH 12128
MM11-0101-PY	\$35,619.96	(\$31,297.94)	ROTH 12127
SuspAPSM-M-PY	\$0.00	\$10,901.03	IRA #3023
EM07-0406-PY	\$13,753.73	(\$9,173.55)	IRA #8328
PM07-0406-PY	\$8,000.34	(\$4,499.75)	IRA # 8329
EM09-1229-PY	\$255,052.25	(\$198,650.00)	IRA #11355
RM09-0130-PY	\$92,301.10	(\$63,957.89)	IRA # 10576
KM10-1005-PY	\$48,071.18	(\$40,233.11)	ROTH 11893
JN10-1201-PY	\$37,757.05	(\$32,000.00)	ROTH 12059
JN06-1030-PY	\$46,915.39	(\$10,952.52)	IRA # 6804
RN07-1025-PY	\$55,679.62	(\$32,578.50)	ROTH # 6105
DN08-0415-PY	\$47,270.89	(\$28,354.89)	IRA # 9354
HN08-0415-PY	\$65,770.76	(\$36,299.53)	IRA 9356
AN94-0901-PY	\$0.00	\$7,559.73	
AN970501A-PY	\$0.00	\$7,321.63	
AN970501B-PY	\$0.00	\$2,760.93	
AN970501C-PY	\$0.00	\$6,989.32	
AN97-1205-PY	\$0.00	\$1,772.05	
AN980601A-PY	\$0.00	\$5,759.64	
AN980601B-PY	\$0.00	\$163.34	
AN980601C-PY	\$0.00	\$25.00	
AN980801A-PY	\$0.00	\$8,832.98	
AN980801B-PY	\$0.00	\$14,824.82	
AN98-0811-PY	\$0.00	\$12,813.65	
SuspAPSAN-PY	\$10,304.14	\$7,169.47	IRA # 2976

GO11-1013-PY	\$548,840.35	(\$509,000.00)	401k 20171
JO11-1013-PY	\$292,211.66	(\$271,000.00)	401k #20172
MP0801B -PY	\$0.00	\$921.73	
MP94-1013-PY	\$0.00	\$9,516.28	
MP95-0511-PY	\$0.00	\$804.95	
MP96-0422-PY	\$0.00	\$1,102.26	
MP97-0701-PY	\$0.00	\$1,001.00	
MP97-0910-PY	\$0.00	\$0.00	
MP97-0911-PY	\$0.00	\$374.74	
MP98-0217-PY	\$0.00	\$2,865.55	
MP98-0617-PY	\$0.00	\$371.50	
MP98-0801-PY	\$0.00	\$1,948.73	
SuspAPSMP-PY	\$211,912.11	(\$40,261.56)	IRA 3011
RP94-0801-PY	\$0.00	\$1,920.00	
RP98-0901-PY	\$0.00	\$2,646.00	
RPACKESUS-PY	\$35,654.23	(\$10,263.63)	IRA # 3016
MP01-0501-PY	\$30,997.99	(\$12,313.39)	IRA # 5588
MP08-0506-PY	\$6,778.02	(\$4,278.97)	SEP # 9508
NP06-1229-PY	\$90,098.63	(\$32,249.56)	IRA #7938
SEPAPSSP -PY	\$87,928.68	(\$34,676.91)	SEP #3383
SP9605011-PY	\$0.00	\$750.13	
SP9605012-PY	\$0.00	\$347.62	
SP98-0601-PY	\$0.00	\$120.00	
SP980801A-PY	\$0.00	\$372.66	
SP980801B-PY	\$0.00	\$80.00	
SP980801C-PY	\$0.00	\$561.04	
SuspAPSSP-PY	\$62,662.46	(\$17,288.73)	IRA # 3382
WP98-0401-PY	\$0.00	\$2,757.81	
DP07-1012-PY	\$36,946.05	(\$22,101.33)	IRA # 8613
GP07-1012-PY	\$24,612.61	(\$14,723.43)	IRA # 8612
LP06-0407-PY	\$448,933.31	(\$170,868.39)	IRA # 7393
SP06-0407-PY	\$60,105.10	(\$23,245.41)	IRA # 7394
AP07-0622-PY	\$13,350.85	(\$8,098.93)	IRA # 8607
KP09-0212-PY	\$50,123.66	(\$32,537.48)	IRA #10571
LP12-0113-PY	\$18,000.00	(\$18,000.00)	IRA # 12010
DP07-0131-PY	\$18,340.15	(\$9,867.93)	IRA # 8122
CR09-0619-PY	\$21,434.66	(\$16,100.00)	ROTH #8401
PR09-0619-PY	\$21,434.62	(\$16,100.00)	ROTH #8399
97-0627CS-PY	\$0.00	\$0.00	
CS95-0817-PY	(\$72.15)	\$5,593.11	
CS96-0301-PY	\$0.00	\$13,092.57	
CS96-0501-PY	\$0.00	\$389.40	
CS98-0215-PY	\$0.00	\$1,506.85	
CS980801A-PY	\$0.00	\$2,752.60	
CS980801B-PY	\$0.00	\$809.59	
SuspAPSCS-PY	\$0.00	\$190,999.65	IRA # 3147
CS10-0701-PY	\$0.00	\$3,761.47	ROTH 11768

PS96-0501-PY	\$0.00	\$647.29	
PS97-0201-PY	\$0.00	\$19,775.53	
PS98-0215-PY	\$0.00	\$1,643.84	
SuspAPSPS-PY	\$0.00	\$358,368.96	IRA # 3082
PS980801A-PY	\$0.00	\$1,080.00	
PS980801B-PY	\$0.00	\$1,410.00	
PS980801C-PY	\$0.00	\$1,095.00	
DS05-0719-PY	\$65,955.72	(\$35,560.97)	IRA #6750
DS10-0423-PY	\$7,043.01	(\$5,699.00)	ROTH #11632
GS04-0416-PY	\$28,490.56	(\$11,393.59)	IRA #6320
GS04-0417-PY	\$159,075.64	(\$73,993.94)	SIMPLE 6321
RS04-0416-PY	\$32,978.49	(\$13,190.52)	IRA #6318
RS04-0417-PY	\$161,848.74	(\$75,044.97)	IRA #6319
GS05-0707-PY	\$100,000.00	(\$24,747.48)	IRA #6841
DS05-0817-PY	\$0.00	\$35,303.98	IRA # 6902
WS05-0413-PY	\$0.00	\$14,533.42	# 6677
AS95-1005-PY	\$0.00	\$4,252.66	
MS06-1001-PY	\$11,600.00	(\$4,756.00)	IRA # 7862
JS04-0407-PY	\$44,120.59	(\$19,114.51)	IRA #6314
KS09-1013-PY	\$24,337.87	(\$17,911.75)	IRA # 11186
MS09-1013-PY	\$21,299.07	(\$16,150.29)	IRA #11185
PS04-0407-PY	\$43,266.48	(\$18,574.64)	IRA #6315
SS09-1027-PY	\$23,023.72	(\$17,538.42)	IRA #11207
TS04-0615-PY	\$0.00	\$18,895.25	IRA #6347
CS05-1516-PY	\$0.00	\$1,504.02	IRA # 6714
GS05-0516-PY	\$0.00	\$1,436.70	IRA # 6712
RS05-0516-PY	\$0.00	\$1,473.49	IRA # 6713
TS05-0516-PY	\$5,392.57	(\$2,350.00)	IRA # 6746
JS07-1220-PY	\$260,000.00	(\$138,617.53)	IRA # 9016
MS09-0219-PY	\$26,021.84	(\$18,306.13)	IRA 10403
TS07-0906-PY	\$48,795.65	(\$28,847.92)	IRA #8669
JS99-0101-PY	\$0.00	\$776.00	SEP IRA 395
StokerSus-PY	\$67,873.57	(\$15,273.15)	Sep-56
GS01-0417-PY	\$0.00	\$6,133.01	IRA #5564
KS01-0417-PY	\$0.00	\$6,133.01	IRA #5563
RT08-0320-PY	\$17,372.19	(\$10,954.12)	ROTH #9351
RT06-1229-PY	\$124,452.01	(\$67,747.27)	IRA # 8095
HC08-0125-PY	\$8,966.76	(\$5,712.47)	IRS #9137
KT06-0303-PY	\$18,326.21	(\$8,992.89)	IRA #6806
MT11-0624-PY	\$30,744.67	(\$28,605.50)	ROTH 12595
MT11-0625-PY	\$72,387.73	(\$67,351.09)	IRA #12575
NT11-0616-PY	\$93,326.46	(\$86,684.71)	IRA 12520
NT11-0624-PY	\$17,182.88	(\$16,110.89)	ROTH 12545
AV06-0519-PY	\$5,837.54	(\$2,954.45)	IRA # 7429
PV06-0519-PY	\$6,849.08	(\$3,466.78)	IRA # 7428
JV05-0414-PY	\$126,837.34	(\$81,525.43)	# 6691
WV08-0305-PY	\$107,297.52	(\$61,110.00)	IRA 9195

JV05-1229-PY	\$309,744.82	(\$126,677.48)	IRA # 7197
WV05-1229-PY	\$49,281.28	(\$23,211.41)	IRA # 7198
MV97-0430-PY	\$90,000.00	(\$80,100.00)	518-88-1091
MV98-0112-PY	\$7,980.49	(\$7,906.85)	
SV09-1112-PY	\$505,577.47	(\$415,708.92)	IRA 11195
BV09-1013-PY	\$51,797.16	(\$39,219.73)	IRA #11095
DW09-0610-PY	\$41,412.40	(\$28,303.20)	IRA #10880
JW09-0610-PY	\$281,766.25	(\$213,000.11)	IRA # 10879
CW95-0518-PY	\$6.41	\$1,167.62	
CW96-0501-PY	\$0.00	\$2,270.55	
CW99-0101-PY	\$0.00	\$864.00	
SuspAPSCW-PY	\$27,000.00	\$10,290.68	
BW10-0921-PY	\$74,657.84	(\$63,425.37)	IRA 11681
EW11-0927-PY	\$5,130.00	(\$5,130.00)	IRA 12656
LW06-0105-PY	\$34,300.78	(\$19,368.48)	ROTH # 7159
RW06-0105-PY	\$42,438.79	(\$23,444.60)	SEP # 7160
SW08-0328-PY	\$37,705.97	(\$27,927.81)	ROTH 9428
KW07-1220-PY	\$108,728.70	(\$66,500.00)	IRA # 9072
GZ10-1005-PY	\$43,410.74	(\$36,332.54)	ROTH 11894
<b>Total Note Balance - 6/25/2012</b>	<b>\$16,351,945.67</b>	<b>293</b>	
<b>Total Potential Claims - 6/25/2012</b>	<b>\$9,274,059.87</b>	<b>167</b>	

