

Prepared and Submitted By:

Peggy Hunt (Utah State Bar No. 6060)
John J. Wiest (Utah State Bar No. 15767)

DORSEY & WHITNEY LLP

136 South Main Street, Suite 1000

Salt Lake City, UT 84101-1685

Telephone: (801) 933-7360

Facsimile: (801) 933-7373

Email: hunt.peggy@dorsey.com

wiest.john@dorsey.com

Attorneys for Court-Appointed Receiver, R. Wayne Klein

**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. 1223 SUBMITTED BY
HARVEST TIME MINISTRIES**

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 August 8, 2016, a *Response to the Receiver's Motion Requesting Disallowance of Proofs of Claim and Objection to Recommendation to Disallow Claim (Proof of Claim No. 1223)* [Docket No. 1115] (the "Objection") was filed by Harvest Time Ministries (the "Claimant").

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. Deborah R. Chandler, Miller Toone, PC, appeared on behalf of the Claimant. 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. 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 it. However, the Court ruled that the Proof of Claim should be allowed in a reduced amount to reflect only the amount of the Claimant's net principal investment of \$100,000.00.


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 counsel 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. 1233 is **ALLOWED** in the reduced amount of \$100,000.00;
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**.

2-12 CV 591 BSJ

DATED this 1st day of June, 2016.



The Honorable Bruce S. Jenkins
United States District Court