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

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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 NON-  
OBJECTING CLAIMANTS'  
PROOFS OF CLAIM**

Case No: 2:12-CV-591 BSJ

The Honorable Bruce S. Jenkins

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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"), seeking disallowance of 46 Proofs of Claim in their entirety. Objections to the Motion were required to be filed by no later than April 8, 2016, which deadline has now expired. Seven objections to the Motion have been filed by holders of ten Proofs of Claims (the "Objecting Claimants"). No

objections to the Motion have been filed by the remaining thirty-six holders of Proofs of Claim (the “Non-Objecting Claimants”).

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. Appearances were made on the record by the Objecting Claimants who appeared. None of the Non-Objecting Claimants appeared.

In ruling on the objections to the Motion filed by the Objecting Claimants, the Court ruled that, regardless of whether an objection to the Motion was filed, the Court did not accept the Receiver’s recommendation to disallow Proofs of Claims listed in “Disallowance Category 5,” that the Receiver has identified as “Real Estate Lien Holders” who held Assignments of Beneficial Interest (“ABIs”). *See* Motion, p. 8 and Exhibit A thereto. This ruling pertains to eight Proofs of Claim listed on the attached Exhibit 1, entitled *Non-Objecting ABI Claimants*, who asserted ABIs against property, but whose interest has been disallowed through default judgment or otherwise. Additionally, the Court declined to adopt the Receiver’s recommendation to disallow Proof of Claim No. 1386 submitted by Gerrie Petty. There are three Proofs of Claims held by Non-Objecting Claimants that are similarly situated to Ms. Petty, which Proofs of Claim are identified on attached Exhibit 2, entitled *Non-Objecting Assigned Claimants*.

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 *Receiver’s Status Report on Motion Requesting Disallowance of Proofs of Claim and Request for Entry of Order on Non-Objecting Claimants* [Docket No. 1122]; the record in this case; and the representations and arguments made at the hearing. The Court finds that notice of

the opportunity to object to the Motion is proper and no further notice is required. The relief sought by the Receiver is appropriate as to twenty-five of the Non-Objecting Claimants, each of which is identified on Exhibit 3, entitled *List of Non-Objecting Disallowed Claims*. Based thereon, including for the reasons stated on the record, and for good cause shown,

**IT IS HEREBY ORDERED that:**

- (1) The Motion is **DENIED** without prejudice as to each of the Claimants listed on Exhibit 1, *List of Non-Objecting ABI Claimants*, and Exhibit 2, *Non-Objecting Assigned Claimants*. These eleven Proofs of Claim will not be disallowed for the reasons requested by the Receiver in the Motion. If there is another basis for disallowing such Proofs of Claim either in whole or in part, the Receiver may assert it in a separate motion.
- (2) The Motion is **GRANTED** as to each of the twenty-five Claimants listed on Exhibit 3, *List of Non-Objecting Disallowed Claims*;
- (3) Each of the Proofs of Claim listed on Exhibit 3, *List of Non-Objecting Disallowed Claims* is **DISALLOWED** in its entirety; and
- (4) The Receiver will submit separate proposed Orders on the ten Proofs of Claim held by the Objecting Claimants.

DATED this 24 day of May, 2016.

  
The Honorable Bruce S. Jenkins  
United States District Court

# Exhibit 1

**List of Non-Objecting ABI Holders**

<b>Claim No.</b>	<b>Total Claims Asserted</b>
1112	\$48,000.00
1182	\$7,538.00
1242	\$46,217.82
1266	\$20,000.00
1328	\$17,420.68
1329	\$17,420.68
1369	\$519,743.84
1374	\$952,000.00
<i>Total</i>	<i>\$1,628,341.02</i>

# Exhibit 2

List of Non-Objecting Assigned Claimants

Claim No.	Total Claims Asserted
1121	\$10,440.00
1128	\$19,000.00
1393	\$55,818.44
<i>Total</i>	<i>\$85,258.44</i>

# Exhibit 3

**List of Non-Objecting Disallowed Claims**

Claim No.	Total Claim Asserted	Allowed Amount
1012	\$105,000.00	\$0.00
1013	\$202,500.00	\$0.00
1042	\$2,589.63	\$0.00
1043	\$102,029.69	\$0.00
1044	\$7,063.37	\$0.00
1045	\$368,943.00	\$0.00
1060	\$96,079.31	\$0.00
1069	\$35,085.76	\$0.00
1078	\$162,099.12	\$0.00
1107	\$107,167.00	\$0.00
1108	\$1,193.66	\$0.00
1152	\$227.50	\$0.00
1202	\$77,175.00	\$0.00
1211	\$97,259.00	\$0.00
1301	\$54,000.00	\$0.00
1324	\$124,597.10	\$0.00
1350	\$55,886.65	\$0.00
1390	\$47,431.23	\$0.00
1418	\$49,544.36	\$0.00
1420	\$79,500.00	\$0.00
1428	\$5,000.00	\$0.00
1446	\$29,170.00	\$0.00
1456	\$650,000.00	\$0.00
1457	\$9,634.34	\$0.00
1462	\$19,368.48	\$0.00
<b>Total</b>	<b>\$2,488,544.20</b>	<b>\$0.00</b>