

EXHIBIT A

Prepared and submitted by:

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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 RECEIVER'S
MOTION FOR APPROVAL OF (1)
PROPOSED DISTRIBUTION
METHODOLOGY AND PLAN OF
DISTRIBUTION, AND (2) PROPOSED
INITIAL DISTRIBUTION AS
MODIFIED**

Civil No. 2:12-00591

The Honorable Bruce S. Jenkins

The matter before the Court is *Receiver's Motion for Approval of (1) Proposed Distribution Methodology and Plan of Distribution, and (2) Proposed Initial Distribution, and Memorandum in Support* [Docket No. 1196] (the "Distribution Motion"), seeking to authorize the Receiver's proposed distribution methodology for assets of the receivership estate, and an initial distribution to holders of "Allowed Claims" of \$4,500,000.00 pursuant to an approved distribution method. In the Distribution Motion, the Receiver also requests that he be authorized

to reserve distributions that would be made to holders of disputed “ABI Proofs of Claim” until such time as those disputes are resolved. The Distribution Motion gave notice that any response to the Motion must be filed by no later than September 20, 2016, and the Distribution Motion was served on all holders of Allowed Claims and disputed ABI Proofs of Claim. *See Certificate of Service of the Receiver’s Motion for Approval of (1) Proposed Distribution Methodology and Plan of Distribution, and (2) Proposed Initial Distribution and Memorandum in Support* [Docket No. 1208] (the “Certificate of Service”).

Three responses were filed by Sarah Blackwell [Docket No. 1205] (the “Blackwell Objection”); Donald R. Hertz [Docket No. 1206] (the “Hertz Objection”); and Danny and Barbara Kiang [Docket No. 1206] (the “Kiang Response”) (collectively, the “Responses”). The Receiver has filed a *Status Report on Motion for Approval of (1) Proposed Distribution Methodology and Plan of Distribution, and (2) Proposed Initial Distribution; Reply to Responses; and Request for Entry of Order Granting Motion* (the “Status Report”).

The Receiver has set forth his reply to the Responses in the Status Report and has (1) outlined a settlement of the Blackwell Objection pursuant to which Sarah Blackwell’s Allowed Claim in the amount of \$0.00 will be amended, with Court approval, to be an Allowed Claim in the total amount of \$13,153.82 (the “Blackwell Agreement”); (2) outlined a settlement of the Kiang Response pursuant to which Danny and Barbara Kiang (collectively, the “Kiangs”) will be afforded, with Court approval, an Allowed Claim in the total amount of \$97,670.48 (the “Kiang Agreement”); and (3) argued that the Hertz Objection, which the only objection to the Receiver’s proposed method of distribution of receivership estate assets, should be overruled. The Receiver has also requested that this Court enter an Order granting the Distribution Motion, subject to

modifications meant to address the Blackwell Agreement, the Kiang Agreement and an error that the Receiver discovered related to the Allowed Claim of Larry McCullough, which requires an increase to the amount of the initial distribution proposed to Mr. McCullough on his Allowed Claim (the "McCullough Adjustment"). As part of the modifications, the Receiver is requesting authority to make a total initial distribution in the amount of \$4,526,507.28 so as to make the distributions outlined in the Distribution Motion and as set forth on Exhibit 1 and Exhibit 2 hereto, and also to make an initial distribution on account of the Blackwell Agreement, the Kiang Agreement and the McCullough Adjustment.

The Court has reviewed the Distribution Motion; the Certificate of Service; the Responses; the Status Report; and the record in this case. The Court finds that notice of the opportunity to object to the Distribution Motion is proper and no further notice is required, and the relief sought by the Receiver is appropriate.

Based thereon, and for good cause shown,

IT IS HEREBY ORDERED that:

- (1) The Motion as modified is **GRANTED**;
- (2) The Hertz Objection is **OVERRULED**;
- (3) The distribution methodology outlined in the Distribution Motion is **APPROVED** and shall apply in this case to this initial distribution authorized herein and to all future distributions made by the Receiver in this case;
- (4) The Receiver is **AUTHORIZED** to make an initial distribution in the total amount of \$4,526,507.28;

- (5) The Receiver is **AUTHORIZED** to make a *pro rata* distribution to each holder of an Allowed Claim as outlined in Exhibit 1 attached hereto;
- (6) The Receiver is **AUTHORIZED** to make a rising tide distribution to each holder of an Allowed Claim as outlined in Exhibit 2 attached hereto;
- (7) The Receiver is **AUTHORIZED** to reserve interim distributions related to disputed ABI Proofs of Claim until such time as an order is entered allowing or disallowing such Proofs of Claim as set forth on Exhibit 1 and Exhibit 2;
- (8) The Blackwell Agreement is **APPROVED** and (a) Sarah Blackwell is afforded an Allowed Claim in the total amount of \$13,153.82 in this case, and (b) the Receiver is **AUTHORIZED** to make an initial distribution to Sarah Blackwell in the total amount of \$3,512.82, which is \$314.16 on a *pro rata* basis and \$3,198.79 on a rising tide basis;
- (9) The Kiang Agreement is **APPROVED** and (a) the Kiangs are afforded an Allowed Claim in the total amount of \$97,670.48 in this case, and (b) the Receiver is **AUTHORIZED** to make an initial distribution to the Kiangs in the total amount of \$19,563.40, which is \$1,728.77 on a *pro rata* basis and \$17,834.63 on a rising tide basis; and
- (10) The McCullough Adjustment is **APPROVED** and in addition to the distribution on account of Mr. McCullough's Allowed Claim, Proof of Claim No. 1464, outlined in Exhibit 1 and Exhibit 2, the Receiver is **AUTHORIZED** to make an additional distribution to Larry McCullough in the total amount of \$3,430.93, which is \$303.19 on a *pro rata* basis and \$3,127.74 on a rising tide basis.

DATED this ____ day of _____, 2016

FOR THE COURT

The Honorable Bruce S. Jenkins
United States District Court