## **EXHIBIT 3**

CHRIS MARTINEZ  
(801) 933-8940  
martinez.chris@dorsey.com

April 4, 2013

**VIA ELECTRONIC MAIL AND POSTAL  
SERVICE**

Cameron Hancock  
Sara Becker  
Kirton McConkie  
Kirton McConkie Building  
50 East South Temple  
Suite 400  
Salt Lake City, UT 84111

**THIS IS A CONFIDENTIAL SETTLEMENT COMMUNICATION SUBJECT TO FEDERAL  
RULE OF EVIDENCE 408**

**Re: *American Pension Services' Complaint in Intervention***

Dear Cameron,

As you know, National Note and its affiliated entities (collectively, the "National Note Entities") were placed in a receivership in June of 2012. The National Note Entities issued promissory notes to many of its investors (the "Promissory Notes"). It is the Receiver's opinion that as a consequence of the Receivership, the Promissory Notes have no value. This is because the Promissory Notes will not be paid by the Receiver, and therefore, the Promissory Notes issued by the National Note Entities are of no value. It is possible that holders of the Promissory Notes may eventually receive some distribution from the Receivership, but the basis for this distribution will not be the Promissory Notes, but rather the amount of money that was invested in or loaned to the National Note Entities.

The Receiver offers this assessment to you so that your client can reduce or eliminate the notional value of the Promissory Notes that it is holding as the custodian of self-directed retirement accounts. As you know, the Receiver has been concerned that American Pension Service, Inc. ("APS") has continued to charge National Note investors a maintenance fee based on the face value of these now-worthless Promissory Notes. Accordingly, the Receiver offers the following compromise to APS to resolve claims alleged against the Receiver:

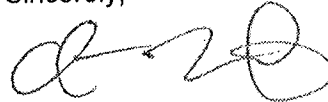
- 1) The Receiver will edit its website. The website will read as indicated on the enclosed document.

Cameron Hancock  
April 4, 2013  
Page 2

- 2) APS will stop charging National Note investors any custodial fees based on the face value of the Promissory Notes.
- 3) APS agrees that this is a final resolution of APS' complaints against the Receiver concerning the Receiver's prior website postings. Accordingly, APS will agree not to file a complaint in intervention against the Receiver or the Receivership Estate. APS will enter an agreement in which it releases its claims against the Receiver or the Receivership Estate. And APS will withdraw its motion to intervene.

Please let me know if your client will agree to this proposal.

Sincerely,



Chris Martinez

CM:hmd

**August 8, 2012:** The Receiver has prepared answers to Frequently Asked Questions. It is hoped that this FAQ will help investors understand the nature of receiverships and what to expect in this case. In addition, many investors have inquired about their retirement accounts being held with a custodian, wanting to know if there are alternatives to paying high, ongoing account maintenance fees for an asset that has lost much of its value. If you are such an investor, it may be advisable to seek independent guidance from your tax advisor on these issues.

**The following sections are from the FAQ:**

***Should I get an attorney? . . .***

At the same time, it is possible that an attorney could help you identify potential avenues of recovery that the Receiver will not be pursuing. If someone else solicited you to invest in National Note, that person might be liable to you. It is possible that others, such as retirement custodians, might share some responsibility for your losses. The Receiver does not expect to be pursuing claims such as this, where the claims would belong to individual investors.

***Do I need to keep paying fees to my IRA custodian?*** We have heard from some investors that the custodians of their IRA or Roth IRA accounts expect the investors to keep paying custodial fees that are based on the full value of the investments, even though the investments have lost much of their value. The Receiver encourages investors to seek independent guidance from a tax advisor about alternatives to paying these custodial fees.

Previously, the Receiver posted on his website a notice entitled "Paying Custodial Fees for Retirement Accounts" (the "Posting"). The Receiver took the Posting down from his website after one custodian, American Pension Services, Inc. ("APS"), objected to its content. No investor should conclude, on the basis of the Posting, that APS has engaged in any illegal or abusive conduct. In fact, APS has agreed that if APS is the custodian of a Promissory Note from National Note or one of its affiliates subject to the Receivership, APS will no longer charge custodial fees that are based on the full, face value of that Promissory Note. At least one custodian has told investors that if they cease paying the high maintenance fees, the custodian will send a tax notice stating that there has been a taxable distribution. The Receiver encourages investors to consider alternatives to paying high custodial fees. This might include finding an alternative custodian or closing out the custodial account while awaiting a distribution. The Receiver expects to post a notice soon identifying

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## **EXHIBIT 4**

## PAYING CUSTODIAL FEES FOR RETIREMENT ACCOUNTS

### NATIONAL NOTE OF UTAH

Dear Investors:

We are aware that many investors invested monies from their IRA accounts or Roth IRA accounts. IRS rules require that these investments be maintained by an independent custodian. However, the investments were actually dependent on National Note, not the IRA custodian. As a result, some IRA administrators or custodians have been telling investors that they are required to continue paying the extremely high fees or the account will be closed. In some cases, the custodians have threatened that if investors close the accounts, the custodian will send tax notices that treat it as a distribution of the full amount – causing significant tax consequences.

One of the investors forwarded to us information he received from the IRS about alternatives.

The IRS agent told this investor that, of course, this situation is not unique. There have been many Ponzi schemes collapse where retirement funds were lost or frozen. The IRS agent explained that the investor can close the self-directed IRA accounts. At a later date, if funds are recovered, investors can make sure that distribution checks are made out in the name of the IRA or Roth IRA account. The investor can then deposit these payments into an existing or new IRA or Roth IRA account and the funds will retain their tax-advantaged status. The checks can be sent to the investor (made out to the IRA account) or sent by the Receiver directly to a previously-established IRA account.

The IRS agent suggested that investors have their accountants or tax preparers review IRS Publication 550, dealing with insolvency, bankruptcy, extensions of roll-over time limits, and recovery of prior IRA assets. The agent said that the custodians should not be reporting this as a taxable event using a Form 1099R.

In light of this guidance, investors should object to any threats that custodians will issue Form 1099s. If the custodians do issue Form 1099s, under these circumstances, we suggest two courses of action: first, contact the IRS to file a complaint about abusive practices by the custodian, and second, have your tax preparer send a letter along with your 2012 tax forms explaining why the Form 1099 issued by the custodian was not a distribution and should be ignored.

In sum, it appears that there are alternatives to continue paying the high maintenance fees on IRA and Roth IRA retirement accounts. It is fundamentally unfair for a custodian to continue charging fees that are based on a fictitious value of the asset. It is also unfair for the custodian to continue collecting fees for an asset of severely-diminished value.

Other alternatives might be transferring your IRA or Roth IRA to another financial institution or becoming your own custodian of your IRA account.

Wayne Klein, Receiver: August 4, 2012

*wonder what the fee would be for that*

*How will the investors be kept informed?* The Receiver is required to file quarterly status reports with the Court, in addition to filing motions seeking approval for significant actions to be taken by the Receiver. These quarterly status reports will be posted on the Receiver's website: <http://www.kleinutah.com/index.php/receiverships/national-note-of-utah-lc>. We will try to have current information on the website, including notices of developments in the case. We ask the investors to check the website periodically to be advised of new actions, or flag the website to be automatically notified when there are new postings.

*Do I need to keep paying fees to my IRA custodian?* We have heard from some investors that the custodians of their IRA or Roth IRA accounts expect the investors to keep paying custodial fees that are based on the full value of the investments, even though the investments have lost much of their value. At least one custodian has told investors that if they cease paying the high maintenance fees, the custodian will send a tax notice stating that there has been a taxable distribution. The Receiver encourages investors to consider alternatives to paying high custodial fees. This might include finding an alternative custodian or closing out the custodial account while awaiting a distribution. The Receiver expects to post a notice soon identifying alternatives.

*What is the Court's role in overseeing the Receiver?* The Receiver acts at the direction of the Court. The Receiver makes routine decisions regarding operation of the receivership and investigating prior transactions, but must seek court approval for all major actions such as deciding when to begin filing lawsuits, approving settlements with persons owing money to the receivership, selling properties, releasing entities from the receivership estate, adding new entities to the receivership estate, and authorizing payment of fees to the Receiver.

*How is the Receiver paid?* The Receiver will be paid an hourly rate, but his payment is subject to several conditions: i) the Receiver will be paid only from assets that are recovered. Neither the Court nor the SEC have any obligation to make payments to the Receiver, ii) the SEC will review all requests by the Receiver to be paid for his work and can object if it wants, and iii) the Court must approve all payments to the Receiver, including the fees for his work and reimbursement of his expenses. The Receiver can be paid only after the Court issues an order approving payment to the Receiver.

*Wayne Klein, Receiver: August 4, 2012*

## **EXHIBIT 5**



Thirty years of Genuine Self-Direction<sup>1</sup>

July 18, 2013

VIA: US Mail Delivery

[REDACTED]  
[REDACTED]  
[REDACTED]

Dear [REDACTED]

As you are aware the National Note assets held in the above referenced account(s) are involved in an SEC Receivership. We recognize the heartache of this situation and extend our sympathy. Beginning in August 2012 through May 2013 APS sought a Fair Market Valuation (FMV) of the National Note assets from the receiver which would allow APS to account for the troubled assets in accord with the receiver's unique knowledge of the receivership estate. Unfortunately the receiver was unwilling or unable to offer said valuation.

As a longtime valued customer we seek to inform you of action you may now consider given the failed attempts to acquire a FMV. Below you will find proposed options we believe may be available to you. We encourage you to discuss these options with your CPA, attorney or other tax professional to determine the advisability of taking such action. Their participation in this process is vital, because of the potentially long term financial effect on you/your IRA account(s).

