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*Attorneys for Court-Appointed Receiver R. Wayne Klein*

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

SECURITIES AND EXCHANGE COMMISSION,	<b>RECEIVER'S TWELFTH MOTION SEEKING APPROVAL OF SETTLEMENT AGREEMENTS AND MEMORANDUM IN SUPPORT</b>
Plaintiff,	<b>(Penni Dehaan and Wendi Butters on behalf of the themselves and the Butters' Estate; R.C. Willey Home Furnishings and R.C. Willey Financial Services; Carola D. Howe and the Charles A. and Carola D. Howe Family Trust; Robert Mitchell; Paul Hawkins; Marilyn Corbett; Lori and Robert McCool, Dennis and Jane Heaton; and MC Realty Advisers, LLC)</b>
v.	2:12-cv-00591 BSJ
NATIONAL NOTE OF UTAH, LC, a Utah Limited Liability Company and WAYNE LaMAR PALMER, an individual,	The Honorable Bruce S. Jenkins
Defendants.	

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of National Note of Utah, LC, its subsidiaries and affiliates, and the assets of Wayne LaMar Palmer, by and through his counsel, and pursuant to the *Order Appointing Receiver and Staying Litigation* entered by this Court in this case, respectfully requests that the Court enter the proposed Order, attached

hereto as **Exhibit A**, approving the below-described Settlement Agreements and Releases entered into by the Receiver. This Motion is supported by the *Memorandum of Law* contained herein and the *Declaration of R. Wayne Klein, Receiver*, filed concurrently herewith (the “Receiver Declaration”).

## **MEMORANDUM OF SUPPORT**

### **I.**

#### **BACKGROUND**

1. On June 25, 2011, the above-captioned case was commenced by the Securities and Exchange Commission against Defendants National Note of Utah, LC (“NNU”) and Wayne LaMar Palmer (“Palmer”) (collectively, the “Receivership Defendants”), and in conjunction therewith, the Court entered, in relevant part, an Order Appointing Receiver and Staying Litigation (the “Receivership Order”).<sup>1</sup> Pursuant to the Receivership Order, the Receiver was appointed, and NNU, and forty-one of its affiliated companies (the “Palmer Entities” and collectively with NNU for purposes of this Motion, “NNU”), and all Palmer’s assets were placed in the Receiver’s control.<sup>2</sup>

2. The Court has directed and authorized the Receiver to, among other things, do the following:

- “[D]etermine the nature, location and value of all property interests of the Receivership Defendants and the Palmer Entities . . . [.]”<sup>3</sup>

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<sup>1</sup> Docket No. 9 (Receivership Order).

<sup>2</sup> *See generally, id.*

<sup>3</sup> *Id.* at ¶ 7(A).

- “[T]ake custody, control and possession of all Receivership Property and records. . . [.]”<sup>4</sup>
- “[M]anage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property, pending further Order of this Court[.]”<sup>5</sup>
- “[U]se 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[.]”<sup>6</sup>
- “[T]ransfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on the 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.”<sup>7</sup>
- “[P]ursue, 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[.]”<sup>8</sup>

## II.

### **THE SETTLEMENT AGREEMENTS AND RELEASES**

3. As a result of his financial analysis and investigation of the Receivership Defendants conducted to date, the Receiver has determined that he has claims and causes of action against numerous parties related to these parties’ dealings with the Receivership Defendants prior to his appointment.<sup>9</sup>

4. Prior to commencing suit, the Receiver made demand on numerous parties for the return of monies paid to them by the Receivership Defendants. Based on demands made and

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<sup>4</sup> *Id.* at ¶ 7(B).

<sup>5</sup> *Id.* at ¶ 7(C).

<sup>6</sup> *Id.* at ¶ 7(D).

<sup>7</sup> *Id.* at ¶ 37.

<sup>8</sup> *Id.* at ¶ 7(J).

