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*Attorneys for Court-Appointed Receiver R. Wayne Klein*

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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.

**RECEIVER'S MOTION SEEKING  
AUTHORIZATION TO MAKE  
SECOND DISTRIBUTION**

Civil No. 2:12-00591

The Honorable Bruce S. Jenkins

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R. Wayne Klein, as receiver (the "Receiver") for National Note of Utah, LC and its affiliated entities ("National Note") and the assets of Defendant Wayne LaMar Palmer, by and through his counsel of record, hereby requests that the Court enter an Order authorizing the Receiver to make a second distribution pursuant to the distribution methodology that this Court has approved in this case to the holders of Allowed Claims eligible for a rising tide distribution as set forth on Exhibit A hereto and as discussed in further detail below. A proposed form of Order, exclusive of the noted Exhibit is attached hereto as Exhibit B.

In support hereof, the Receiver states as follows.

I.

**BACKGROUND**

*The Initial Order Approving Distribution Methodology and an Initial Distribution*

1. On November 8, 2016, after notice to all parties in interest and opportunity to be heard, the Court entered an *Order Granting Receiver's Motion for Approval of (1) Proposed Distribution Methodology and Plan of Distribution, and (2) Proposed Initial Distribution as Modified* (the "Initial Order")<sup>1</sup> which, among other things, approved the Receiver's proposed methodology for distributing funds of the Receivership Estate to holders of "Allowed Claims" (the "Approved Methodology"), and authorized the Receiver to make an "Initial Distribution" in the total amount of \$4,526,507.28 to holders of Allowed Claims. A copy of the relevant portions of Initial Order is attached hereto as **Exhibit C** for the Court's convenience.

2. Allowed Claims in this case are limited to each holder's "Net Principal Investment"—which is calculated by the sum of all cash invested by the victim with National Note, less all cash paid to the victim by National Note prior to the commencement of the above-captioned case. Each holder of an Allowed Claim is assigned a "Pre-Receivership Percentage Return" which is the percentage return that was paid on the victim's Net Principal Investment prior to the commencement of this case. Investors were informed of their allowed Net Principal Investment and their Pre-Receivership Percentage Return in the motion that was granted as part of the Initial Order.<sup>2</sup>

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<sup>1</sup> Docket No. 1231.

<sup>2</sup> See *Order Granting Receiver's Motion for Approval of (1) Proposed Distribution Methodology and Plan of Distribution, and (2) Proposed Initial Distribution as Modified*, Docket No. 1196.

3. The Approved Methodology allowed all victims in this case to receive a one-time *pro rata* distribution from \$1.5 million on account of their respective Allowed Claims as part of the Initial Distribution. *Pro rata* distributions were calculated by dividing \$1.5 million by \$48,343,654.85, which was the total amount of Allowed Claims plus the face amount of three disputed claims.

4. In addition, the Approved Methodology provides that for all distributions over that initial \$1.5 million, a “rising tide” method of distribution must be applied. This method requires available cash of the Receivership Estate to be distributed first to those holders of Allowed Claims whose Pre-Receivership Percentage Return was zero or less than 20.05% prior to the filing of the above-captioned case. Once receivership distributions helped these holders “catch up” with holders who received a higher Pre-Receivership Percentage Return, any available additional funds must be paid to the next lowest Pre-Receivership Percentage Return tier.

5. Paragraph (2) of the Initial Order expressly states: “The distribution methodology for this initial distribution and for all future distributions made by the Receiver in this cases as outlined in the Distribution Motion is **APPROVED.**”

*The Initial Distribution*

6. On or about November 10, 2016, the Receiver distributed a total of \$4,526,507.28 pursuant to the Approved Methodology.

7. Specifically, \$1.5 million was distributed *pro rata* to each holder of an Allowed Claim, providing a return of approximately 3.10% to every victim in this case.<sup>3</sup>

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<sup>3</sup> See Exh. C (Initial Order, Exh. 1). Of these funds, the Receiver reserved \$20,960.85 from the Initial Distribution on account of three disputed Proofs of Claim. The treatment of these funds is

8. Additionally, \$3,005,546.40 was distributed on the rising tide basis to holders of Allowed Claims who had a Pre-Receivership Percentage Return of zero up to 20.05%. Thus, as a result of the Initial Distribution, all National Note victims have received back at least 20.05% of their Net Principal Investment. This amounts to 214 of the total 438 victims receiving a rising tide distribution.<sup>4</sup>

*Funds Available and Proposed Second Distribution*

9. As of May 8, 2018, approximately \$2.3 million is on deposit in the Receivership Estate's Operating Account. This includes (a) funds that were on deposit in the Receivership Estate's Real Estate Holding Account that were transferred to the Operating Account when all disputes related to certain Assignments of Beneficial Interests were finally resolved, and (b) \$8,000.00 that the Receiver has left on deposit in the Real Estate Holding Account in the event that this Account is necessary to deal with remaining property sales of the Receivership Estate.

10. In an exercise of his business judgment, the Receiver believes that it is prudent at this time to make a second distribution in the total amount of \$2 million to holders of Allowed Claims in accordance with the Approved Methodology. In so doing, the Receiver would make rising tide distributions to those holders of Allowed Claims whose total return of Net Principal Investment after the Initial Distribution is 27.57% or less. If allowed, a total of 228 of the total 438 holders of Allowed Claims will receive a rising tide distribution after this distribution.

11. The amount of the proposed distribution was conservatively calculated by the Receiver to take into account remaining costs of administering the Receivership Estate, including but not limited to costs associated with selling the remaining properties, costs associated with

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discussed in the Receiver's *Motion Seeking Allowance of Previously Disputed Claims and Authorization to Release Funds* filed concurrently herewith.

<sup>4</sup> See Exh. C (Initial Order, Exh. 1).

settlements of remaining deeds of trust against certain properties, costs of collecting judgments and settlements, and general costs of administration, including closing the Receivership Estate.

*Anticipated Future Distributions*

12. The Receiver is working diligently to finalize his administration of the Receivership Estate. At this time, the Receiver has limited real property left to sell, and has a limited amount of judgments and settlements to collect. Given the resolution of the litigation related to the disallowance of Assignments of Beneficial Interests, the Receiver is now considering alternative options for the sale of the remaining real property and monetizing the judgments obtained.

13. He anticipates that there will be sufficient additional funds to distribute as part of his closing of the Receivership Estate and, therefore, anticipates at least one more distribution before the Estate is closed.