- 1) Apply the safe harbor provisions offered under Rev. Proc. 2009-20<sup>1</sup> by completing the attached worksheet. APS will revalue the National Note asset to 5% of the outstanding principal balance of the note (figures reflected on the enclosed worksheet). Because of the low tax liability incurred on an in-kind distribution completed at 5%, it is anticipated that the majority of customers will take distribution of the asset by completing the enclosed Distribution Form and close their APS account(s). Upon distribution, any claim to the receivership estate is personal. Please note that there are certain conditions on claiming a loss under this provision.
- 2) Hold off on claiming a loss. APS will continue accounting for the National Note asset at the current outstanding principal balance of the note for the duration of the SEC receivership at which time a court issued valuation will be available. When the time comes APS will file a claim to the receivership estate on behalf of the retirement plan. Account owners who elect this option must keep their account administration fees current, and continue adhering to the rules of the retirement plan, including Required Minimum Distributions (RMDs), which are required by law to be made out of the account as in-kind distributions even if no cash is available.

If you would like APS to apply the Revenue Procedure as detailed on the enclosed worksheet, please sign the attached worksheet indicating that you agree with the proposed figures. Upon receipt of the executed authorization, APS will begin the process of recognizing the new FMV and make the associated fee adjustment. Additionally, if you would like APS to distribute the asset following the FMV adjustment, complete the enclosed Distribution Form. In the absence of your authorization to apply the Revenue Procedure as justification for an updated fair market valuation of 5%, APS will take no action.

We await further direction from you in this important matter.

Sincerely yours,

Curtis L. DeYoung  
American Pension Services, Inc.  
President, Founder, CEO  
Enclosures

<sup>1</sup> In March of 2009 the IRS issued Rev. Rul. 2009-9 and Rev. Proc. 2009-20 which provided guidance on the tax treatment of theft losses from Ponzi Schemes. These guidelines set out provisions for taxpayers to determine a theft loss deduction related to a fraudulent investment arrangement to certain qualified investments and qualified investors. For more information visit: [www.irs.gov/irb/2009-14\\_IRB/acr1.htm](http://www.irs.gov/irb/2009-14_IRB/acr1.htm).

AMERICAN PENSION SERVICES, INC.

4168 W. 12600 E. Suite 200 Riverton, UT 84096 ☎ 801 571 0667 ☎ 800 365 8949 f 801 208 7310 w [www.americanpension.com](http://www.americanpension.com)

**NATIONAL NOTE RECEIVERSHIP WORKSHEET  
FOR APPLICATION OF REVENUE RULING 2009-09 and REVENUE PROCEDURE 2009-20**

Account Owner Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Account Number: \_\_\_\_\_

1) Calculate the basis or claim amount of the National Note assets, using the following formula:

✓ National Note Principal (BOTT) 53,433.63

✓ RMD In-Kind Distribution (DSA7) 0\*

✓ Less Principal Received (PRNC) 24,300.00

✓ Less Interest Received (INTT) 16,829.38

**Principal Balance National Note/Receivership Claim Amount** \$12,304.25

2) Reduce the fair market value of the National Note Claim by applying the 95% loss allowed by IRS Revenue Ruling 2009-09 and Revenue Procedure 2009-20, applicable to losses associated with Ponzi Scheme losses. Calculate the new fair market value with the formula below:

✓ Receivership Claim Amount 12,304.25

✓ Less 95% of Claim Amount 11,689.04

**Taxable Value of National Note Receivership Claim** \$615.21

I authorize American Pension Services to apply the provisions of Revenue Ruling 2009-09 and Revenue Procedure 2009-20, to the fair market value of the National Note Receivership Claim held in my Retirement Plans. The losses associated with the National Note Receivership Claim are a result of a Ponzi Scheme and I am eligible for the 95% write off of Ponzi Scheme losses. I have discussed this with my CPA or Tax Professional and I understand that this action is the election that will result in the most favorable treatment for my Retirement Plan. I release American Pension Services of all responsibility regarding my decision to interpret this Rev Pro 2009-20 as an acceptable fair market valuation of the National Note Receivership Claim. I take full responsibility for the consequences of my actions and decisions regarding this investment in my IRA account listed above, and with my signature acknowledge my agreement to the figures listed on this worksheet.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

I would like to take an "in-kind" distribution at this time, after the fair market value has been reduced to 5%. Please close my account according to my directions in the attached **Distribution Form**, as soon as administratively possible. I will pay the fees associated with the closure of my IRA according to the published fee schedule of American Pension Services.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

\*Please note that you may qualify to file a claim with the receiver for "in-kind" distributions of National Note assets that you received as MRD distributions.

American Pension Services, Inc.®  
4168 W. 12600 S. Suite 300  
Riverton, UT 84096  
801 571 0667  
americanpension.com



Thirty years of Genuine Self-Direction™

[REDACTED]  
[REDACTED]  
[REDACTED]

Statement for IRA

January 1, 2013 - July 29, 2013

Total Funds: \$31,339.72

ASSET	BALANCE
Cash	\$7,750.75
National Note	\$23,588.97

DATE	DESCRIPTION	AMOUNT	BALANCE
06/30/2013	Interest thru 6/30/2013	\$3.33	\$7,750.75
05/02/2013	Fees paid from funds	-\$308.99	\$7,447.42
03/31/2013	Interest thru 3/31/2013	\$3.97	\$8,056.41

DATE	DESCRIPTION	AMOUNT	BALANCE
05/02/2013	Fees paid from funds	-\$308.99	\$0.00
05/02/2013	Annual fee charged	\$308.99	\$308.99

## **EXHIBIT 6**

January 15, 2013

Wayne Klien,

Reciever for National Note Of Utah

1-27-13

Dear Mr. Klien.

As per your request on your website I have enclosed a copy of the letter sent to me from American Pension Services, Dated September 26, 2012 and signed by Christine Dalton.

The letter states that they are resigning as Administrator of my Individual Retirement Account

[REDACTED] was advised to roll it over to a new custodian. American Pension Services Knows that National Note is in Receivership and that the papers that they sent back to me are worthless at this time, there is no monetary amount that can be rolled over. I Did Check With my Bank (Bank of America) and also was told that these are now basically fictitious papers and are worthless.

When The payments to me from National Note Became sporadic, I called American Pension and was told by Carol Bate and Christine Dalton that they did not worry, National Note is a very solid company.

When we found out that National Note had been shut down I called American Pension Services to see what was going on. I was told by Christine Dalton that American Pension Services had been Involved with several of these Ponzi Schemes and from there experience it could be several years before the investor ever received any funds back if they received anything at all.

Why did they not tell me this before I invested? I was told that Wayne Palmer (National Note) was one of their most reliable accounts.

American Pension Services charged me for a full year of service for 2012 (payment taken from what was supposed to be December 2011 payment) yet after March 2012, I received nothing from them. Greedy they only care about how much they can collect as administrators of the I.R.A. accounts

Is there a chance that the assignment of interest in the deed of trust to me, on the property at 2351 South Grant Ave Ogden Utah is valid I did not sign any reconveyance papers.

Enclosed is a copy of the Trust Deed which I sent To you earlier. Maybe the property can be sold to recover some for the investors. I had told Wayne Palmer that I would not invest my funds without some Real Estate security.

With Love, [REDACTED] (Email) [REDACTED]

[REDACTED]



Thirty years of Genuine Self-Direction

September 26, 2012

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]

Dear [REDACTED]

American Pension Services has elected to resign as Administrator of the [REDACTED]

This distribution is considered a rollover distribution from an IRA. You are eligible to rollover this "in-kind" distribution to a new custodian of your choice, within 60 days to continue the tax deferred status of the IRA. If you fail to rollover the asset within 60 days to the custodian of your choice, it may be taxable to you with a 10% penalty for early withdrawal, plus regular income tax in 2012.

National Note, Promissory Note  
**Total Taxable Distribution**

\$107,297.52  
**\$107,297.52**

Enclosed please find the assignment of the original promissory note currently held in your self-directed IRA account.

This concludes the closure of IRA [REDACTED]

Sincerely yours,

*Christine Dalton*

Christine Dalton

Enclosure: Assignment of National Note, Original Promissory Note  
Closing Statement

cc: File [REDACTED]

AMERICAN PENSION SERVICES, INC.

4163 W. 12600 S. Suite 100 Riverton, UT 84096

571 0667

365 6949

208 7310

www.americanpension.com

## PROMISSORY NOTE

\$103,092.87

3/1/2010

**FOR VALUE RECEIVED**, the undersigned promise to pay to American Pension Services Inc. administrator for:

ONE HUNDRED THREE THOUSAND NINETY-TWO & 87/100 Dollars (\$103,092.87)

together with interest from date at the rate of 12% per annum on the unpaid balance, payable as follows, viz:

\$1,030.93 on or before 4/1/2010; and  
\$1,032.74 on or before 5/1/2010; and

continuing on or before the first (1st) day of each month thereafter until 3/1/2012, at which time the entire balance together with accrued interest shall be due and payable in full.

**Late Fees.** Together with a late fee of 2% for each interest payment not paid within 15 days of the date it is due.

**Application of Payments/Default Interest.** All payments shall be delivered to

American Pension Services Inc.  
4168 West 12600 South 3rd Floor  
Riverton, UT 84065

or assigns and shall be applied first on accrued interest and the balance to reduction of principal. Any installments of principal and interest not paid when due shall, at the option of the legal holder hereof, bear interest thereafter at the rate of 12% per annum until paid.

**Default.** In case of a default in the payment of any installment of principal or interest as herein stipulated, then it shall be optional with the legal holder of this note to declare the entire principal sum hereof due and payable; and proceedings may at once be instituted for the recovery of the same by law, with accrued interest and costs, including reasonable attorney's fees.

**Notice/Modification.** The makers and endorsers severally waive presentment, protest and demand; and waive notice of protest, demand and of dishonor and non-payment of this note, and expressly agree that this note may not be modified except by mutual consent of the parties hereto.

**Renewal.** This note pays in full, by renewal, all former notes between National Note of Utah, LC and the Payor.


**Security:** This Note is secured by the Maker's interest in certain Notes and Trust Deeds and/or Security Agreements secured by real estate.  
National Note of Utah, LC

By:

Wayne L. Palmer,  
Managing Member

**ASSIGNMENT  
OF  
PROMISSORY NOTE**

For good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned, American Pension Services, Inc., irrevocably assigns and conveys to [REDACTED] all of its rights, interests and claims which exist as administrator of the [REDACTED] Account [REDACTED] in and to the principal and proceeds of a certain Promissory Note, in the amount of \$103,092.87 with National Note as obligor and the undersigned as beneficiary.