<sup>9</sup> Receiver Declaration ¶ 3.

lawsuits filed and information obtained by the Receiver as part of his investigation, the Receiver has entered into numerous settlement agreements, including the nine Settlement Agreements and Releases that are the subject of this Motion discussed in further detail below. As a result of these Settlement Agreements and Releases, the Receivership Estate will receive cash totaling \$494,098.88, and the release of certain interests in real estate and sale proceeds described in further detail below.<sup>10</sup>

5. Each Settlement Agreement and Release (a) has been negotiated at arm's length and in good faith by the Receiver and the respective parties, (b) will avoid the expense, delay and inherent risks of litigation, (c) will result in the collection of funds or the maximization of assets for the benefit of the Receivership Estate and/or reduction of claims and/or defenses that can be asserted against the Receivership Estate, and (d) where applicable, has taken into account issues related to the collection of any judgment that may be obtained.<sup>11</sup>

6. Each Settlement Agreement and Release subject to the present Motion, all of which are subject to Court approval, are described as follows:

a. Kay and Sharon Butters ("Butters"): On June 17, 2013, the Receiver filed suit against the Butters, alleging that they were NNU investors who received a total of \$66,893.05 in excess of their principal investment with NNU and that they were holders of ABIs on two properties in Elkhorn Ridge Estates located in Malad, Idaho that should be declared invalid. After filing suit, the Receiver discovered that Mr. Butters died before the suit was filed. Mrs. Butters died during the pendency of the litigation. The Receiver was granted leave to

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<sup>10</sup> Receiver Declaration ¶ 4.

<sup>11</sup> Receiver Declaration ¶ 5.

substitute the estates of the Butters as the proper parties. Penni Dehaan and Wendi Butters, the Butters' heirs (the "Heirs"), provided information showing that the Butters' respective estates were not probated and that there were no assets. The Heirs also provided information showing that any funds received from NNU were spent in the assisted living care of Mrs. Butters and they executed declarations stating that they received no funds from the Butters between 2008 and 2011, when the bulk of the NNU distributions were paid. Based thereon, on or about January 27, 2015, the Receiver entered into a Settlement Agreement and Release with the Heirs, subject to Court approval, with agreeing to compromise the Receivership Estate's claims against the Butters' estates. Under the Agreement, the Heirs have released the Butters' ABIs and the parties have provided mutual releases. Upon approval of this Agreement, the Receiver will file appropriate papers seeking dismissal of the lawsuit against each of the Butters' estates.<sup>12</sup>

b. R.C. Willey Home Furnishings and R.C. Willey Financial Services ("RC Willey"): On June 24, 2013, the Receiver filed suit against RC Willey, alleging that NNU paid it \$41,273.77 on one or more credit accounts maintained by RC Willey in the name of Palmer. RC Willey maintained that the goods sold were for business, not personal use, and provided substantial information to the Receiver, including copies of invoices and delivery receipts for goods sold or delivered. . Based on this information, the Receiver entered into a Settlement Agreement and Release with RC Willey on or about January 23, 2015, subject to Court approval, agreeing in part to compromise the Receivership Estate's claim against RC Willey. Under the Agreement, RC Willey has paid \$25,089.88 to the Receivership Estate and the parties have provided mutual releases. The Receiver also has assigned to RC Willey all rights to recover

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<sup>12</sup> Receiver Declaration ¶ 6.

furniture or other goods that were delivered to the Palmer home or picked up from RC Willey's warehouses. Upon approval of the Settlement Agreement and Release by this Court, the Receiver will file appropriate papers seeking dismissal of the lawsuit against RC Willey.<sup>13</sup>

c. Carola D. Howe and the Charles A. and Carola D. Howe Family Trust ("Howe"): On June 13, 2013, the Receiver filed suit against Howe, alleging that Howe was an NNU investor who received a total of \$139,355.37 in excess of Howe's principal investment with NNU. Howe asserted an inability to repay the full amount demanded in light of the death of Mr. Howe and claimed that many of Mrs. Howe's assets would be exempt from execution in the event that a judgment was entered against her. Howe thereafter provided verified financial information to the Receiver. Based thereon, on or about January 29, 2015, the Receiver entered into a Settlement Agreement and Release with Howe, subject to Court approval, agreeing in part to compromise the Receivership Estate's claim against Howe. Under the Agreement, Howe has paid \$110,000.00 to the Receivership Estate and the parties have agreed to mutual releases. Upon approval of the Settlement Agreement and Release by this Court, the Receiver will file appropriate papers seeking dismissal of the lawsuit against Howe.<sup>14</sup>