**II.**

**RELIEF REQUESTED**

14. The Receiver requests an Order granting this Motion and authorizing him to make a second distribution in the total amount of \$2 million in accordance with the Approved Methodology that this Court ordered to be applied in the Initial Order.

15. Under the Approved Methodology, if this Motion is granted, a rising tide distribution to those holders of Allowed Claims who have received 27.57% or less of their Net Principal Investment will be made by the Receiver.

16. Attached hereto as **Exhibit 1** is a chart identifying the claims entitled to a rising tide distribution, the amount of the proposed distribution, and the percentage return to each of the claimants.

III.

**MEMORANDUM OF LAW**

17. A key objective of receiverships is to distribute recovered funds to defrauded investors as fairly and expeditiously as possible.<sup>5</sup>

18. It is well established that the Court has broad discretion in fashioning relief in equity receiverships,<sup>6</sup> including authorizing distributions pursuant to a plan of distribution that is “fair and reasonable.”<sup>7</sup>

19. Here, after notice to all parties in interest in this case and opportunity to be heard, the Court entered the Initial Order which sets forth the Approved Methodology for making distributions of the Receivership Estate in this case. In so doing, the Court determined that the Approved Methodology was fair and reasonable.<sup>8</sup>

20. The Receiver now has sufficient funds to make a second distribution and he is requesting authority to do so in accordance with the Approved Methodology.

21. The Receiver believes that this proposed second distribution, which is in accordance with the Approved Methodology in the Initial Order, is fair and reasonable and should be approved.

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<sup>5</sup> *VesCor Capital Corp. v. Valle Verde L.P., et al.*, No. 2:07-CV-0363 (D. Utah) (Benson, J.) (Memorandum Decision and Order to Transfer Funds from Interpleader and to Release Funds for Use by the Receivership in Valle Verde, Jan. 29, 2009).

<sup>6</sup> *SEC v. Forex Asset Mgmt., LLC*, 242 F.3d 325, 328 (5th Cir. 2001); *SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80, 91 (2d Cir. 2002); *SEC v. Hardy*, 803 F.2d 1034, 1037-39 (9th Cir. 1986).

<sup>7</sup> *SEC v. Wealth Mgmt., LLC*, 628 F.3d 323, 332-33 (7th Cir. 2010). *Accord, SEC v. ANExchange, et al.*, No. 2:02-CV-0431 (D. Utah) (Kimball, J.) (Order Approving First Plan of Partial Distribution, Feb. 16, 2005).

<sup>8</sup> *See* Initial Order.

IV.

**CONCLUSION**

For the reasons stated herein, the Receiver requests that the Court enter the proposed form of Order attached hereto as **Exhibit B** granting this Motion, and authorizing a second distribution in accordance with the Approved Methodology on a rising tide basis to the holders of Allowed Claims listed on **Exhibit A**.

DATED this 16th day of May, 2018.

**DORSEY & WHITNEY LLP**

*/s/ Peggy Hunt*

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Peggy Hunt

John Wiest

*Attorneys for Receiver*

**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the above **RECEIVER'S MOTION SEEKING AUTHORIZATION TO MAKE SECOND DISTRIBUTION** was filed with the Court on this 16 day of May, 2018, and served via ECF on all parties who have requested notice in this case.

/s/ Candy Long



# EXHIBIT A

**2nd Distribution: Allocation of \$2 Million Among Allowed Claims Using Rising Tide  
Distribution Methodology**

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<b>Proof of Claim Number</b>	<b>Claim Amount</b>	<b>Amount of Second Distribution</b>	<b>Percentage Return After Distribution</b>
1002	\$43,358.90	\$3,758.31	27.57%
1003	\$108,993.66	\$8,760.15	27.57%
1003A	\$152,259.35	\$12,346.55	27.57%
1003B	\$11,000.00	\$826.83	27.57%
1006	\$5,880.55	\$442.02	27.57%
1007	\$39,219.73	\$3,010.12	27.57%
1008	\$25,000.00	\$1,879.15	27.57%
1009	\$264,406.02	\$15,819.91	27.57%
1014	\$181,134.38	\$16,095.63	27.57%
1017	\$29,138.93	\$2,190.26	27.57%
1019	\$36,824.76	\$2,767.97	27.57%
1023	\$425,000.00	\$31,945.56	27.57%
1024	\$75,000.00	\$5,637.45	27.57%
1028	\$114,546.30	\$8,644.09	27.57%
1031	\$300,000.00	\$22,549.81	27.57%
1033	\$76,000.00	\$5,712.61	27.57%
1038	\$296,547.95	\$22,549.81	27.57%
1039			
1040	\$75,000.00	\$5,637.45	27.57%
1047	\$114,000.00	\$8,568.93	27.57%
1048	\$179,000.00	\$13,454.72	27.57%
1049	\$493,434.91	\$37,188.97	27.57%
1051	\$1,581.00	\$118.84	27.57%
1052	\$250,000.00	\$18,791.51	27.57%
1053	\$95,000.00	\$7,140.77	27.57%
1054	\$4,366.20	\$328.19	27.57%
1058	\$45,000.00	\$4,134.13	27.57%
1061	\$44,595.20	\$3,795.88	27.57%
1070	\$70,229.13	\$5,318.64	27.57%
1072	\$10,176.00	\$764.89	27.57%
1073	\$91,000.00	\$7,516.60	27.57%
1074	\$901,869.88	\$11,412.16	27.57%
1075	\$11,750.00	\$939.58	27.57%
1077	\$77,276.71	\$3,071.90	27.57%
1079	\$559,000.00	\$42,017.81	27.57%
1080	\$271,000.00	\$20,370.00	27.57%
1081	\$70,000.00	\$5,261.62	27.57%
1083	\$97,148.91	\$4,392.90	27.57%