  
AMERICAN PENSION SERVICES, INC.  
By: Dean H. Becker, Corporate Secretary  
DATE 26 Sept 2012

When recorded, return to:  
National Note of Utah  
1549 West 7800 South  
West Jordan, UT 84088



\*0230278\*

EA 2369278 PG 1 OF 3  
ERNEST D ROWLEY, WEBER COUNTY RECORDER  
09-OCT-08 9:51 AM FEE \$22.00 DEP SC  
REC FOR: NATIONAL NOTE OF UTAH, LC  
ELECTRONICALLY RECORDED

**ASSIGNMENT OF BENEFICIAL INTEREST IN TRUST DEED  
FOR SECURITY**

For value received, and to secure the payment of the indebtedness described below, the undersigned Assignor, National Note of Utah, L.C., hereby assigns to the Assignee(s), American Pension Services, Inc./ FUB [REDACTED], an undivided \$95,200.00 of Assignor's right, title and interest in and to the beneficial interest in that certain Trust Deed dated November 15, 2006, between Presidential Utah Properties, LLC, as Trustor(s), in favor of Backman Title Services, Ltd., as Trustee, for the benefit of National Note of Utah, LC, as Beneficiary, recorded November 30, 2006, as Entry No. 2225307, in the official records of the Recorder of Weber County, State of Utah against the following described real property in Weber County, State of Utah:

See Attached Exhibit "A"

which has the address of 2351 South Grant Avenue, Ogden, Utah 84401

Parcel Nos. 01-029-0030, 01-029-0035, 01-029-0034

Assignor hereby represents the following to Assignee(s):

1. The Assignor has duly performed all of the conditions imposed on Assignor under said Trust Deed and the related Trust Deed Note.
2. The Trust Deed is now in full force and effect, and the unpaid balance owing on the Trust Deed Note secured by the Trust Deed is \$792,078.99 as of September 1, 2008.
3. The Trust Deed is assignable.

This assignment is given for the purpose of securing payment of the indebtedness evidenced by a Promissory Note dated March 5, 2008, in the principle sum of \$91,600.00 in which Assignor is the maker, payable to the order of Assignee, at the times and in the manner and with interest as therein set forth.

As long as there is no default in the obligations of Assignor to Assignee in the Promissory Note from Assignor to Assignee, Assignor shall continue to collect all payments paid under the Trust Deed Note secured by the Trust Deed hereby assigned and shall have the right to enforce all remedies against the Trustors as makers of the Trust Deed Note if there is a default under the Trust Deed and/or the Trust Deed Note.

EXHIBIT A

Parcel 1: Tax ID #01-029-0030

Part of Lots 9 and 10, Block 33, Plat A, Ogden City Survey, Weber County, Utah: Beginning at the Southeast corner of Lot 9; thence North 38.2 feet; thence West 165 feet; thence South 50.2 feet; thence East 165 feet; thence North 15 feet to beginning.

Together with an 8 foot right-of-way on the North.

Parcel 2: Tax ID #01-029-0035

Beginning at a point 45 feet South of the Northeast corner of Lot 9, Block 33, Plat A, Ogden City Survey; running thence South 48 feet; thence West 165 feet, thence North 45 feet, thence East 165 feet to the place of beginning.

Subject to a right of way over the South 4 feet of the above described property.

Together with a right of way over a strip of ground 4 feet wide adjacent to said property on the South.

Also: Part of Lot 9 of said Block 33; beginning at a point 50 feet North of the South line of said Lot 9 and 165 feet West of the East line of said Lot 9, running thence North 38.2 feet to a point 45 feet South of the North line of said Lot 9, thence West 50 feet, thence South 38.2 feet, thence East 50 feet to the place of beginning.

Together with a permanent but non-exclusive easement for ingress and egress over the following described tract of land in said Block 33: Beginning at a point 60 feet North of the Southwest corner of Lot 4 of said Block 33, running thence East 495 feet, more or less, to the centerline of Lot 9, said Block 33, thence South 50 feet to the South line of said Lot 9, thence West 495 feet, more or less, to the West line of said Lot 4, thence North 60 feet to the point of beginning.

Also: Reserving unto the Grantor for ingress and egress the following described right of way: Beginning at a point 94 feet South and West 157 feet West of the Northeast corner of Lot 9, Block 33, Plat A, Ogden City Survey; running thence North 27.2 feet, thence West 41.6 feet; thence North 21.8 feet; thence West 16.4 feet, thence South 38.2 feet, thence East 50 feet, thence South 10.8 feet, thence East 8 feet to the point of beginning.

Parcel 3: Tax ID #01-029-0034

Part of Lot 9, Block 33, Plat A, Ogden City Survey, Weber County Utah: Beginning at a point on the South line of said Lot 9, said point located East of the Southwest corner of said Lot, a distance of 91.75 feet, thence continuing East along the South line of said Lot 9 a distance of 73.25 feet; thence North along a line perpendicular to the South line of said Lot 9 a distance of 50 feet; thence West along a line parallel to the South line of said Lot 9 a distance of 73.25 feet; thence South along a line perpendicular to the South line of said Lot 9 a distance of 50 feet to the point of beginning.  
State in Weber County.  
State of Utah

If there is any default in the payments due from Assignor to Assignee under the Promissory Note between them, and the default continues for more than sixty (60) days after written notice of said default from Assignee to Assignor, then Assignee shall have the right to give notice directly to the Trustor(s) under the Trust Deed, as makers of the Trust Deed Note secured by the Trust Deed, to thereafter make all payments [or a proportionate amount of the payments if this is an assignment of a partial interest] under the Trust Deed Note directly to Assignee until the payment default in the Promissory Note between Assignor and Assignee is fully and completely cured, including but not limited to the payment of all attorneys fees and costs incurred by Assignee in giving notice of default, directing Trustors to make payments directly to Assignee and otherwise enforcing the rights of Assignee against Assignor under the Trust Deed and Trust Deed Note.

In addition to having the right to collect payments directly from the Trustors in the event of an uncured default under the Promissory Note between Assignor and Assignee as herein provided, if the Trustors default under the Trust Deed and/or the Trust Deed Note during the time of the uncured default between Assignor and Assignee, Assignee shall have the right to direct the Trustee to undertake foreclosure and all other available legal and equitable proceedings under the Trust Deed, for the benefit of Assignee, and, if Assignee deems such action advisable, to substitute a new Trustee under the Trust Deed to take such actions.

Dated October 8, 2008

NATIONAL NOTE OF UTAH, L.C.

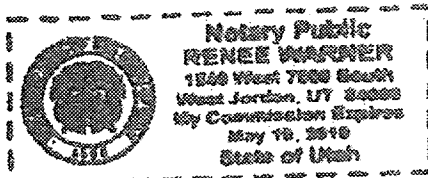
By [Signature]  
Wayne L. Palmer, Manager

STATE OF UTAH )  
ss  
COUNTY OF SALT LAKE )

On the 8<sup>th</sup> day of October, 2008, personally appeared before me Wayne L. Palmer, the Manager of National Note of Utah, L.C., a Utah limited liability company, the signer of the foregoing instrument, who being by me duly sworn, acknowledged to me that he executed the same for and on behalf of said limited liability company.

SEAL:

[Signature]  
Notary Public



October 29, 2012

American Pension Services  
4168 W. 12600 South suite 300  
Riverton UT 84096

Attn. Christine Dalton

Re IRA # 9 [REDACTED]

Dear Christine Dalton,

I am in receipt of your letter of September 26, 2012 and have very serious issues with it.

First of all you send a statement for September 26, 2012 showing that you distributed the full amount of my IRA from National Note to me which is completely false. All funds that I ever received from National Note had to go through your office via check from National Note to your office and then after the check to you from National Note cleared you sent a check directly to My Bank of America account in Fallbrook, Ca.

No such deposit was made for the \$107,297.52 that you claim to have distributed to me. As far as I am concerned and the attorney that I consulted with, this may constitute fraud on your part. I have received no such funds to roll over to any custodian. As you well know the SEC has closed down National Note! I have checked with several banks and they just laugh and tell me that this IRA is now a fictitious amount at this time and are worth nothing and will be worthless until and if there is ever a settlement with National note and Wayne KLeine, the receivership attorney for the SEC. I invested cash dollars, not a Promissory note and expect cash dollars in return in order for you to legally close my account.

Also you deducted the full yearly fee for your custodial services for 2012 out of my check from National Note that was supposed to be my December 2011 Payment and you have not performed your custodial duties for 2012 except for 1 month (January.) Therefore I request that you refund to me all but one twelfth of the fees that you charged me for the full year. If you do not, then I may have to take legal action to recover it and come to Utah to do so.

When I first invested my IRA through your firm I asked specifically about National Note and was told By Julie and Carol Bate that National Note was one of the most reliable companies that you have had dealings with in regards to IRA investments.

Also , when National Note became sporadic in their payments I again contacted your office and was told by Julie and Carol that your company does not worry about National Note because they are one of the most reliable companies that you deal with and for us not to fret.

I am enclosing copy of a letter from Wayne Klein the SEC attorney appointed to the National Note case. If you will read the underlined sentences you will see that if you do report any of the National Note

funds involved in this receivership as a full distribution to the beneficiaries, there can be serious consequences to your firm.

I for one will contact the IRS about the abusive practices and file a complaint.

Since you did close my account, I cannot now do so., but I will do all that I can to prove that you did not send me any monetary funds at the time that you closed my account. All you sent me are papers that are in the hands of the receivership and at this point are as you well know basically worthless.

A copy of the court order appointing the receivership is also being sent to you with this letter.

When it became evident that National Note was in receivership and I called your firm I was told by Christine that American Pension Services had experienced several of these situations before and that it could take 2 to 5 years to resolve and that IRA accounts usually received pennies on the dollar invested if they receive anything at all.

Why were we not told of this prior to investing our life's savings for our retirement.

This whole thing has put a tremendous financial burden on my whole family,

[REDACTED]  
[REDACTED] ( 7 members of just one family.)

My brother [REDACTED] will loose his home over this and yet you want to charge all of us the fees for services that you did not perform. Is all that matters any more how much a company can make no matter who gets hurt?

A copy of this letter will also be sent to Wayne Klein, appointed receivership in this case.

