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**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, *et al.*,

Defendants.

**RESPONSE TO MOTION TO APPROVE
PLAN OF DISTRIBUTION**

Civil No. 2:12-cv-00591-BSJ

Judge Bruce S. Jenkins

Movants Shwol-Huo “Danny” Kiang (“Mr. Kiang”) and Barbara Kielek-Kiang (“Ms. Kiang”) (collectively, “Movants”), by and through undersigned counsel, hereby respectfully submit this response to the proposed plan of distribution submitted by the Receiver to this Court on August 24, 2016.

RELIEF SOUGHT AND GROUNDS FOR MOTION

Movants were investors in National Note of Utah (“National”) who, along with hundreds of other investors, lost money. Movants never received notice from the Receiver that a claims procedure had been approved by this Court, and therefore did not file their claim forms prior to

the Bar Date. Having received leave from this Court to file a motion seeking approval of their late-filed claims, Movants filed a Motion to Approve Late-Filed Claim Forms (“Motion”) on September 14, 2016. That motion is pending, and date for the Receiver’s response to the Motion has not yet passed.

The deadline for objections to the proposed plan of distribution, as proposed by the Receiver, is September 20, 2016. Because the time for briefing on Movants’ Motion will not expire until after the date by which objections to the plan of distribution must be filed, Movants object to entry of the plan of distribution until such time as this Court has ruled on their Motion.

STATEMENT OF FACTS

1. The United States Securities and Exchange Commission filed this action on June 25, 2012. (Dkt. 1.)
2. On June 25, 2012, this Court entered an order freezing the assets of National and appointing R. Wayne Klein as receiver (“Receiver”). (Dkt. 8, 9.)
3. On August 24, 2016, pursuant to his duties, the Receiver filed a Motion for Approval of Proposed Distribution Methodology and Plan of Distribution and Proposed Initial Distribution (“Plan of Distribution”). (Dkt. 1196).
4. The Plan of Distribution proposed a cut-off date of September 20, 2016 for objections. (Id.)
5. Movants filed a motion to intervene in this action for the purpose of filing a motion to approve their claims, which were filed after the Bar Date. (Dkt. 1197).
6. This Court granted Movants’ motion to intervene on September 13, 2014. (Dkt. 1202).

7. Movants filed their Motion on September 14, 2016. (Dkt. 1203).

ARGUMENT

Movants interpose a limited objection to the Receiver's Plan of Distribution. Movants do not object to the proposed distribution methodology or procedure, or to any other substantive ground upon which the Receiver bases the Plan of Distribution. Movants object simply because they seek inclusion in the Plan of Distribution for the reasons described in their Motion, which is attached hereto as Exhibit A, and incorporated fully herein. However, because the date for objections to the Plan of Distribution expires prior to date by which the Motion will be heard by this Court, Movants ask this Court to hear the matters together and rule on Movants' request before a distribution is made.

CONCLUSION

Because this Court has not had the opportunity to hear Movant's Motion, or otherwise consider whether Movants' late-filed claims ought to be included in the Plan of Distribution, Movants respectfully request the Court delay decision on the Plan of Distribution until such time as the Court has ruled on Movants' Motion.

DATED this 20th day of September, 2016.

RAY QUINNEY & NEBEKER P.C.

/s/ Jared N. Parrish

Jared N. Parrish
*Attorney for Shwol-Huo "Danny" Kiang and
Barbara Kielek-Kiang*

CERTIFICATE OF SERVICE

I hereby certify that on the 20th, day of September, 2016, I electronically filed the foregoing **RESPONSE TO MOTION TO APPROVE PLAN OF DISTRIBUTION** was filed with the Court and served via ECF on all parties who have requested notice in this case.

/s/ Teresa Hansen _____

I hereby certify that on that on the 24th, day of August 2016, a true and correct copy of the foregoing **RESPONSE TO MOTION TO APPROVE PLAN OF DISTRIBUTION** was served upon the persons named below at the address set out below by U.S. mail:

Wayne L. Palmer
8816 South 2240 West
West Jordan, UT 84088

/s/ Teresa Hansen _____