1086	\$1,210,136.99	\$79,255.69	27.57%
1087	\$49,056.16	\$3,758.31	27.57%
1091	\$15,000.00	\$1,127.49	27.57%
1092	\$129,000.00	\$9,696.42	27.57%
1093	\$13,000.00	\$977.15	27.57%
1094	\$43,534.92	\$3,758.31	27.57%
1096	\$150,000.00	\$11,274.91	27.57%
1099	\$183,827.39	\$15,033.20	27.57%
1100	\$30,000.00	\$2,254.98	27.57%
1103	\$87,000.00	\$7,967.60	27.57%
1106	\$1,562.00	\$117.41	27.57%
1109	\$20,000.00	\$1,503.32	27.57%
1112	\$41,280.00	\$3,607.97	27.57%
1113	\$81,665.00	\$7,378.67	27.57%
1114	\$2,070.75	\$155.65	27.57%
1115	\$1,000.00	\$75.16	27.57%
1116	\$2,028.89	\$152.51	27.57%
1117	\$1,793.37	\$134.80	27.57%
1118	\$2,000.00	\$150.33	27.57%
1119	\$2,860.87	\$215.04	27.57%
1120	\$89,064.77	\$6,587.53	27.57%
1121	\$10,320.00	\$901.99	27.57%
1123	\$512.96	\$38.56	27.57%
1125	\$24,376.44	\$1,879.15	27.57%
1126	\$100,000.00	\$7,516.60	27.57%
1127	\$56,702.05	\$4,333.62	27.57%
1130	\$25,000.00	\$1,879.15	27.57%
1132	\$7,795.00	\$585.92	27.57%
1135	\$63,425.37	\$4,789.29	27.57%
1139	\$293,057.90	\$22,421.61	27.57%
1142	\$30,485.27	\$2,454.17	27.57%
1144	\$618.80	\$46.51	27.57%
1145	\$54,500.00	\$4,096.55	27.57%
1147	\$23,211.41	\$1,807.42	27.57%
1149	\$22,245.45	\$1,954.32	27.57%
1150	\$84,882.19	\$7,516.60	27.57%
1151	\$105,500.00	\$7,930.02	27.57%
1155	\$78,767.30	\$5,920.62	27.57%
1156	\$61,934.18	\$4,655.35	27.57%
1157	\$110,785.08	\$8,436.96	27.57%
1159	\$25,000.00	\$1,879.15	27.57%
1160	\$1,096.49	\$82.42	27.57%
1162	\$15,332.00	\$1,152.45	27.57%
1164	\$60,000.00	\$4,509.96	27.57%
1165	\$28,995.62	\$2,254.98	27.57%
1170	\$10,000.00	\$751.66	27.57%
1174	\$50,000.00	\$3,758.31	27.57%

1175	\$2,561.60	\$192.55	27.57%
1176	\$77,000.00	\$5,787.79	27.57%
1178	\$34,300.00	\$3,006.64	27.57%
1179	\$45,000.00	\$3,758.31	27.57%
1180	\$4,553.85	\$342.29	27.57%
1182	\$7,538.00	\$566.60	27.57%
1183	\$24,276.19	\$2,157.27	27.57%
1190	\$81,525.43	\$5,977.10	27.57%
1193	\$425,000.00	\$37,583.01	27.57%
1194	\$198,650.00	\$14,931.74	27.57%
1195	\$55,000.00	\$4,134.13	27.57%
1197	\$1,069,659.16	\$88,154.18	27.57%
1198	\$6,800.00	\$511.13	27.57%
1200	\$56,050.00	\$4,213.05	27.57%
1201	\$100,000.00	\$7,516.60	27.57%
1205	\$45,143.26	\$3,393.24	27.57%
1206	\$45,138.36	\$3,758.31	27.57%
1207	\$42,952.52	\$3,457.64	27.57%
1209	\$374.87	\$28.18	27.57%
1210	\$9,204.66	\$751.66	27.57%
1212	\$65,582.44	\$5,681.23	27.57%
1213	\$78,300.00	\$5,885.50	27.57%
1218	\$220,410.96	\$18,791.51	27.57%
1221	\$17,000.00	\$1,277.82	27.57%
1223	\$100,000.00	\$7,516.60	27.57%
1225	\$488,086.00	\$37,583.01	27.57%
1232	\$25,000.00	\$1,879.15	27.57%
1233	\$42,000.00	\$3,758.31	27.57%
1235	\$100,000.00	\$7,516.60	27.57%
1237	\$10,000.00	\$751.66	27.57%
1239	\$130,000.00	\$9,771.59	27.57%
1240	\$843,943.11	\$67,649.42	27.57%
1243	\$77,000.00	\$5,787.79	27.57%
1244	\$6,000.00	\$450.99	27.57%
1245	\$7,000.00	\$526.16	27.57%
1248	\$34,487.78	\$2,102.84	27.57%
1250	\$275,000.00	\$22,549.81	27.57%
1251	\$400,000.00	\$30,066.41	27.57%
1253	\$283,685.93	\$23,099.72	27.57%
1254	\$240,000.00	\$21,046.48	27.57%
1255	\$87,930.14	\$7,366.27	27.57%
1256	\$205,529.07	\$17,213.02	27.57%
1258	\$20,000.00	\$1,503.32	27.57%
1259	\$39,050.00	\$2,935.23	27.57%
1260	\$31,969.96	\$2,630.81	27.57%
1261	\$106,950.08	\$8,794.42	27.57%
1262	\$100,000.00	\$7,516.60	27.57%

1263	\$900,000.00	\$67,649.42	27.57%
1266	\$20,000.00	\$1,503.32	27.57%
1267	\$36,129.62	\$2,935.23	27.57%
1269	\$6,000.00	\$450.99	27.57%
1276	\$177,000.00	\$13,304.39	27.57%
1277	\$213,000.11	\$17,956.89	27.57%
1278	\$28,303.20	\$2,588.00	27.57%
1284	\$32,817.67	\$2,856.31	27.57%
1290	\$26,436.87	\$2,089.88	27.57%
1292	\$30,760.74	\$2,337.39	27.57%
1294	\$169,400.00	\$12,733.12	27.57%
1295	\$55,748.28	\$4,190.37	27.57%
1305	\$193,905.72	\$16,529.44	27.57%
1307	\$4,078.13	\$306.54	27.57%
1308	\$323,097.96	\$24,917.39	27.57%
1309	\$402.57	\$30.26	27.57%
1310	\$200,000.00	\$15,033.20	27.57%
1312	\$33,306.30	\$2,503.50	27.57%
1314	\$355,638.36	\$30,066.41	27.57%
1314A	\$85,923.29	\$7,516.60	27.57%
1315	\$225,000.00	\$19,656.69	27.57%
1317	\$220,411.00	\$18,791.51	27.57%
1328	\$16,100.00	\$1,210.18	27.57%
1329	\$16,100.00	\$1,210.18	27.57%
1330	\$62,256.44	\$5,261.62	27.57%
1331	\$220,410.96	\$18,791.51	27.57%
1332	\$7,690.17	\$578.04	27.57%
1334	\$16,150.00	\$1,213.93	27.57%
1336	\$79,336.22	\$1,786.67	27.57%
1337	\$14,498.57	\$1,243.36	27.57%
1338	\$10,000.00	\$751.66	27.57%
1340	\$146,200.00	\$10,989.28	27.57%
1342	\$34,058.08	\$3,006.64	27.57%
1343	\$90,058.08	\$6,915.27	27.57%
1344	\$282,632.48	\$22,549.81	27.57%
1349	\$27,354.89	\$142.09	27.57%
1351	\$15,000.00	\$1,127.49	27.57%
1354	\$25,000.00	\$1,879.15	27.57%
1355	\$184,980.82	\$15,033.20	27.57%
1356	\$67,058.89	\$5,107.94	27.57%
1357	\$76,600.00	\$5,757.72	27.57%
1360	\$107,317.68	\$9,002.72	27.57%
1361	\$91,200.00	\$4,380.37	27.57%
1362	\$6,000.00	\$450.99	27.57%
1363	\$476,949.31	\$43,220.46	27.57%
1364	\$486,363.01	\$43,220.46	27.57%
1365	\$225,773.97	\$18,791.51	27.57%