d. Robert Mitchell ("Mitchell"): On June 24, 2013, the Receiver filed suit against Mitchell, alleging that he was an NNU investor who received a total of \$29,782.82 in excess of Mitchell's principal investment with NNU. Mitchell asserted an inability to repay the full amount demanded and requested an extended period to pay. He also supplied the Receiver with verified financial information. On or about February 4, 2015, the Receiver entered into a

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<sup>13</sup> Receiver Declaration ¶ 7.

<sup>14</sup> Receiver Declaration ¶ 8.

Settlement Agreement and Release with Mitchell, subject to Court approval, agreeing in part to compromise the Receivership Estate's claims against Mitchell. Under the Agreement, Mitchell will repay \$24,000.00 to the Receivership Estate, which will be made in monthly payments of \$500.00, with the final payment due by December 31, 2018, and the parties have agreed to mutual releases. Upon approval of the Settlement Agreement and Release by this Court, the Receiver will file appropriate papers seeking dismissal of the lawsuit against Mitchell.<sup>15</sup>

e. Paul Hawkins ("Hawkins"): On September 4, 2013, Hawkins moved to intervene in the above-captioned case to allow him to commence suit to recover certain property. The Receiver opposed this motion believing that it would interfere with his administration of property of the Receivership Estate. On or about September 24, 2013, Hawkins was permitted by the Court to intervene based, in part, on a stipulation between Hawkins and Receiver regarding the treatment of assets that might be recovered by Hawkins. Hawkins commenced suit in federal court, but that suit was dismissed in November 2014 on the basis that it should have been filed in state court. Since that dismissal, Hawkins has determined that he would rather not commence his own suit, and he will look to the claims process in this case to attempt to recover any loss he may have sustained. The Receiver has agreed, subject to Court approval, that to conserve costs of monitoring or responding to any future suit that Hawkins might bring, that it would be more efficient to allow Hawkins to participate in the claims process. Thus, on February 18, 2015, the Receiver and Hawkins entered into a Settlement Agreement providing that Hawkins will be permitted to assert a claim against the Receivership Estate. The Settlement

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<sup>15</sup> Receiver Declaration ¶ 9.

Agreement in no way agrees that any claim that Hawkins will assert will be allowed or to the amount of that claim.<sup>16</sup>

f. Marilyn Corbett (“Corbett”). On June 6, 2013, the Receiver filed suit against Corbett, alleging that she was an NNU investor who received a total of \$37,000.00 in excess of Corbett’s principal investment with NNU. On or about February 27, 2015, the Receiver entered into a Settlement Agreement and Release with Corbett, subject to Court approval, agreeing in part to compromise the Receivership Estate’s claims against her. Under the Agreement, Corbett will repay \$35,000.00 to the Receivership Estate by no later than February 27, 2015, and the parties have provided each other mutual releases. Upon approval of the Settlement Agreement and Release by this Court and Corbett’s performance thereunder, the Receiver will file appropriate papers seeking dismissal of the lawsuit against Corbett. As of the time of the filing of this Motion, the Receiver was informed that Corbett had delivered funds to her counsel to make the payment under the Agreement.<sup>17</sup>

g. Lori and Robert McCool (the “McCools”). On June 6, 2013, the Receiver filed suit against the McCools, alleging that they were NNU investors who received a total of \$74,386.85 in excess of their principal investment with NNU. On or about February 27, 2015, the Receiver entered into a Settlement Agreement and Release with the McCools, subject to Court approval, agreeing in part to compromise the Receivership Estate’s claims against them. Under the Agreement, the McCools will repay \$70,000.00 to the Receivership Estate by no later

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<sup>16</sup> Receiver Declaration ¶ 10.

