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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

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

Defendants.

**ORDER GRANTING IN PART AND
DENYING IN PART RECEIVER'S
MOTION REQUESTING
DISALLOWANCE OF PROOFS OF
CLAIM AS TO PROOF OF CLAIM
NO. 1288 SUBMITTED BY
R'LENE HOGGAN**

Case No: 2:12-CV-591 BSJ

The Honorable Bruce S. Jenkins

The matter before the Court is the *Receiver's Motion Requesting Disallowance of Proofs of Claim and Memorandum of Law in Support* [Docket No. 1092] (the "Motion"). On March 31, 2016, a *Response and Objection to Receiver's Motion to Disallow Claim (Proof of Claim No. 1288)* [Docket No. 1107] (the "Objection") was filed by R'Lene Hoggan (the "Claimant"). The Receiver has filed a *Reply* to the Objection [Docket No. 1138].

The Claimant's Proof of Claim No. 1288 is asserted in the total amount of \$175,000.00. In the Motion and in the Reply, the Receiver has requested that Proof of Claim No. 1288 be disallowed in its entirety because the Claimant elected to be treated as a secured creditor, and alternately, that if the Proof of Claim is allowed, that any distribution that the Claimant receives be reduced by the Receiver's costs to obtain a default judgment invalidating her asserted secured interest. Furthermore, the Receiver contends that if the Proof of Claim is to be allowed, it should be allowed in the reduced amount of \$97,542.06.

A hearing on the Motion was held on May 18, 2016. Peggy Hunt, Dorsey & Whitney LLP, appeared on behalf of the Receiver, who was also present. The Claimant appeared *pro se*. At the hearing, the Court held that it would not disallow the Claimant's Proof of Claim in its entirety as recommended by the Receiver in the Motion on the basis that the Claimant had elected to be treated as a secured creditor. The Court also held that any distribution that the Claimant might receive should not be reduced by the amount of the Receiver's fees and costs incurred in obtaining a default judgment against her. However, the Court ruled that the Proof of Claim, asserted in the amount of \$175,000.00, should be allowed in a reduced amount to take into account the total distributions that the Claimant had received from National Note of Utah LC in the amount of \$77,457.94. The Claimant agreed on the record that her claim should be allowed in the reduced amount of \$97,542.06.

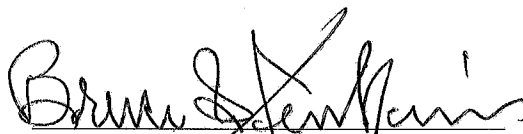
The Court has reviewed the *Receiver's Initial Claims Report* [Docket No. 1088]; the Motion and all Exhibits attached thereto; the *Certificate of Service Regarding (1) Receiver's Initial Claims Report, and (2) Motion Requesting Disallowance of Proofs of Claim* [Docket No. 1102]; the Objection; the Receiver's Reply; the record in this case; and the representations of the

Receiver and the Claimant made on the record. Based thereon and for the reasons stated on the record and for good cause shown,

IT IS HEREBY ORDERED that:

- (1) The Motion is **DENIED IN PART** and **GRANTED IN PART**;
- (2) Proof of Claim No. 1288 is **ALLOWED** in the reduced amount of \$97,542.06;
and
- (3) Any request in the Motion to reduce the amount of the Claimant's distribution by the amount of the fees and costs incurred by the Receiver to obtain a default judgment against the Claimant is **DENIED**.

DATED this th 24 day of May, 2016.


The Honorable Bruce S. Jenkins
United States District Court