1367	\$90,000.00	\$7,892.43	27.57%
1371	\$43,892.08	\$3,758.31	27.57%
1373	\$17,911.75	\$1,362.59	27.57%
1374	\$952,000.00	\$81,995.22	27.57%
1378	\$9,075.24	\$692.47	27.57%
1386	\$30,690.00	\$2,480.48	27.57%
1389	\$20,000.00	\$1,503.32	27.57%
1391	\$106,071.72	\$7,972.99	27.57%
1393	\$48,457.76	\$2,941.31	27.57%
1394	N/A	\$8,078.71	27.57%
1396	\$415,708.92	\$31,362.61	27.57%
1397	\$71,815.00	\$5,411.96	27.57%
1398	\$20,000.00	\$1,503.32	27.57%
1401	N/A	\$20,051.99	27.57%
1403	\$2,771,509.03	\$25,931.06	27.57%
1404	\$414,876.67	\$33,824.72	27.57%
1405	\$146,628.99	\$12,026.56	27.57%
1406	\$300,000.00	\$22,549.81	27.57%
1408	\$5,712.47	\$435.96	27.57%
1411	\$88,825.00	\$7,028.02	27.57%
1412	\$16,110.89	\$1,210.99	27.57%
1413	\$86,684.71	\$6,515.75	27.57%
1414	\$28,605.50	\$2,150.16	27.57%
1415	\$67,351.09	\$5,062.51	27.57%
1419	\$42,500.00	\$3,194.56	27.57%
1421	\$3,392.40	\$255.00	27.57%
1422	\$12,270.10	\$922.30	27.57%
1425	\$37,067.16	\$2,786.19	27.57%
1426	\$16,150.29	\$1,228.59	27.57%
1429	\$36,426.13	\$2,738.01	27.57%
1431	\$175,000.00	\$13,980.88	27.57%
1433	\$42,367.13	\$3,758.31	27.57%
1434	\$100,000.00	\$7,516.60	27.57%
1437	\$23,214.33	\$1,744.93	27.57%
1438	\$9,724.71	\$751.66	27.57%
1440	\$12,789.00	\$961.30	27.57%
1441	\$34,842.20	\$3,061.29	27.57%
1442	\$50,000.00	\$3,758.31	27.57%
1450	\$26,600.00	\$1,999.42	27.57%
1451	\$7,000.00	\$526.16	27.57%
1452	\$51,000.00	\$3,833.47	27.57%
1453	\$10,000.00	\$751.66	27.57%
1454	\$1,000.00	\$75.16	27.57%
1459	\$16,102.91	\$1,409.36	27.57%
1460	\$282.61	\$21.24	27.57%
1461	\$2,750.00	\$206.71	27.57%
1463	\$200,000.00	\$15,033.20	27.57%

1464	\$40,453.00	\$3,040.69	27.57%
Kiang	\$97,670.48	\$7,361.45	27.57%

# EXHIBIT B



Peggy Hunt (Utah State Bar No. 6060)  
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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 RECEIVER'S  
MOTION SEEKING  
AUTHORIZATION TO MAKE  
SECOND DISTRIBUTION**

Civil No. 2:12-00591

The Honorable Bruce S. Jenkins

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The matter before the Court is the *Receiver's Motion Seeking Authorization to Make Second Distribution* (the "Motion"), filed by R. Wayne Klein, as receiver (the "Receiver") for National Note of Utah, LC and its affiliated entities and the assets of Defendant Wayne LaMar Palmer. The Court has considered the Motion, the record in this case and the applicable law, and finding good cause,

**IT IS HEREBY ORDERED** that:

(1) The Motion is **GRANTED**;

(2) The Receiver is **AUTHORIZED** to make a distribution in the total amount of \$2,000,000.00 to the holders of Allowed Claims as set forth in **Exhibit 1** attached hereto.

DATED this \_\_\_th day of May, 2018.

**UNITED STATES DISTRICT COURT**

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The Honorable Bruce S. Jenkins  
U.S. District Court Judge

# EXHIBIT C

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U.S. DISTRICT COURT

*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

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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 Certificates of Service* [Docket Nos. 1208 (original) and 1212 (amended)] (collectively, 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. 1207] (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* [Docket No. 1211] (the “Status Report”).

The Receiver set forth his reply to the Responses in the Status Report and (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 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 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 requested authority to make an initial distribution in the total amount of \$4,526,507.28 so as to make the initial distributions outlined on Exhibit 1 hereto, and to reserve potential initial distributions to holders of disputed claims as set forth on Exhibit 2 hereto. Exhibit 1 includes initial distributions that take into account the Allowed Claims as set forth in the Blackwell Agreement, the Kiang Agreement and to make the McCullough Adjustment.

After the Status Report was filed, the Receiver filed a *Notice of Hearing* on the Hertz Objection to the Distribution Motion [Docket No. 1214] (the “Notice of Hearing”). Thereafter, the Hertz Objection was withdrawn [Docket No. 1218]. In addition, Proof of Claim number 1394 held by Kimberly Brasher, which was a disputed claim at the time that the Distribution Motion and the Status Report were filed, was resolved. The parties have agreed that Ms. Brasher should hold an Allowed Claim in this case in the total amount of \$99,505.40 (“Claim 1349 Stipulation”).

A hearing on the Distribution Motion was held on November 2, 2016. Peggy Hunt, Dorsey & Whitney LLP, appeared on behalf of Receiver R. Wayne Klein, and Mr. Klein was present as well. Amy J. Oliver appeared on behalf of the United States Securities and Exchange Commission. At the hearing, the Receiver informed the Court of the Claim 1394 Stipulation, and that making a distribution to Ms. Brasher will not modify the proposed initial distribution as set forth in the Distribution Motion because a reserve for holders of disputed claims was accounted for in the Distribution Motion. In light of the Claim 1349 Stipulation, the Receiver has removed this claim from the list of disputed claims included in the distribution reserve, and has accounted for the Claim 1349 Stipulation on Exhibit 1 hereto.