<sup>17</sup> Receiver Declaration ¶ 11.



than March 6, 2015, they will release ABIs held against the Expressway Business Park, and the parties have provided each other mutual releases. Upon approval of the Settlement Agreement and Release by this Court and the McCools' performance thereunder, the Receiver will file appropriate papers seeking dismissal of the lawsuit against the McCools.<sup>18</sup>

h. Dennis and Jane Heaton (the "Heatons"). On June 13, 2013, the Receiver filed suit against the Heatons alleging that they were NNU investors who received a total of \$268,664.26 in excess of their principal investment with NNU. The parties have engaged in arms' length and good faith negotiations, including with the Heatons providing the Receiver with verified financial information. On or about February 27, 2015, the Receiver entered into a Settlement Agreement and Release with the Heatons, subject to Court approval, agreeing in part to compromise the Receivership Estate's claims against them. Under the Agreement, the Heatons will repay a total of \$230,000.00 to the Receivership Estate ("Total Cash Payment") in installments, as follows: \$100,000.00 will be paid by March 6, 2015; and payments in the amount of \$43,333.33 will be paid on February 28<sup>th</sup> each year commencing in 2016 through 2018. In the event that the Total Cash Payment is paid in full within 18 months of February 27, 2015, the amount of the Total Cash Payment will be reduced by \$2,000.00 to \$228,000.00. Upon receipt of the Total Cash Payment, the Heatons will be released from further claims and the lawsuit against them will be dismissed.<sup>19</sup>

i. MC Realty Advisers, LLC ("MC Realty"): In connection with the sale of real property located in Fruitland, Utah known as the "Bandanna Cabin", the Receiver

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<sup>18</sup> Receiver Declaration ¶12.

<sup>19</sup> Receiver Declaration ¶ 13.

discovered that NNU had granted a deed of trust on the property to MC Realty. Further investigation revealed that MC Realty had not invested with NNU, but had purchased three NNU promissory notes held by Boardroom Ventures, LC ("Boardroom") in 2011 in the total amount of \$327,510.00. As part of the transfer of notes from Boardroom to MC Realty, NNU paid \$199,409.70 to MC Realty. In anticipation of litigation, MC Realty asserted it was entitled to an additional \$128,100.30 plus accrued interest on the notes. The Receiver disputed this claim and maintained that the Receivership Estate had claims against MC Realty. After extensive negotiations, the Receiver entered into a Settlement Agreement and Release with MC Realty on February 25, 2015. Under the Agreement, subject to Court approval, \$64,000.00 will be paid to MC Realty from the proceeds of the sale of Bandanna Cabin in exchange for the release of MC Realty's deed of trust and MC Realty's agreement not to assert any claim against the Receivership Estate.<sup>20</sup>

### **III. APPLICABLE LAW AND ANALYSIS**

7. The Receiver requests that the Court approve the above-described Settlement Agreements and Releases. In support hereof, the Receiver provides the following analysis.

8. Courts recognize that a "receiver has the power, when so authorized by the court, to compromise claims either for or against the receivership and whether in suit or not in suit."<sup>21</sup>

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<sup>20</sup> Receiver Declaration ¶ 14.

<sup>21</sup> *Sec. & Exch. Comm'n v. Credit Bankcorp, Ltd.*, No. 99 CIV. 11395, 2001 WL 1658200, at \*2 (S.D.N.Y. Dec. 27, 2001) (quoting 3 Ralph Ewing Clark, *A Treatise on the Law and Practice of Receivers*, § 770 (3d Ed. 1959)).

