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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.

**RECEIVER'S NOTICE OF PUBLIC
SALE RESULTS**

**(EXPRESSWAY LAND, SPANISH
FORK, UT)**

Civil No. 2:12-00591

The Honorable Bruce S. Jenkins

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of National Note of Utah, LC, its subsidiaries and affiliates (collectively, "National Note"), and the assets of Wayne LaMar Palmer, by and through his counsel, hereby files this *Notice of Public Sale Results (Expressway Land)*. In support hereof, the Receiver states as follows:

1. On October 16, 2017, the Court entered an *Order Approving (1) Public Sale of Property Free and Clear of Interests, (2) Method and Form of Publication Notice, and (3) Public Auction Procedures (Expressway Land)* [Docket No. 1320] (the "Sale Order"), authorizing

procedures for and the public sale of certain real property located at 1100 North Market Place Drive, Spanish Fork, Utah (the “Real Property”) free and clear of interests.

2. Pursuant to the Sale Order, the Receiver provided notice of the auction via publication of the Court-approved notice in *The Salt Lake Tribune* and *The Daily Herald* once a week for a period of four weeks prior to the public sale. Notice of the auction also was posted on the Receivership website.

3. Pursuant to the Sale Order, the Receiver conducted a sale of the Real Property pursuant to the Court approved “Auction Procedures” attached as Exhibit B to the *Receiver’s Amended Motion Requesting Order Approving (1) Public Sale of Property Free and Clear of Interests, (2) Method and Form of Publication Notice, and (3) Public Auction Procedures and Memorandum in Support (Expressway Land)* [Docket No. 1315]. Capitalized terms used hereinafter have the meaning attributed to them in the Auction Procedures.

4. Proof of publication of notice of the sale was previously filed with the Court at Docket No. 1333.

5. Stalking horse bids were received for combined Parcels 1 and 3 from John and Brenda Cutler and for the entire property (all four parcels) from WoodSprings, LLC. Three additional bidders—Outback Fire, Catalyst Development, and Patterson Family Enterprises—qualified to participate in the auction by submitting \$10,000 bid deposits and agreeing to abide by the approved auction procedures. All additional bidders and both stalking horse bidders were deemed qualified bidders for any individual parcel or all the parcels combined.

6. The auction was conducted on November 13, 2017. The Receiver first conducted an auction of individual parcels, with the following results:

- a. Parcels 1 & 3. Bidding started at the Cutler’s stalking horse bid of \$130,000. Auction bidding ensued with three active bidders and an ultimate bid of \$350,000 by Catalyst Development.
- b. Parcel 2. No bidders bid the minimum bid amount of \$470,000 for Parcel 2.
- c. Parcel 4. One bidder, Catalyst Development, bid the minimum bid of \$200,000 for Parcel 4.
- d. The total combined bids for individual parcels was \$550,000. As this total was less than the stalking horse bid for the entire property, the Receiver deemed these auction results non-qualifying.

7. The bidding for all four parcels combined began at the stalking horse bid of \$601,000 by WoodSprings, LLC. Only two bidders participated in this portion of the auction. After vigorous bidding, Catalyst Development submitted the final high bid of \$775,000. The owners of Catalyst Development subsequently formed a new entity, Expressway Partners II, LC, and assigned the purchase rights to the new entity.

8. The sale of the Real Property to Expressway Partners II, LC closed on December 22, 2017. The following is a summary of the results of this sale:

Gross Sales Price	\$ 775,000.00
Property Taxes (nine years)	(\$250,093.18)
Payoff of Westar Equities Trust Deed	(\$ 13,460.31)
Real Estate Commissions	(\$ 36,060.00)
Title Insurance	(\$ 2,765.00)
Closing Costs, Recording Fees	(\$ <u>700.00</u>)
NET SALE PROCEEDS	\$ 471,921.51

9. The net sales proceeds have been deposited by the Receiver into the Receivership Estate’s Real Estate Holding Account inasmuch as four unresolved liens remain against the

Property: i) ABI claim by Kristine S. Olson in the amount of \$450,000; ii) ABI claim by The Kristine S. Olson Profit Sharing Plan in the amount of \$300,000; iii) trust deed in an unspecified amount granted to Jeff Sessions; and iv) trust deed in an unspecified amount granted to Evolution Holdings. The ABI claims have been declared invalid by the Court and the results of an appeal are still pending. The Receiver has received a release of lien from Jeff Sessions, and has made demand on Evolution Holdings for a release of its trust deeds. All other ABIs previously filed against the Property have been released or judicially declared invalid.

DATED this 29th day of December, 2017.

DORSEY & WHITNEY LLP

 /s/ Peggy Hunt

Peggy Hunt

John Wiest

Attorneys for Receiver

CERTIFICATE OF SERVICE

I hereby certify that on the December 29, 2017, a true and correct copy of the foregoing was filed with the Court and served via ECF on all parties who have requested notice in this case.

/s/ John J. Wiest

I hereby certify that on the December 29, 2017, a true and correct copy of the foregoing was served upon the persons named below, at the addresses set out below by email:

Paul Barton, counsel for Kristine S. Olson and The Kristine S. Olson Profit Sharing Plan
paul@olsenbarton.com

Jeff Sessions
jeffssns@yahoo.com

Bruce C. Jenkins, Esq., counsel for Westar Equities
BCJ@vf-law.com

/s/ Natasha Asmus

I hereby certify that on the December 29, 2017, a true and correct copy of the foregoing was served upon the persons named below, at the addresses set out below by U.S. mail:

Evolution Holdings, LLC
521 North Bald Mountain Drive
Alpine, UT 84004

Utah County Treasurer
100 East Center, Suite 1200
Provo, UT 84606-3159

/s/ Natasha Asmus