The Court has reviewed the Distribution Motion; the Certificate of Service; the Responses; the Status Report; the Notice of Hearing; the representations of the Receiver made on the record at the November 2, 2016 hearing; 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 that the relief sought by the Receiver is appropriate.

Based thereon, and for good cause shown,

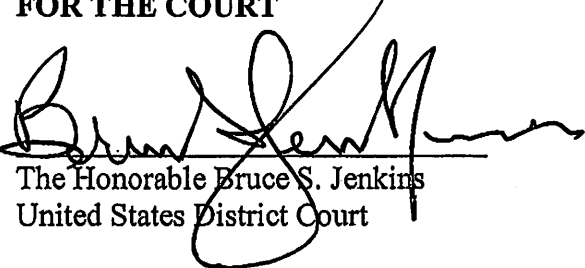
**IT IS HEREBY ORDERED** that:

- (1) The Distribution Motion as modified is **GRANTED**;
- (2) The distribution methodology for this initial distribution and for all future distributions made by the Receiver in this case as outlined in the Distribution Motion is **APPROVED**;
- (3) The Receiver is **AUTHORIZED** to make an initial distribution in the total amount of \$4,526,507.28;
- (4) The Receiver is **AUTHORIZED** to make an initial *pro rata* distribution to each holder of an Allowed Claim as outlined in Exhibit 1 attached hereto;
- (5) The Receiver is **AUTHORIZED** to make an initial rising tide distribution to each holder of an Allowed Claim as outlined in Exhibit 1 attached hereto; and
- (6) The Receiver is **AUTHORIZED** to reserve initial distributions related to disputed Proofs of Claim in the amounts set forth on Exhibit 2 hereto until such time as an

order is entered allowing or disallowing such Proofs of Claim.

DATED this 8<sup>th</sup> day of November, 2016.

**FOR THE COURT**



The Honorable Bruce S. Jenkins  
United States District Court



# EXHIBIT 1

Initial Distribution: Rising Tide and Pro-Rata Amounts for Allowed Claims					
Proof of Claim Number	Allowed Claim Amount (Excluding Disputed ABI Claims)	Pro-Rata Distribution Amount	Rising Tide Distribution Amount	Total Distribution	Percentage Return After Both Distributions
1001	\$30,885.00	\$1,018.81	\$0.00	\$1,018.81	48.06%
1002	\$43,358.90	\$885.92	\$2,498.19	\$3,384.11	20.05%
1003	\$108,993.67	\$2,064.97	\$13,752.19	\$15,817.16	20.05%
1003A	\$152,259.35	\$2,910.37	\$18,026.20	\$20,936.57	20.05%
1003B	\$11,000.00	\$194.90	\$2,010.64	\$2,205.54	20.05%
1004	\$85,306.03	\$2,657.76	\$0.00	\$2,657.76	44.90%
1005	\$114,500.00	\$2,978.46	\$0.00	\$2,978.46	33.66%
1006	\$5,880.55	\$104.19	\$1,074.88	\$1,179.07	20.05%
1007	\$39,219.73	\$709.55	\$6,493.43	\$7,202.98	20.05%
1008	\$25,000.00	\$442.96	\$4,569.65	\$5,012.61	20.05%
1009	\$264,406.02	\$5,935.66	\$0.00	\$5,935.66	22.84%
1010	\$30,458.63	\$2,480.57	\$0.00	\$2,480.57	80.02%
1011	\$18,848.85	\$726.45	\$0.00	\$726.45	55.80%
1014	\$181,134.38	\$3,794.12	\$6,140.74	\$9,934.86	20.05%
1015	\$58,473.55	\$1,620.76	\$0.00	\$1,620.76	37.85%
1016	\$70,760.00	\$1,997.93	\$0.00	\$1,997.93	39.02%
1017	\$29,138.93	\$516.29	\$5,326.18	\$5,842.47	20.05%
1018	\$45,230.34	\$1,871.14	\$0.00	\$1,871.14	58.94%
1019	\$36,824.76	\$652.48	\$6,731.05	\$7,383.53	20.05%
1020	\$113,688.83	\$4,163.82	\$0.00	\$4,163.82	53.39%
1021	\$16,720.87	\$442.96	\$0.00	\$442.96	34.89%
1022	\$167,547.95	\$5,315.52	\$0.00	\$5,315.52	45.92%
1023	\$425,000.00	\$7,530.31	\$77,684.00	\$85,214.31	20.05%
1024	\$75,000.00	\$1,328.88	\$13,708.94	\$15,037.82	20.05%
1025	\$93,431.00	\$4,041.12	\$0.00	\$4,041.12	60.81%
1026	\$18,000.00	\$620.14	\$0.00	\$620.14	50.34%
1027	\$3,948.81	\$100.14	\$0.00	\$100.14	31.91%
1028	\$114,546.30	\$2,037.61	\$20,566.68	\$22,604.29	20.05%
1029	\$16,570.06	\$657.35	\$0.00	\$657.35	57.11%
1030	\$20,995.07	\$708.74	\$0.00	\$708.74	49.28%
1031	\$300,000.00	\$5,315.52	\$54,835.76	\$60,151.28	20.05%
1032	\$157,956.16	\$5,315.52	\$0.00	\$5,315.52	49.12%
1033	\$76,000.00	\$1,346.60	\$13,891.73	\$15,238.33	20.05%
1034	\$463,533.64	\$12,819.61	\$0.00	\$12,819.61	37.71%
1035					
1036					
1037					
1038	\$296,547.95	\$5,315.52	\$51,383.71	\$56,699.23	20.05%
1039	\$75,000.00	\$1,328.88	\$13,708.94	\$15,037.82	20.05%
1040					