9. “In determining whether to approve a proposed settlement, the cardinal rule is that the District Court must find that the settlement is fair, adequate and reasonable and is not the product of collusion between the parties.”<sup>22</sup> The Tenth Circuit has explained:

In assessing whether the settlement is fair, reasonable and adequate the trial court should consider: (1) whether the proposed settlement was fairly and honestly negotiated; (2) whether serious questions of law and fact exist, placing the ultimate outcome of the litigation in doubt; (3) whether the value of an immediate recovery outweighs the mere possibility of future relief after protracted and expensive litigation; and (4) the judgment of the parties that the settlement is fair and reasonable.<sup>23</sup>

10. Here, each Settlement Agreement and Release is fair, reasonable and adequate for at least the following reasons: (a) they were fairly and honestly negotiated at arm’s length and in good faith by the parties; (b) the value of an immediate recovery outweighs the mere possibility of future relief after potentially protracted and expensive litigation; and (c) the terms of the respective proposed settlements are fair and reasonable.<sup>24</sup>

11. All of the Settlement Agreements and Releases are beneficial to the Receivership Estate and the Receiver respectfully submits that each should be approved by the Court.

- a. Butters: The Receiver engaged in good faith and arms’ length negotiations with the Butters’ respective estates and Heirs and reviewed financial information from the Heirs. The Butters are deceased, their estates do not appear to have assets to pay any judgment that might be entered, and it does not appear that the Heirs received any of the false profits paid to the Butters by NNU. Accordingly, while

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<sup>22</sup> *Cotton v. Hinton*, 559 F.2d 1326, 1330 (5th Cir. 1977); *see also Jones v. Nuclear Pharmacy, Inc.*, 741 F.2d 322, 324 (10th Cir. 1984).

<sup>23</sup> *Jones*, 741 F.2d at 324.

<sup>24</sup> Receiver Declaration ¶¶ 5-21.

the Receiver is confident in his ability to obtain judgment against the estates, I do not believe that the judgment is collectable. While the Settlement Agreement will not result in the recovery of any funds for the Receivership Estate, the Receiver believes that it is the best agreement to be made and that the Receivership Estate will be benefited from the release of the Butters' ABIs with a face value in the total amount of \$40,000.00 without the need for further litigation expense.<sup>25</sup>

- b. RC Willey: The Receiver engaged in good faith and arms' length negotiations with RC Willey and has obtained a total of \$25,098.88 in cash for the benefit of the Receivership Estate through the proposed Settlement Agreement and Release. This amount represents the approximate amount of payments made to RC Willey for goods that do not appear to have provided benefit to the Receivership Estate. While the Receiver believes he would prevail in litigation as to some of the Receivership Estate's claims, he is not confident that a final judgment would be for an amount higher than the amount agreed upon in the Settlement Agreement and Release. Moreover, the issues in question are highly fact intensive and it would have required the Receiver to expend significant additional expense to obtain a judgment for this amount or any higher amount. Thus, the Receiver submits that entering into this Settlement Agreement and Release is in the best interests of the Receivership Estate.<sup>26</sup>

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<sup>25</sup> Receiver Declaration ¶ 15.

<sup>26</sup> Receiver Declaration ¶ 16.

- c. Howe and Mitchell: The Receiver reviewed financial information provided by each of these Defendants and determined that while he is confident of a right to obtain judgment on the claims at issue, he likely will not be able to recover the full amount of such judgments. Moreover, continuing litigation will result in additional costs which likely will be more than the amount that will ultimately be recovered from each of the Defendants. The Receiver engaged in good faith and arms' length negotiations with the respective parties and has obtained or will obtain a total of \$135,000.00 in cash for the benefit of the Receivership Estate through the proposed Settlement Agreements and Releases. This represents approximately 80.2% of the amount demanded. Thus, each of the Settlement Agreements and Releases with these Defendants is in the best interest of the Receivership Estate.<sup>27</sup>
- d. Hawkins. The Receiver previously stipulated to Hawkins' request to intervene on the basis that he would not be seeking relief for any losses he may have incurred from the Receivership Estate. Now that Hawkins has determined that he would rather not file a separate suit, the Receiver has determined that it would be more beneficial to the Receivership Estate to simply agree that, notwithstanding earlier agreements of the parties, Hawkins can participate in the claims process in this case. In so doing, the Receiver has in no way agreed to the allowance or to the amount of any claim that Hawkins might assert. The Settlement Agreement is executed simply to memorialize this agreement since it is different than positions

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<sup>27</sup> Receiver Declaration ¶ 17.