Sincerely,

[REDACTED]

Wayne Klein

---

From: Wayne Klein [wklein@kleinutah.com]  
Sent: Monday, January 28, 2013 11:07 AM  
To: [REDACTED]  
Subject: American Pension, Ogden Office Building

[REDACTED]

Thank you for sending copies of the documents relating to American Pension Services. I will see if these will be helpful in the lawsuit that American Pension Services wants to file against the receivership estate.

Your letter also asked about the "assignment of beneficial interest" given to you in the office building on Grant Street in Ogden, Utah. National Note issued hundreds of these assignments to investors on dozens of properties that National Note owned. We do not believe these are valid liens against the real estate as they are not deeds of trust, but are assignments of interests in deeds of trust. It may be that National Note intended to create the impression that these were actual liens on property instead of interests in documents. We are in the process of seeking a court determination whether these are liens against the property. If not, it means that your investment was unsecured.

Wayne

---

*Please note our new address and office phone number*

Wayne Klein  
KLEIN & ASSOCIATES, PLLC  
10 Exchange Place, Suite 502  
Salt Lake City, UT 84111

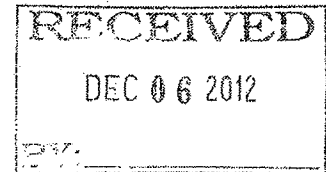
801-456-4593 (Phone)  
801-824-9616 (Cell)  
[wklein@kleinutah.com](mailto:wklein@kleinutah.com)

Attention: The information in this e-mail is confidential and may be a legally-protected document intended only for the use of the individual(s) named above. If you are not the intended recipient, you are hereby notified that any review, dissemination, distribution, or duplication of this document is strictly prohibited. If you have received this document in error, please notify me and destroy this document.

# EXHIBIT 7

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

December 4, 2012



Wayne Klein  
10 Exchange Place Ste. 502  
Salt Lake City, UT 84111

RE: SEC – National Note

Dear Mr. Klein:

This morning I talked to Matthew Himes with the SEC. The reason for my call was to obtain advice regarding a phone call and correspondence from American Pension Services, Inc.

Mr. Himes requested I send you copies of the correspondence – which you will find in this mailing. I am waiting to hear back from Mr. Himes, as I am not sure what to do about the information I have received. There has been an indication that I need to act within 60 days to continue to be eligible to report the funds as tax deferred. If you can give any legal advice on how I am to proceed, I would be most appreciative.

My letter to American Pension Services did indicate that I was not willing to pay them a fee for services which I felt were not performed – as there are no funds in the account to manage. Also, when we gave them our money, we gave an extra \$500 for the purpose of fees, and future dividends were to take care of future fees. I also told them that they could close our account as there are no funds to manage, and I did not intend to pay for services not performed. Perhaps this was not in my best interest, nor appropriate in the midst of National Notes investigation.

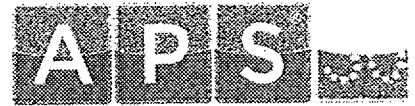
At this time my husband and I are not at our primary residence, we are in Nevada and do not have a land line (phone). I'd appreciate communication per e-mail vs phone.

E-mail: [REDACTED]

If there is anything else that you need from us to help with this case, please don't hesitate to let me know. I'd appreciate you letting me know you received this mailing.

Sincerely,

[REDACTED]  
[REDACTED]  
[REDACTED]



Thirty years of Genuine Self-Direction\*

November 16, 2012

[REDACTED]  
[REDACTED]  
RE: Distribution of IRA [REDACTED]

Dear [REDACTED]

As you requested, we have assigned the assets listed below to your personal ownership, which constitutes a distribution from an IRA.

National Note, Promissory Note  
Total Taxable Distribution

\$50,500.00  
\$50,500.00

This distribution is eligible for rollover to another IRA account or qualified plan within 60 days, if you wish to continue the tax deferred and/or penalty free status of the account. We encourage you to consult your tax professional regarding this distribution at your earliest convenience.

Remember that the fees are due, even if the account is closed. In that instance the delinquent account will be turned over to a collection agency, who will continue to pursue this debt.

Feel free to contact our office with questions or concerns at your convenience, (801)-571-0667.

Sincerely yours,

Christine Dalton

MD/cd

Enclosures: Assignment of National Note, Original Promissory Note  
Statement  
Invoice


cc: File [REDACTED]

AMERICAN PENSION SERVICES, INC.\*

4168 W. 12600 S. Suite 300 Riverton, UT 84096 • 801 571 0667 • 800 365 6949 • 801 208 7310 • www.americanpension.com

**ASSIGNMENT  
OF  
PROMISSORY NOTE**

For good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned, American Pension Services, Inc., irrevocably assigns and conveys to [REDACTED] all of its rights, interests and claims which exist as administrator of the [REDACTED] Account [REDACTED] in and to the principal and proceeds of a certain Promissory Note, in the amount of \$50,500.00 with National Note as obligor and the undersigned as beneficiary.

  
\_\_\_\_\_  
AMERICAN PENSION SERVICES, INC.  
By: Dean H. Becker, Corporate Secretary  
DATE 16 November 2012

## PROMISSORY NOTE

\$50,500.00

6/9/2011

**FOR VALUE RECEIVED**, the undersigned promise to pay to American Pension Services Inc. administrator for:

IRA # [REDACTED]

FIFTY THOUSAND FIVE HUNDRED & NO/100 Dollars (\$50,500.00)

together with interest from date at the rate of 12% per annum on the unpaid balance, payable as follows, viz:

\$431.50 on or before 7/1/2011; and

\$505.00 on or before 8/1/2011; and

continuing on or before the first (1st) day of each month thereafter until 12/1/2012, at which time the entire balance together with accrued interest shall be due and payable in full.

**Late Fees.** Together with a late fee of 2% for each interest payment not paid within 15 days of the date it is due.

**Application of Payments/Default Interest.** All payments shall be delivered to

American Pension Services Inc.  
4168 West 12600 South 3rd Floor  
Riverton, UT 84065

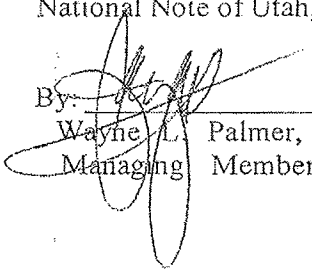
or assigns and shall be applied first on accrued interest and the balance to reduction of principal. Any installments of principal and interest not paid when due shall, at the option of the legal holder hereof, bear interest thereafter at the rate of 12% per annum until paid.

**Default.** In case of a default in the payment of any installment of principal or interest as herein stipulated, then it shall be optional with the legal holder of this note to declare the entire principal sum hereof due and payable; and proceedings may at once be instituted for the recovery of the same by law, with accrued interest and costs, including reasonable attorney's fees.

**Notice/Modification.** The makers and endorsers severally waive presentment, protest and demand; and waive notice of protest, demand and of dishonor and non-payment of this note, and expressly agree that this note may not be modified except by mutual consent of the parties hereto.

**Renewal.** This note pays in full, by renewal, all former notes between National Note of Utah, LC and the Payor.

National Note of Utah, LC

By:   
Wayne L. Palmer,  
Managing Member

# American Pension Services

4168 W 12600 S #300 Riverton, UT 84096 801-571-0667

11/16/2012

Statement for November 16, 2012 thru November 16, 2012

[REDACTED]  
[REDACTED]  
[REDACTED]

\*\*\* Account Closed \*\*\*

Account #: [REDACTED] - IRA

Page: 1

Date	Tran	Ref	Code	Description	Units	Amount
National Note - balance on 11/16/12:						\$50,500.00
11/16/12				National Note		\$-50,500.00
National Note - (1 trans) balance on 11/16/12:						\$0.00
Contributions:		\$0.00	Fees Owed:		\$802.36	Total Fund: \$0.00

Please retain this statement for tax purposes

# Billing Statement

11/16/2012

## American Pension Services - Administrator

4168 W 12600 S #300 Riverton, UT 84096 801-571-0667

[REDACTED]  
[REDACTED]  
[REDACTED]

Amount Enclosed

\$ \_\_\_\_\_

Account Number: [REDACTED]

Please return top portion with payment

Date	Tran	Ref	Code	Description	Amount	Balance
				Prior Balance		\$0.00
11/05/12	941828	1224243	FEES	Annual fee charged	\$467.75	\$467.75
11/05/12	941892	95867	PMNT	Fees paid from funds	\$-0.39	\$467.36
11/16/12	948259	1228377	FEES	TERMAINATION FEE NON-PAYMENT	\$300.00	\$767.36
11/16/12	948260	1228378	FEES	ASSIGNMENT & CERTIFIED MAIL CHARGE	\$35.00	\$802.36

Fees are deducted automatically from your account if funds are available.  
Therefore, if the total due is \$0.00, the fees have been paid from the account.  
Do NOT remit payment UNLESS you wish to reimburse your account.

Total Due:	\$802.36
Due Date:	12/16/2012
Minimum Payment:	\$201.00

Wayne Klein

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From: Wayne Klein [wklein@kleinutah.com]  
Sent: Monday, December 10, 2012 3:49 PM  
To: [REDACTED]  
Cc: Himes, Matthew A.  
Subject: National Note

[REDACTED]

I received a copy of your letter regarding your account at American Pension Services. I cannot give you any advice about the course you should take. This is a tax issue where the answer is going to depend on your individual tax situation. You should consult with a tax advisor to see what options you might have and what would be best in your situation.

I am sorry I cannot be of any help here. I wish you luck.

Wayne

---

*Please note our new address and office phone number*

Wayne Klein  
KLEIN & ASSOCIATES, PLLC  
10 Exchange Place, Suite 502  
Salt Lake City, UT 84111

801-456-4593 (Phone)  
801-824-9616 (Cell)  
[wklein@kleinutah.com](mailto:wklein@kleinutah.com)

Attention: The information in this e-mail is confidential and may be a legally-protected document intended only for the use of the individual(s) named above. If you are not the intended recipient, you are hereby notified that any review, dissemination, distribution, or duplication of this document is strictly prohibited. If you have received this document in error, please notify me and destroy this document.