1041	\$127,634.65	\$3,243.63	\$0.00	\$3,243.63	32.05%
1046	\$11,664.53	\$992.23	\$0.00	\$992.23	80.94%
1047	\$114,000.00	\$2,019.90	\$20,837.59	\$22,857.49	20.05%
1048	\$179,000.00	\$3,171.59	\$32,718.67	\$35,890.26	20.05%
1049	\$493,434.91	\$8,766.31	\$89,111.86	\$97,878.17	20.05%
1050	\$86,400.00	\$2,126.21	\$0.00	\$2,126.21	29.77%
1051	\$1,581.00	\$28.01	\$288.98	\$316.99	20.05%
1052	\$250,000.00	\$4,429.60	\$45,696.47	\$50,126.07	20.05%
1053	\$95,000.00	\$1,683.25	\$17,364.66	\$19,047.91	20.05%
1054	\$4,366.20	\$77.36	\$798.08	\$875.44	20.05%
1055	\$22,890.41	\$8,990.71	\$0.00	\$8,990.71	97.26%
1056	\$62,080.00	\$1,771.84	\$0.00	\$1,771.84	39.69%
1057	\$248,023.90	\$7,087.36	\$0.00	\$7,087.36	39.77%
1058	\$45,000.00	\$974.51	\$53.22	\$1,027.73	20.05%
1059	\$23,119.81	\$584.71	\$0.00	\$584.71	31.71%
1061	\$44,595.20	\$894.78	\$3,325.89	\$4,220.67	20.05%
1063	\$80,349.19	\$3,543.68	\$0.00	\$3,543.68	61.60%
1064	\$301,583.57	\$22,502.35	\$0.00	\$22,502.35	78.03%
1065					
1066	\$396,856.43	\$19,685.13	\$0.00	\$19,685.13	66.05%
1067					
1068	\$35,085.76	\$885.92	\$0.00	\$885.92	31.60%
1070	\$70,229.13	\$1,253.73	\$12,404.25	\$13,657.98	20.05%
1071	\$3,758.81	\$584.71	\$0.00	\$584.71	90.38%
1072	\$10,176.00	\$180.30	\$1,860.03	\$2,040.33	20.05%
1073	\$91,000.00	\$1,771.84	\$9,278.59	\$11,050.43	20.05%
1074	\$901,869.88	\$21,262.07	\$0.00	\$21,262.07	26.62%
1075	\$11,750.00	\$221.48	\$1,534.82	\$1,756.30	20.05%
1076	\$15,408.22	\$885.92	\$0.00	\$885.92	70.96%
1077	\$77,276.71	\$1,771.84	\$0.00	\$1,771.84	24.50%
1079	\$559,000.00	\$9,904.58	\$102,177.30	\$112,081.88	20.05%
1080	\$271,000.00	\$4,801.68	\$49,534.97	\$54,336.65	20.05%
1081	\$70,000.00	\$1,240.29	\$12,795.01	\$14,035.30	20.05%
1082	\$34,006.58	\$1,771.84	\$0.00	\$1,771.84	67.77%
1083	\$97,148.91	\$2,214.80	\$0.00	\$2,214.80	24.05%
1084	\$120,000.00	\$5,315.52	\$0.00	\$5,315.52	61.77%
1085	\$121,963.84	\$4,447.32	\$0.00	\$4,447.32	53.18%
1086	\$1,210,136.99	\$27,002.82	\$0.00	\$27,002.82	22.37%
1087	\$49,056.16	\$885.92	\$8,195.45	\$9,081.37	20.05%
1088	\$45,553.43	\$3,543.68	\$0.00	\$3,543.68	79.00%
1089	\$51,889.04	\$1,771.84	\$0.00	\$1,771.84	49.88%
1090	\$31,150.00	\$885.92	\$0.00	\$885.92	39.47%
1091	\$15,000.00	\$265.78	\$2,741.79	\$3,007.57	20.05%
1092	\$129,000.00	\$2,285.67	\$23,579.38	\$25,865.05	20.05%
1093	\$13,000.00	\$230.34	\$2,376.22	\$2,606.56	20.05%
1094	\$43,534.92	\$885.92	\$2,674.21	\$3,560.13	20.05%
1095	\$401,414.00	\$9,845.25	\$0.00	\$9,845.25	29.53%

1096	\$150,000.00	\$2,657.76	\$27,417.88	\$30,075.64	20.05%
1097	\$217,205.48	\$8,859.19	\$0.00	\$8,859.19	58.33%
1098	\$217,205.48	\$8,859.19	\$0.00	\$8,859.19	58.33%
1099	\$183,827.39	\$3,543.68	\$20,384.57	\$23,928.25	20.05%
1100	\$30,000.00	\$531.55	\$5,483.58	\$6,015.13	20.05%
1101	\$4,642.00	\$236.07	\$0.00	\$236.07	66.93%
1102	\$18,337.13	\$857.16	\$0.00	\$857.16	63.87%
1103	\$87,000.00	\$1,878.15	\$375.30	\$2,253.45	20.05%
1104	\$26,220.55	\$885.92	\$0.00	\$885.92	49.33%
1105	\$63,841.95	\$1,718.68	\$0.00	\$1,718.68	35.96%
1106	\$1,562.00	\$27.68	\$285.51	\$313.19	20.05%
1109	\$20,000.00	\$354.37	\$3,655.72	\$4,010.09	20.05%
1110	\$30,023.29	\$885.92	\$0.00	\$885.92	41.73%
1111	\$73,178.08	\$1,771.84	\$0.00	\$1,771.84	28.59%
1112	\$41,280.00	\$850.48	\$2,053.72	\$2,904.20	20.05%
1113	\$81,665.00	\$1,739.33	\$1,443.18	\$3,182.51	20.05%
1114	\$2,070.75	\$36.69	\$378.50	\$415.19	20.05%
1115	\$1,000.00	\$17.72	\$182.79	\$200.51	20.05%
1116	\$2,028.89	\$35.95	\$370.85	\$406.80	20.05%
1117	\$1,793.37	\$31.78	\$327.80	\$359.58	20.05%
1118	\$2,000.00	\$35.44	\$365.57	\$401.01	20.05%
1119	\$2,860.87	\$50.69	\$522.93	\$573.62	20.05%
1120	\$89,064.77	\$1,969.37	\$0.00	\$1,969.37	21.64%
1121	\$10,320.00	\$212.62	\$513.43	\$726.05	20.05%
1122	\$21,000.00	\$1,328.88	\$0.00	\$1,328.88	73.77%
1123	\$512.96	\$9.09	\$93.76	\$102.85	20.05%
1124	\$25,293.15	\$885.92	\$0.00	\$885.92	51.19%
1125	\$24,376.44	\$442.96	\$3,946.09	\$4,389.05	20.05%
1126	\$100,000.00	\$1,771.84	\$18,278.59	\$20,050.43	20.05%
1127	\$56,702.05	\$1,021.54	\$9,586.35	\$10,607.89	20.05%
1129	\$61,110.00	\$1,623.00	\$0.00	\$1,623.00	35.06%
1130	\$25,000.00	\$442.96	\$4,569.65	\$5,012.61	20.05%
1131	\$480,117.51	\$13,854.86	\$0.00	\$13,854.86	40.37%
1132	\$7,795.00	\$138.11	\$1,424.82	\$1,562.93	20.05%
1133	\$127,606.85	\$3,543.68	\$0.00	\$3,543.68	37.97%
1134	\$38,435.88	\$1,949.02	\$0.00	\$1,949.02	66.83%
1135	\$63,425.37	\$1,128.95	\$11,355.61	\$12,484.56	20.05%
1136	\$303,226.70	\$19,365.22	\$0.00	\$19,365.22	74.03%
1137	\$130,345.33	\$4,783.96	\$0.00	\$4,783.96	53.50%
1138	\$17,043.66	\$885.92	\$0.00	\$885.92	67.68%
1139	\$293,057.90	\$5,285.30	\$49,287.46	\$54,572.76	20.05%
1140	\$65,830.68	\$1,594.65	\$0.00	\$1,594.65	28.63%
1141	\$20,348.76	\$567.05	\$0.00	\$567.05	38.19%
1142	\$30,485.27	\$578.51	\$3,803.23	\$4,381.74	20.05%
1143	\$13,672.12	\$338.42	\$0.00	\$338.42	30.19%
1144	\$618.80	\$10.96	\$113.11	\$124.07	20.05%
1145	\$54,500.00	\$965.65	\$9,961.83	\$10,927.48	20.05%