taken by the parties before the Court. The Receiver believes that agreeing to allow Hawkins to participate in the claim process will be more efficient than if he filed his own suit and, therefore, I believe that the Settlement Agreement is in the best interests of the Receivership Estate.<sup>28</sup>

- e. Corbett and the McCools. The Receiver engaged in good faith and arm's length negotiations with Corbett and the McCools. While he believes that he would prevail in litigation against these parties, these parties have agreed to repay almost all of the false profits paid to them and the McCools have also released a contested ABI. Further litigation of these actions would actually not yield more to the Receivership Estate in light of costs that would be expensed. Accordingly, the Receiver believes that these Settlement Agreements and Releases are in the best interest of the Receivership Estate.<sup>29</sup>
- f. The Heatons. The Receiver engaged in good faith and arm's length negotiations with the Heatons. While he believes he would prevail in litigation against these parties, these Heatons have agreed to repay almost all of the false profits paid to them. While the payments for the Total Cash Payment are over an extended period of time, the Receiver has determined that based on the verified financial information he received from the Heatons, this was the most likely means of recovering the funds from them. Further litigation against the Heatons would

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<sup>28</sup> Receiver Declaration ¶ 18.

<sup>29</sup> Receiver Declaration ¶ 19.

actually not yield more to the Receivership Estate in light of costs that would be expensed. Accordingly, the Receiver believes that the Settlement Agreement and Release with the Heatons is in the best interest of the Receivership Estate.<sup>30</sup>

g. MC Realty: The negotiations with MC Realty have been complex and extensive, involving disputed interpretations of the law and strongly-held views regarding the ultimate legal rulings that would be expected. Both sides were reluctant to compromise their claims in light of their views on the strengths of their legal positions. In the end, the desire to avoid the costs and uncertainty of litigation led both parties to settlement. While the Receivership Estate will pay \$64,000.00 to MC Realty, the settlement will result in the release of a \$250,000.00 deed of trust, free up \$226,374.07 in net proceeds from the sale of the Bandanna Cabin, will eliminate any risks as to any additional claims that could be asserted by MC Realty, and end continued expense related to this matter, including in commencing and prosecuting a lawsuit against MC Realty.<sup>31</sup>

12. Each Settlement Agreement and Release was negotiated fairly and honestly, and is the result of an arm's-length transaction. There has been no collusion between the parties.<sup>32</sup>

13. In light of these factors, the Receiver believes each Settlement Agreement and Release is just, fair and beneficial to the Receivership Estate. Accordingly, the Settlement Agreements and Releases should be approved.<sup>33</sup>

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<sup>30</sup> Receiver Declaration ¶ 20.

<sup>31</sup> Receiver Declaration ¶ 21.

<sup>32</sup> Receiver Declaration ¶ 22.

**IV.**

**CONCLUSION**

Accordingly, for the reasons set forth herein, the Receiver requests that the Court enter the proposed Order attached hereto as **Exhibit A**, approving each Settlement Agreement and Release described above.

DATED this 2<sup>nd</sup> day of March, 2015.

**DORSEY & WHITNEY LLP**

          /s/ Peggy Hunt          

Peggy Hunt  
Chris Martinez

*Attorneys for Receiver*

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<sup>33</sup> Receiver Declaration ¶ 23.



**CERTIFICATE OF SERVICE**

I hereby certify that the above **RECEIVER'S TWELFTH MOTION SEEKING APPROVAL OF SETTLEMENT AGREEMENTS AND MEMORANDUM IN SUPPORT** (the "Motion") was filed with the Court on this 2nd day of March, 2015, and served via ECF on all parties who have requested notice in this case.