## **EXHIBIT 8**

Wayne Klein

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From: [REDACTED]  
Sent: Wednesday, September 26, 2012 8:56 PM  
To: [REDACTED]  
Cc: Wayne Klein  
Subject: National Note of Utah and IRA Custodial Fees

Mr. [REDACTED],

When I first looked at the materials provided on the Klein & Associates website regarding the National Note of Utah receivership I read a document entitled "PAYING CUSTODIAL FEES FOR RETIREMENT ACCOUNTS" which provided advice on how to deal with IRA custodians demanding fees based on the fictitious value of the IRA. I recently talked with my IRA custodian (American Pension Services) about the fees they are charging and they indicated that that advice was incorrect and also indicated they had received updated advice from Klein & Associates regarding this. They indicated the advice should have never been provided by the receiver and they threatened to report the entire amount as a taxable distribution (1099R) if I closed the account. Additionally, they will not allow me to transfer my account to another custodian until the fees are paid.

Now, when I look at the Klein & Associates website I can no longer find a link to the above mentioned document. Has this advice been rescinded and removed? I have since learned that APS threatened litigation against Klein & Associates if the advice was not removed. However, the FAQs still indicate the such advice will be provided soon.

The fees my custodian is charging are based on the value of the account as reported by National Note of Utah before the receivership went into effect. Will the current and correct valuation of my IRA account be reported to my IRA custodian? If so, when might that happen.

The document indicated that an investor had provided the information from the IRS regarding IRA custodial fees. Can you provide contact information for that investor so that I might obtain the information from them directly?

Thanks,

[REDACTED]

[REDACTED]

Checked by AVG - www.avg.com

Version: 2012.0.2221 / Virus Database: 2441752-1 / Release Date: 09/26/12

## Wayne Klein

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**From:** Wayne Klein [wklein@kleinutah.com]  
**Sent:** Monday, October 08, 2012 6:00 PM  
**To:** [REDACTED]  
**Subject:** RE: National Note of Utah and IRA Custodial Fees

Ms. Holgate:

We did have information on our website giving advice about high custodial fees being charged by retirement custodians. American Pension Services asserted that the information was inaccurate and indicated they planned to file suit. I am not convinced that the information was inaccurate, but I do not know enough about tax law to know what the correct answer is. And, since the question of the tax treatment of IRA accounts is not something that is necessary for the administration of the receivership estate, I did not think it was appropriate for me to spend investor money fighting with American Pension Services over an issue that only affects some of the investors. Consequently, we removed the posting from the website and replaced it with the recommendation that investors consult with their own tax advisors.

Based on your request, I have written an e-mail to the investor who provided much of the information to me, asking if he is willing to talk with you. If so, he may contact you directly, or he may give me permission to give you his e-mail address. If he gives me permission, I will send you his e-mail address.

A large part of the problem relating to the size of the custodial fees is that the current value of your investment cannot be determined at this point. I don't know what the true value is. I expect that the value will be substantially less than the face amount of your promissory note. This expectation is based on our belief about the actual values of the properties owned by National Note. However, while I expect the ultimate value will be less than the amount that investors sent to National Note, I don't know what that ultimate value is – and I can't know that until we see what the properties will sell for. And since I can't tell APS what the current value is, they are insisting that the face value is the correct value. I think that is unfair, but I cannot intervene on your behalf. I can only hope that you can find a tax advisor who can help you solve this problem and reduce the fees you are paying.

Good luck,

Wayne Klein, Receiver

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**From:** [REDACTED]  
**Sent:** Wednesday, September 26, 2012 8:56 PM  
**To:** [REDACTED]  
**Cc:** Wayne Klein  
**Subject:** National Note of Utah and IRA Custodial Fees

M. [REDACTED]

When I first looked at the materials provided on the Klein & Associates website regarding the National Note of Utah receivership I read a document entitled "PAYING CUSTODIAL FEES FOR RETIREMENT ACCOUNTS" which provided advice on how to deal with IRA custodians demanding fees based on the fictitious value of the IRA. I recently talked with my IRA custodian (American Pension Services) about the fees they are charging and they indicated that that advice was incorrect and also indicated they had received updated advice from Klein & Associates regarding this. They indicated the advice should have never been provided by the receiver and they threatened to report the entire amount as a taxable distribution (1099R) if I closed the

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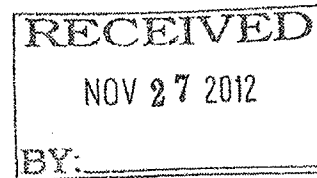
## **EXHIBIT 9**

American Pension Services

Attn: Christine Dalton

4168 West 12600 South Suite 300

Riverton, Utah 84096



RE: Distribution of IRA [REDACTED]

Dear Christine Dalton:

This letter is in response to the invoice dated 11/19/2012 in the amount of \$2,198.11. I recommend that APS suspends this invoice until the Securities and Exchange Commission SEC finishes its investigation of National Note and Wayne Palmer.

I have attached a letter from Klein & Associates, PLLC regarding the custodial account charges. I quote, "Some IRA administrators or custodians have been telling investors that they are required to pay the extremely high fees or the account will be closed. In some cases, the custodians have threatened that if the investors close the account, the custodian will send tax notices that threat it as a distribution of the full amount- causing significant tax consequences."

The letter goes on to state, "It is fundamentally unfair for a custodian to continue charging fees that are based on a fictitious value of the asset. It is also unfair for the custodian to continue collecting fees for an asset of severely-diminished value. Based on this letter I recommend that the fees be suspended until the values of the funds are verified by the SEC. Further, I recommend that no further action be taken until the SEC has completed their investigation.

Sincerely,

[REDACTED SIGNATURE]

Enclosures: Letter from Wayne Klein- Klein & Associates- Paying custodial fees for retirement accounts national note of Utah.

CC: Wayne Klein, 10 Exchange Place Suite 502, Salt Lake City Utah 84111

# PAYING CUSTODIAL FEES FOR RETIREMENT ACCOUNTS

## NATIONAL NOTE OF UTAH

Dear Investors:

We are aware that many investors invested monies from their IRA accounts or Roth IRA accounts. IRS rules require that these investments be maintained by an independent custodian. However, the investments were actually dependent on National Note, not the IRA custodian. As a result, some IRA administrators or custodians have been telling investors that they are required to continue paying the extremely high fees or the account will be closed. In some cases, the custodians have threatened that if investors close the accounts, the custodian will send tax notices that treat it as a distribution of the full amount -- causing significant tax consequences.

One of the investors forwarded to us information he received from the IRS about alternatives.

The IRS agent told this investor that, of course, this situation is not unique. There have been many Ponzi schemes collapse where retirement funds were lost or frozen. The IRS agent explained that the investor can close the self-directed IRA accounts. At a later date, if funds are recovered, investors can make sure that distribution checks are made out in the name of the IRA or Roth IRA account. The investor can then deposit these payments into an existing or new IRA or Roth IRA account and the funds will retain their tax-advantaged status. The checks can be sent to the investor (made out to the IRA account) or sent by the Receiver directly to a previously-established IRA account.

The IRS agent suggested that investors have their accountants or tax preparers review IRS Publication 550, dealing with insolvency, bankruptcy, extensions of roll-over time limits, and recovery of prior IRA assets. The agent said that the custodians should not be reporting this as a taxable event using a Form 1099R.

In light of this guidance, investors should object to any threats that custodians will issue Form 1099s. If the custodians do issue Form 1099s, under these circumstances, we suggest two courses of action: first, contact the IRS to file a complaint about abusive practices by the custodian, and second, have your tax preparer send a letter along with your 2012 tax forms explaining why the Form 1099 issued by the custodian was not a distribution and should be ignored.

In sum, it appears that there are alternatives to continue paying the high maintenance fees on IRA and Roth IRA retirement accounts. It is fundamentally unfair for a custodian to continue charging fees that are based on a fictitious value of the asset. It is also unfair for the custodian to continue collecting fees for an asset of severely-diminished value.

Other alternatives might be transferring your IRA or Roth IRA to another financial institution or becoming your own custodian of your IRA account.

Wayne Klein, Receiver: August 4, 2012

*wonder what the fee would be for that*

NOV 26 2012

American Pension Services

Attn: [REDACTED]

4168 West 12600 South Suite 300

Riverton, Utah 84096

RE: Distribution of IRA # [REDACTED]

Dear Christine Dalton:

This letter is in response to the invoice dated 11/19/2012 in the amount of \$2,198.11. I recommend that APS suspends this invoice until the Securities and Exchange Commission SEC finishes its investigation of National Note and Wayne Palmer.

I have attached a letter from Klein & Associates, PLLC regarding the custodial account charges. I quote, "Some IRA administrators or custodians have been telling investors that they are required to pay the extremely high fees or the account will be closed. In some cases, the custodians have threatened that if the investors close the account, the custodian will send tax notices that threat it as a distribution of the full amount- causing significant tax consequences."

The letter goes on to state, "It is fundamentally unfair for a custodian to continue charging fees that are based on a fictitious value of the asset. It is also unfair for the custodian to continue collecting fees for an asset of severely-diminished value. Based on this letter I recommend that the fees be suspended until the values of the funds are verified by the SEC. Further, I recommend that no further action be taken until the SEC has completed their investigation.

Sincerely,

[REDACTED SIGNATURE]

Enclosures: Letter from Wayne Klein- Klein & Associates- Paying custodial fees for retirement accounts national note of Utah.

CC: Wayne Klein, 10 Exchange Place Suite 502, Salt Lake City Utah 84111

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## **EXHIBIT 10**

NOV 27 2012

American Pension Services

Attn: Christine Dalton

4168 West 12600 South Suite 300

Riverton, Utah 84096

RE: Account Number [REDACTED] and Account Number [REDACTED]

Dear Christine Dalton:

We request that these fees be waived or suspended until the SEC determines the actual amount of the notes being held by APS.

According to Klein & Associates, PLLC, "It is fundamentally unfair for a custodian to continue charging fees that are based on a fictitious value of the asset. It is also unfair for the custodian to continue collecting fees for an asset of severely-diminished value." Based on the fact that the value of these accounts could be ZERO, and that the value of these account has been ZERO for some time, I recommend that APS suspends these charges.

Thanks,

[REDACTED]

Enclosures: 1-Letter from Wayne Klein- Klein & Associates- Paying custodial fees for retirement accounts national note of Utah.