1146	\$126,677.48	\$3,792.45	\$0.00	\$3,792.45	42.59%
1147	\$23,211.41	\$426.05	\$3,560.93	\$3,986.98	20.05%
1148	\$74,739.73	\$5,315.52	\$0.00	\$5,315.52	76.86%
1149	\$22,245.45	\$460.68	\$997.88	\$1,458.56	20.05%
1150	\$84,882.19	\$1,771.84	\$3,160.78	\$4,932.62	20.05%
1151	\$105,500.00	\$1,869.29	\$19,283.91	\$21,153.20	20.05%
1153	\$105,332.45	\$3,100.72	\$0.00	\$3,100.72	41.58%
1154	\$92,949.29	\$2,498.29	\$0.00	\$2,498.29	35.85%
1155	\$78,767.30	\$1,395.63	\$14,397.55	\$15,793.18	20.05%
1156	\$61,934.18	\$1,097.37	\$11,320.69	\$12,418.06	20.05%
1157	\$110,785.08	\$1,988.79	\$19,057.47	\$21,046.26	20.05%
1158	\$36,366.17	\$885.92	\$0.00	\$885.92	29.04%
1159	\$25,000.00	\$442.96	\$4,569.65	\$5,012.61	20.05%
1160	\$1,096.49	\$19.43	\$200.42	\$219.85	20.05%
1161	\$7,516.05	\$566.99	\$0.00	\$566.99	78.28%
1162	\$15,332.00	\$271.66	\$2,802.47	\$3,074.13	20.05%
1163	\$43,430.76	\$8,102.94	\$0.00	\$8,102.94	92.28%
1164	\$60,000.00	\$1,063.10	\$10,967.15	\$12,030.25	20.05%
1165	\$28,995.62	\$531.55	\$4,479.20	\$5,010.75	20.05%
1166	\$67,046.58	\$1,771.84	\$0.00	\$1,771.84	34.73%
1167	\$128,897.26	\$4,606.78	\$0.00	\$4,606.78	52.20%
1168	\$419,785.04	\$26,564.74	\$0.00	\$26,564.74	73.77%
1169	\$29,432.00	\$1,224.34	\$0.00	\$1,224.34	59.18%
1170	\$10,000.00	\$177.18	\$1,827.86	\$2,005.04	20.05%
1171	\$24,000.00	\$3,543.68	\$0.00	\$3,543.68	89.77%
1172	\$35,369.87	\$3,543.68	\$0.00	\$3,543.68	84.09%
1173	\$118,442.75	\$3,684.87	\$0.00	\$3,684.87	44.82%
1174	\$50,000.00	\$885.92	\$9,139.29	\$10,025.21	20.05%
1175	\$2,561.60	\$45.39	\$468.22	\$513.61	20.05%
1176	\$77,000.00	\$1,364.32	\$14,074.51	\$15,438.83	20.05%
1177	\$19,416.99	\$531.55	\$0.00	\$531.55	37.05%
1178	\$34,300.00	\$708.74	\$1,611.44	\$2,320.18	20.05%
1179	\$45,000.00	\$885.92	\$4,139.29	\$5,025.21	20.05%
1180	\$4,553.85	\$80.69	\$832.38	\$913.07	20.05%
1181	\$105,776.59	\$31,750.55	\$0.00	\$31,750.55	95.87%
1182	\$7,538.00	\$133.56	\$1,377.84	\$1,511.40	20.05%
1183	\$24,276.19	\$508.52	\$822.14	\$1,330.66	20.05%
1184	\$71,422.13	\$13,263.99	\$0.00	\$13,263.99	92.23%
1185	\$8,087.15	\$2,764.07	\$0.00	\$2,764.07	96.59%
1186	\$322,056.67	\$8,859.19	\$0.00	\$8,859.19	37.36%
1187	\$53,670.27	\$1,949.02	\$0.00	\$1,949.02	52.98%
1188	\$102,000.00	\$3,401.93	\$0.00	\$3,401.93	48.65%
1189	\$61,816.44	\$2,657.76	\$0.00	\$2,657.76	60.56%
1190	\$81,525.43	\$1,803.92	\$0.00	\$1,803.92	21.70%
1191	\$20,314.59	\$1,380.26	\$0.00	\$1,380.26	75.69%
1192	\$20,882.19	\$1,771.84	\$0.00	\$1,771.84	80.89%
1193	\$425,000.00	\$8,859.19	\$16,392.94	\$25,252.13	20.05%