Furthermore, I certify that on the 2nd day of March, 2015, the Motion was served on the following parties by electronic mail or US Mail:

Wayne LaMar Palmer  
8816 South 2240 West  
West Jordan, UT 84008

R.C. Willey  
c/o Richard M. Hymas, Esq.  
[rhymas@djplaw.com](mailto:rhymas@djplaw.com)

Estates of Kay and Sharon Butters  
c/o Mark O. Van Wagoner, Esq.  
[movw@comcast.net](mailto:movw@comcast.net)

Carola D. Howe and the Charles A. and Carola D. Howe Family Trust  
Robert Mitchell  
Marilyn Corbett  
Dennis and Jane Heaton  
c/o Barry Toone, Esq.  
Deborah Chandler, Esq.  
[toone@millertoone.com](mailto:toone@millertoone.com)  
[chandler@millertoone.com](mailto:chandler@millertoone.com)

Paul Hawkins  
c/o Richard R. Thomas, Esq.  
[rthomas@smith-lc.com](mailto:rthomas@smith-lc.com)

Lori and Robert McCool  
c/o Jonah A. Toleno  
[jantoniades@shufirm.com](mailto:jantoniades@shufirm.com)

MC Realty, LLC  
c/o George Pratt, Esq.  
[gpratt@joneswaldo.com](mailto:gpratt@joneswaldo.com)

*/s/ Candy Long*

# EXHIBIT A

*Prepared and Submitted By:*

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*Attorneys for Court-Appointed Receiver R. Wayne Klein*

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

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

**ORDER GRANTING RECEIVER'S  
TWELFTH MOTION SEEKING  
APPROVAL OF SETTLEMENT  
AGREEMENTS AND MEMORANDUM IN  
SUPPORT**

**(Penni Dehaan and Wendi Butters on behalf  
of the themselves and the Butters' Estate;  
R.C. Willey Home Furnishings and R.C.  
Willey Financial Services; Carola D. Howe  
and the Charles A. and Carola D. Howe  
Family Trust; Robert Mitchell; Paul  
Hawkins; Marilyn Corbett; Lori and Robert  
McCool, Dennis and Jane Heaton; and MC  
Realty Advisers, LLC)**

2:12-cv-00591 BSJ

The Honorable Bruce S. Jenkins

The matter before the Court is the *Receiver's Twelfth Motion Seeking Approval of Settlement Agreements and Memorandum in Support (Penni Dehaan and Wendi Butters on behalf of the themselves and the Butters' Estate; R.C. Willey Home Furnishings and R.C. Willey Financial Services; Carola D. Howe and the Charles A. and Carola D. Howe Family Trust; Robert Mitchell; Paul Hawkins; Marilyn Corbett; Lori and Robert McCool, Dennis and Jane Heaton; and MC Realty Advisers, LLC)* (the "Motion") filed by R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") in the above captioned case. The Court has reviewed the Motion, the *Declaration of R. Wayne Klein, Receiver* (the "Receiver Declaration") in support of the Motion, the record in this case, and applicable law. Based thereon, and for good cause appearing,

**IT IS HEREBY ORDERED** that:

- (1) The Motion is **GRANTED**;
- (2) The Settlement Agreement and Release with Penni Dehaan and Wendi Butters as set forth in the Motion is **APPROVED**;
- (3) The Settlement Agreement and Release with R.C. Willey Home Furnishings and R.C. Willey Financial Services as set forth in the Motion is **APPROVED**;
- (4) The Settlement Agreement and Release with Carola D. Howe and the Charles A. and Carola D. Howe Family Trust as set forth in the Motion is **APPROVED**;
- (5) The Settlement Agreement and Release with Robert Mitchell as set forth in the Motion is **APPROVED**;
- (6) The Settlement Agreement and Release with Paul Hawkins as set forth in the Motion is **APPROVED**;

(7) The Settlement Agreement and Release with Marilyn Corbett as set forth in the Motion is **APPROVED**;

(8) The Settlement Agreement and Release with Lori and Robert McCool as set forth in the Motion is **APPROVED**;

(9) The Settlement Agreement and Release with Dennis and Jane Heaton as set forth in the Motion is **APPROVED**; and

(10) The proposed Settlement Agreement and Release with MC Realty Advisers, LLC as set forth in the Motion is **APPROVED**.

DATED this \_\_\_\_\_ day of March, 2015

**BY THE COURT:**

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The Honorable Bruce S. Jenkins  
United States District Court