2- Invoice for account Number [REDACTED]

3-Invoice for Account Number [REDACTED]

CC: Wayne Klein, 10 Exchange Place Suite 502, Salt Lake City Utah 84111

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## **EXHIBIT 11**

**WAYNE KLEIN, RECEIVER FOR  
NATIONAL NOTE OF UTAH, LC**

10 E. Exchange Place, Suite 502, Salt Lake City, UT 84111, USA (801) 456-4591

[wklein@kleinutah.com](mailto:wklein@kleinutah.com)

September 8, 2014

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Re: National Note of Utah, LC  
*SEC v. National Note of Utah and Wayne L. Palmer*, Case No. 2:12CV000591

Dear Mr. and Mrs. [REDACTED]

I have reviewed the information you provided that had been sent to you by the IRS. Based on the information in that letter, it appears that American Pension Services (APS) reported to the IRS (via a Form 1099) that you had taken a distribution of \$50,776—the amount that APS showed as the value of the investment it was holding in your name with National Note of Utah.

I am providing the following information that may be useful as you communicate to the IRS why the Form 1099 sent to the IRS by APS was abusive and an incorrect depiction of what happened:

1. National Note Receivership. On June 25, 2012, the U.S. Securities and Exchange Commission filed suit against National Note and Wayne Palmer, accusing them of operating a \$100 million Ponzi scheme. At the request of the SEC, the U.S. District Court of Utah appointed me as Receiver for National Note and approximately 40 other entities controlled by National Note or Palmer. A copy of the SEC's complaint, the Court order appointing me as Receiver, and other documents relating to this litigation can be found on a website we have created relating to the receivership:  
<http://www.kleinutah.com/index.php/receiverships/national-note-of-utah-lc>.
2. Investment Valuation. The discovery that National Note was operating as a Ponzi scheme means that the investments you had with National Note are likely to be worth only a fraction of the amount that National Note reported to you and other investors. That also means that the valuation that APS had listed for your investment account is many times greater than the expected actual value of your investment with National Note. As of January 1, 2012, National Note was reporting the value of your retirement account investment as \$50,776.55. This is the same amount that the IRS listed on page 3 of the September 8, 2014 notice sent to you. I am enclosing an account statement that National Note prepared that shows this \$50,776 account balance. In reality, the actual valuation of your investment with National Note cannot be known at this time, although it is expected to be only 5-15% of the net principal investment amount that you sent to National Note. The final valuation will depend on how much we succeed in collecting, the costs of administering the receivership estate, and how many valid claims are submitted as part of the claims process we expect to administer.

3. APS Accounts. In the investigation of National Note records and analysis of financial transactions with National Note, we found that a high number of the National Note investors, along with you, had sent their investment funds to National Note through APS. It appears that National Note targeted retirement accounts as sources of funds that National Note needed to keep its Ponzi scheme operating. National Note encouraged investors to liquidate their other retirement holdings and send the proceeds to APS, where the funds could be used to purchase promissory notes from National Note.
4. APS Threats to its Customers. Shortly after I was appointed as Receiver, I became aware that National Note was demanding that its customers pay annual account maintenance fees based on the "face value" of the National Note investments (in your case, \$50,776), rather than the expected true value of the investment when the Receivership Estate is liquidated. APS told its customers that if they did not pay the fees based on the face value of the account, APS would close the retirement account and report the face value of the investment to the IRS as a distribution—even though no money was or could be distributed. In fact, the only way you can receive a distribution on your retirement account is when the Receivership completes a claims process and the Court allows me to make a distribution. Even when that time comes, there is no assurance that your retirement account will qualify for a distribution.
5. Receiver Response to APS Threats. In response to APS's threats to its clients, I caused a notice to be posted on the Receivership website in August 2012 encouraging victims to consult with their tax advisors relating to APS accounts. I am enclosing a copy of the notice that we prepared. The posting of this information on the website made APS angry and it filed a motion in the Receivership litigation, seeking to intervene so that APS could sue me for supposedly giving bad advice to National Note investors and for causing APS to lose revenue. The Court allowed APS to intervene and gave it a short deadline to file the lawsuit it intended to file, but APS never filed its lawsuit against me.
6. SEC Lawsuit Against APS. In April 2014 the SEC sued APS, accusing it of using more than \$25 million of client funds for APS's own investments. According to the SEC, this money was lost in failed investments and APS subsequently issued fraudulent account statements to cover up its own defalcations. The Court appointed a receiver to take control of the operations of APS. That receiver has set up a website at [www.apsreceiver.com](http://www.apsreceiver.com). The owner of APS has since admitted that he is under criminal investigation; he is not cooperating with the receiver appointed over APS.

The bottom line is that there was no cash distribution to you. APS may have closed out your retirement account, but the \$50,776 distribution it reported has no current value. All that APS sent you was a worthless promissory note; a note that cannot be enforced and will have value only if the Receivership recovers sufficient funds to make a distribution. The value of your investment—if any—is expected to be a small percentage of that reported value and that value will be known only after the Receivership makes distributions from funds it is in the process of recovering.

You are welcome to share this letter with the IRS and to encourage them to visit the Receivership website or to call me if they have questions or would like additional information.

Sincerely,

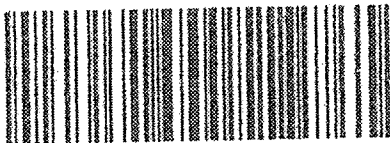
A handwritten signature in cursive script, appearing to read "Wayne Klein".

WAYNE KLEIN  
Receiver

Enc. National Note account statement  
Receiver website notice on APS fees

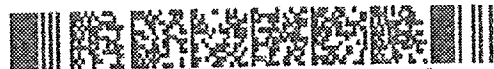
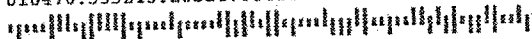


Department of Treasury  
Internal Revenue Service  
5045 E BUTLER AVE  
FRESNO CA 93888-0021



7161 7617 9285 2516 2336

010476.333243.205247.8444 2 MB 0.435 1113



Notice [REDACTED]  
Tax Year 2012  
Notice date September 8, 2014  
Social Security number [REDACTED]  
AUR control number [REDACTED]  
To contact us Phone 1-800-829-3009  
Fax 1-877-477-0962  
Last date to petition December 8, 2014  
Tax Court  
Page 1 of 7



010476

## Notice of Deficiency

### Increase in tax and notice of your right to challenge

We have determined that there is a deficiency (increase) in your 2012 income tax. You have the right to challenge the increase in U.S. Tax Court. This notice explains how the additional amount was calculated and how you can challenge the increase in U.S. Tax Court.

#### Summary

Increase in tax (deficiency)	\$9,469
Substantial tax understatement penalty	\$1,894

#### What you need to do immediately

Review this notice, and compare our changes to the information on your 2012 tax return. NOTE: The amounts shown above may differ from your previous notice because not all items can be challenged in tax court.

#### If you agree with the changes we made

- Sign the enclosed Form 5564—Notice of Deficiency Waiver and mail it to us in the envelope provided.
- You can send a payment with Form 5564. Otherwise, you'll receive a bill for the amount due (including any interest and applicable penalties).

#### If you don't agree with the changes

- You have the right to challenge the increase in tax by filing a petition with the U.S. Tax Court by December 8, 2014. The Court can't consider your case if the petition is filed late. You can download a petition form and rules from [www.ustaxcourt.gov](http://www.ustaxcourt.gov) or contact:

Clerk of the U.S. Tax Court  
400 Second Street, NW  
Washington, DC 20217  
1-202-521-0700

Continued on back...



Notice

Tax Year 2012

Notice date September 8, 2014

Social Security number

Page 2 of 7

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**What you need to do immediately—Continued**

If you don't agree with the changes—**continued**

- If you want us to consider additional information, please mail it to us in the enclosed envelope immediately. Our consideration will not extend the December 8, 2014 deadline to file a petition with the U.S. Tax Court.

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**If we don't hear from you**

If we don't receive your Form 5564—Notice of Deficiency Waiver, or you don't file a petition with the U.S. Tax Court by December 8, 2014, you'll receive a bill from us for the additional tax you owe plus any penalties and interest that apply.

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**Additional information**

- Visit [www.irs.gov/cp3219a](http://www.irs.gov/cp3219a).
- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
- Review the enclosed publication for additional information.
- Keep this notice for your records.
- If you'd like to authorize someone, in addition to you, to contact the IRS concerning this notice, please complete and send us the Power of Attorney and Declaration of Representative (Form 2848), before your representative contacts us on your behalf. Download Form 2848 from [www.irs.gov](http://www.irs.gov), or call 1-800-TAX-FORM (1-800-829-3676) to request a copy.
- The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. You may be eligible for help from the Taxpayer Advocate Service (TAS) if you have tried to resolve your tax problem through normal IRS channels and have gotten nowhere, or you believe an IRS procedure just isn't working as it should. TAS is your voice at the IRS. TAS helps taxpayers whose problems are causing financial difficulty or significant cost, including the cost of professional representation (this includes businesses as well as individuals). You can reach TAS by calling the TAS toll-free number at 1-877-777-4778 or by contacting the local Taxpayer Advocate office at:

TAXPAYER ADVOCACY SERVICE  
PO BOX 12161  
FRESNO CA 93776

To learn more about TAS and your basic tax responsibilities, visit  
<http://www.taxpayeradvocate.irs.gov>.

- We're required to send a copy of this notice to both you and your spouse. Each copy contains the same information about your joint account.

If you need assistance, please don't hesitate to contact us.

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## **EXHIBIT 12**



# UNCOLLECTIBLE UNSECURED NOTE FORM

## 1 ACCOUNT HOLDER INFORMATION

ACCOUNT HOLDER NAME	ACCOUNT NUMBER
---------------------	----------------

## 2 DESCRIPTION OF DEBT

INVESTMENT REFERENCE NUMBER	DATE THAT DEBT BECAME DUE	FACE VALUE \$
DESCRIPTION OF DEBT		
NAME OF DEBTOR		SOCIAL SECURITY NUMBER OF DEBTOR

Remove investment from my inventory ☐ No ☐ Yes *If Yes, the asset will be distributed with a value of \$1.00.*

## 3 SUPPORTING DOCUMENTATION OF UNCOLLECTIBLE DEBT

Please list below the efforts you have made to collect the debt and the result of each effort. If more lines are necessary attach a separate sheet titled "Addendum A" and be sure it is signed by account owner. For example, you could show that the borrower has declared bankruptcy, or that legal action to collect would probably not result in payment of any part of the debt.

	Date	Description of effort to collect, result of effort and supporting information.
1.		
2.		
3.		
4.		

**IF MORE LINES ARE NECESSARY** list additional documents on a separate sheet titled "Addendum A". Check here ☐ if attached.

## NOTARY SIGNATURE

State of \_\_\_\_\_ County of \_\_\_\_\_

I certify that I am the owner of the above-referenced account and that the account holds the note described in Section 2 above. I certify that I have made or caused to be made the efforts stated in section 3 above to collect the note. I further certify that the information contained herein is true and accurate.

Account Owner Signature

Date

Sworn to and subscribed before me, a Notary Public, on this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_\_.

Notary Signature

My commission expires

PO BOX 111 • ELYRIA, OHIO 44026 • PHONE (440) 326-3268 • FAX (440) 326-0757 • WWW.TRUSTETC.COM • EMAIL:HELP@TRUSTETC.COM

EQUITY TRUST COMPANY: CLM-45, Rev. 02/17/12



**EQUITY**  
TRUST COMPANY

# UNCOLLECTIBLE UNSECURED NOTE FORM

## WHEN TO USE THIS FORM

This Form should be used when:

- You have an Unsecured Note (a note that has no stated collateral);
- The Unsecured Note has no value because the note is uncollectible (the borrower cannot or will not repay the loan)

Note: Use *Fair Market Value Form* for secured notes.

## INSTRUCTIONS & GUIDELINES

- All sections should be answered completely.
- Be sure to fully document any collections efforts. If additional space is needed, attach a separate "Addendum A" with your signature and date.
- Include any supporting documentation which may prove collection efforts taken.
- An asset removed from inventory will be distributed with a value of \$1.00.

## CONTACT INFORMATION

**PHYSICAL ADDRESS:**  
Equity Trust Company  
225 Burns Road  
Elyria, OH 44035

**PHONE NUMBER:**  
(440) 323-5491

**WEBSITE:**  
www.trustetc.com

For assistance, please  
contact a member of your First  
Class Service Team at:

**TOLL FREE:**  
(877) 693-8208

Or e-mail questions to:

**E-MAIL:**  
help@trustetc.com

## SUBMISSION OPTIONS

**BY FAX:**  
(440) 366-3755

**REGULAR MAIL:**  
Equity Trust Company  
P.O. Box 1319  
Elyria, OH 44036

**BY E-MAIL:**  
help@trustetc.com

**OVERNIGHT MAIL:**  
Equity Trust Company  
225 Burns Road  
Elyria, OH 44035

**DO NOT FAX OR MAIL THIS COVER PAGE**

**INVESTMENT PRODUCTS: NOT FDIC INSURED - NO BANK GUARANTEE - MAY LOSE VALUE**

EQUITY TRUST COMPANY, CLERK, PAGE 17-12

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## **EXHIBIT 13**



February 5, 2013

[REDACTED]

RE: DISTRIBUTION OF NATIONAL NOTE OF UTAH, LC 18% NOTE

Dear Account Owner:

In accordance with our notice dated November 1, 2012, we have resigned as custodian of your asset, NATIONAL NOTE OF UTAH, LC 18% NOTE, held in your IRA, effective November 1, 2012. Thus, this asset is being distributed to you personally, in your name and Social Security number. **Because this asset(s) is currently carrying a reported value of zero dollars (\$0.00), it will not be reportable to the IRS as a taxable event.**

As a result of the uncertain status of your investment, an official change of ownership on the books and records of the acting asset sponsor or Receiver may not be able to be completed at this time. It is your responsibility to contact the asset sponsor or any other appropriate entity to determine whether this update to their ownership records is possible. Below is the last contact information we have on record for your investment; however, this information may no longer be valid due to the bankruptcy/receivership process.

NATIONAL NOTE OF UTAH, LC  
WAYNE KLEIN, RECEIVER FOR  
10 EXCHANGE PLACE, 502  
SALT LAKE CITY, UT 84111  
801-456-4591

Your cooperation in getting your asset re-registered is essential in order for you to receive any future communication or payments in negotiable form from the asset sponsor.

Since we are resigning as custodian of this asset, we will no longer hold title of the asset(s) in our name for your benefit, and have removed this asset from your account. As such, we are not liable or responsible for, or obligated to participate in, any future actions, claims, losses or other events or activity related to such asset(s). You are solely responsible for ownership of the asset and ensuring records with the asset sponsor are updated accordingly. This assignment form should be retained as proof of your ownership of the asset.

If you require additional information, please contact us at 800-962-4238.

Sincerely,

717 17th STREET, SUITE 2200 | DENVER, COLORADO 80202-3308  
PENSICO Trust Company [WWW.PENSICO.COM](http://WWW.PENSICO.COM)

**Assignment Form**

For value received, PENSICO Trust Company, a Colorado corporation ("Assignor"), in its capacity as trustee and/or custodian of the assets herein described, pursuant to a Plan & Trust Agreement does assign, transfer and convey to [REDACTED] ("Assignee"), all of the rights, titles, interests and claims which Assignor may have in and to the assets described as follows:

**ALL units in NATIONAL NOTE OF UTAH, LC 18% NOTE**

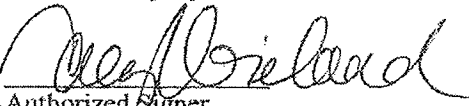
and, to the extent required, appoints \_\_\_\_\_ as its attorney-in-fact to transfer any of such assets constituting securities or similar interests, on the books of the issuer thereof, with full power of substitution.

Assignor has no knowledge and disclaims any representation or warranty with respect to the existence of or the value, if any, of the aforementioned assets.

In witness whereof, Assignor has caused this instrument to be executed November 1, 2012.

PENSICO Trust Company

By:

  
Authorized Signer  
Medallion Signature Guaranteed

 SIGNATURE GUARANTEED  
MEDALLION GUARANTEED  
PENSICO TRUST COMPANY

  
AUTHORIZED SIGNATURE  
C 2008634  
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM™  


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## **EXHIBIT 14**

Wayne Klein

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From: [REDACTED]  
Sent: Tuesday, October 09, 2012 3:11 PM  
To: [REDACTED]  
Subject: IRA Directives from IRS

IRS Instructions : Given to me on July 27th 2012 @ 10:30 am. . Regarding our 2 IRA's with National Note of Utah that were taken over and frozen by the Utah Court ordered receivership of National Note of Utah the 25 June 2012. I explained to this IRS agent what had happened to our life savings by Wayne Palmer and that we could no longer pay the high administrative fees because of our resulting financial crisis. I had previously met with the IRS agent in the Salt Lake IRS office on Social Hall Ave. She said they didn't have an IRA specialist in their office in Salt Lake to give me directives. She said I should call the IRS information # she gave me and ask for a IRA specialist and get her ID# and write down every instruction they give you the best you can which is what I did prescisley after much effort trying to get thru on the phone.

Instructions Given to me by IRS agent Mrs. Smith IRA specialist

#0246724 In Missouri.

She told me I could send a letter of explanation & direction to my IRA administrator to close my IRA accounts along with the written court Enditement against Wayne Palmer.

She said that if and when any IRA assets are able to be recovered by the Courts and returned to me at any later date. The checks should show on them as Traditional IRA and as Roth IRA on the checks. This way I can go to my Credit Union or Bank and re-establish my IRA accounts once again. The Utah courts could send the checks to me or directly to my Credit Union IRA accounts. She said parameters have been previously established with other investors lost IRA investment accounts and the later recovery & re-establishment of assets under IRS publication 590 insolvency, bankruptcy, roll over time limit extension and also by previous IRA asset recovery IRS cases & actions. She said meeting the IRS guide lines.

Note: She said that the courts should not have recovered assets paid to me as a taxable distribution event with tax form 1099R.

She told me that if IRA administrators that want to play predatory hard ball and declare a taxable event against the victims. Victims should file formal complaints to the IRS to be brought forth against the IRA administrators.

My IRA administrator agent had previously explained to me this was their requirement that;

option 1- I could close my accounts with them following these requirements above.

option 2- Keep my accounts open and just keep paying their high fees. Not an option for us.

They were understanding towards me. I have so far had no more trouble in the matter.

You can use this info. if you wish but leave my name out of it all.

Maybe more victims should contact the IRS and get additional directives.

Wayne Klein

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From: Wayne Klein [wklein@kleinutah.com]  
Sent: Tuesday, October 09, 2012 8:57 AM  
To: [REDACTED]  
Subject: RE: National Note of Utah and IRA Custodial Fees

[REDACTED]

Thanks for your willingness to help. I know you and many others are hurting badly. We are finding assets that have value, but many of the properties have liens on them, so the net equity will be less than we hope. But, we still expect to recover some funds. I expect all investors will be treated the same – whether they invested in 2006 or more recently.

It sounds like your experience with your IRA custodian has been successful so far. I will send your contact information to [REDACTED]

---

Wayne

From: [REDACTED]  
Sent: Monday, October 08, 2012 8:38 PM  
To: Wayne Klein  
Subject: RE: National Note of Utah and IRA Custodial Fees

Wayne, I would be glad to help you or her in any way I can. I am sure so many of us good folks have been devastated now. We are hurting so badly I don't know how were going to make it. I am terrified. With how things are going do you think there is any hope for us some day in the future to just get back our principal from '06-'07?

I followed the Salt Lake IRS agents instructions to me and also the agent in Missouri preciscley. I also had previously talked with my IRA administrators at Entrust and explained every thing to them about the IRS instructions to me . I followed Entrusts instructions exactly. I have had no further communications or trouble with them since. Hopefully not at tax time either. You can give her my email or pho [REDACTED]

From: wklein@kleinutah.com  
To: [REDACTED]  
Subject: FW: National Note of Utah and IRA Custodial Fees  
Date: Mon, 8 Oct 2012 17:41:19 -0600

David:

The e-mail below is from an investor who is unhappy at the charges being imposed by American Pension Services. She would like to contact you, but I don't want to give out your e-mail address without your permission. If you are willing to communicate with her, you can contact her directly or give me permission to give her your e-mail address.

Wayne

---

From: [REDACTED]  
Sent: Wednesday, September 26, 2012 8:56 PM  
To: [REDACTED]  
Cc: Wayne Klein  
Subject: National Note of Utah and IRA Custodial Fees

[REDACTED]