1194	\$198,650.00	\$3,519.76	\$36,310.41	\$39,830.17	20.05%
1195	\$55,000.00	\$974.51	\$10,053.22	\$11,027.73	20.05%
1196	\$528,638.55	\$20,376.15	\$0.00	\$20,376.15	55.80%
1197	\$1,069,659.16	\$20,780.00	\$111,236.22	\$132,016.22	20.05%
1198	\$6,800.00	\$120.49	\$1,242.94	\$1,363.43	20.05%
1199	\$15,840.43	\$457.85	\$0.00	\$457.85	40.47%
1200	\$56,050.00	\$993.12	\$10,245.15	\$11,238.27	20.05%
1201	\$100,000.00	\$1,771.84	\$18,278.59	\$20,050.43	20.05%
1203	\$30,833.97	\$1,240.29	\$0.00	\$1,240.29	57.72%
1204	\$24,747.48	\$1,775.82	\$0.00	\$1,775.82	77.08%
1205	\$45,143.26	\$799.87	\$8,251.55	\$9,051.42	20.05%
1206	\$45,138.36	\$885.92	\$4,277.65	\$5,163.57	20.05%
1207	\$42,952.52	\$815.05	\$5,360.67	\$6,175.72	20.05%
1208	\$31,078.50	\$809.73	\$0.00	\$809.73	33.77%
1209	\$374.87	\$6.64	\$68.52	\$75.16	20.05%
1210	\$9,204.66	\$177.18	\$1,032.52	\$1,209.70	20.05%
1212	\$65,582.44	\$1,339.20	\$3,815.40	\$5,154.60	20.05%
1213	\$78,300.00	\$1,387.35	\$14,312.13	\$15,699.48	20.05%
1214	\$44,210.96	\$1,771.84	\$0.00	\$1,771.84	57.56%
1215	\$94,670.69	\$2,267.95	\$0.00	\$2,267.95	27.81%
1216	\$92,233.90	\$6,041.97	\$0.00	\$6,041.97	74.72%
1217	\$259,066.41	\$9,329.91	\$0.00	\$9,329.91	52.57%
1218	\$220,410.96	\$4,429.60	\$16,107.43	\$20,537.03	20.05%
1219	\$826,712.62	\$36,322.70	\$0.00	\$36,322.70	61.44%
1220	\$39,261.37	\$2,126.21	\$0.00	\$2,126.21	69.05%
1221	\$17,000.00	\$301.21	\$3,107.36	\$3,408.57	20.05%
1222	\$30,030.27	\$885.92	\$0.00	\$885.92	41.71%
1223	\$100,000.00	\$1,771.84	\$18,278.59	\$20,050.43	20.05%
1224	\$132,089.00	\$10,316.72	\$0.00	\$10,316.72	79.09%
1225	\$488,086.00	\$8,859.19	\$79,478.94	\$88,338.13	20.05%
1226	\$175,081.00	\$5,315.52	\$0.00	\$5,315.52	43.41%
1227	\$9,881.79	\$485.85	\$0.00	\$485.85	65.73%
1228	\$69,918.50	\$2,328.20	\$0.00	\$2,328.20	48.56%
1229	\$114,559.49	\$4,202.51	\$0.00	\$4,202.51	53.47%
1230	\$33,013.70	\$3,543.68	\$0.00	\$3,543.68	85.26%
1231	\$37,938.64	\$10,453.85	\$0.00	\$10,453.85	95.34%
1232	\$25,000.00	\$442.96	\$4,569.65	\$5,012.61	20.05%
1233	\$42,000.00	\$885.92	\$1,139.29	\$2,025.21	20.05%
1234	\$263,807.01	\$16,832.47	\$0.00	\$16,832.47	74.00%
1235	\$100,000.00	\$1,771.84	\$18,278.59	\$20,050.43	20.05%
1236	\$18,331.91	\$708.74	\$0.00	\$708.74	55.94%
1237	\$10,000.00	\$177.18	\$1,827.86	\$2,005.04	20.05%
1238	\$10,000.00	\$354.37	\$0.00	\$354.37	51.77%
1239	\$130,000.00	\$2,303.39	\$23,762.16	\$26,065.55	20.05%
1240	\$843,943.11	\$15,946.55	\$108,450.40	\$124,396.95	20.05%
1241	\$21,805.48	\$1,063.10	\$0.00	\$1,063.10	65.43%
1242	\$46,217.82	\$3,012.13	\$0.00	\$3,012.13	74.58%

1243	\$77,000.00	\$1,364.32	\$14,074.51	\$15,438.83	20.05%
1244	\$6,000.00	\$106.31	\$1,096.72	\$1,203.03	20.05%
1245	\$7,000.00	\$124.03	\$1,279.50	\$1,403.53	20.05%
1246	\$23,544.00	\$753.03	\$0.00	\$753.03	46.37%
1247	\$40,232.77	\$1,494.48	\$0.00	\$1,494.48	54.07%
1248	\$34,487.78	\$773.28	\$0.00	\$773.28	22.75%
1249	\$31,157.57	\$3,898.05	\$0.00	\$3,898.05	87.61%
1250	\$275,000.00	\$5,315.52	\$29,835.76	\$35,151.28	20.05%
1251	\$400,000.00	\$7,087.36	\$73,114.35	\$80,201.71	20.05%
1252	\$19,221.37	\$974.51	\$0.00	\$974.51	66.82%
1253	\$283,685.93	\$5,445.14	\$32,543.01	\$37,988.15	20.05%
1254	\$240,000.00	\$4,961.15	\$11,180.05	\$16,141.20	20.05%
1255	\$87,930.14	\$1,736.40	\$7,843.16	\$9,579.56	20.05%
1256	\$205,529.07	\$4,057.51	\$18,387.04	\$22,444.55	20.05%
1257	\$9,373.59	\$4,140.77	\$0.00	\$4,140.77	97.76%
1258	\$20,000.00	\$354.37	\$3,655.72	\$4,010.09	20.05%
1259	\$39,050.00	\$691.90	\$7,137.79	\$7,829.69	20.05%
1260	\$31,969.86	\$620.14	\$3,367.37	\$3,987.51	20.05%
1261	\$106,950.08	\$2,073.05	\$11,336.03	\$13,409.08	20.05%
1262	\$100,000.00	\$1,771.84	\$18,278.59	\$20,050.43	20.05%
1263	\$900,000.00	\$15,946.55	\$164,507.29	\$180,453.84	20.05%
1264	\$77,969.18	\$2,214.80	\$0.00	\$2,214.80	39.40%
1265	\$3,231.78	\$354.37	\$0.00	\$354.37	85.61%
1266	\$20,000.00	\$354.37	\$3,655.72	\$4,010.09	20.05%
1267	\$36,129.62	\$691.90	\$4,217.43	\$4,909.33	20.05%
1268	\$4,435.07	\$531.55	\$0.00	\$531.55	86.99%
1269	\$6,000.00	\$106.31	\$1,096.72	\$1,203.03	20.05%
1270	\$29,338.99	\$2,267.95	\$0.00	\$2,267.95	78.85%
1271					
1272					
1273	\$250,639.85	\$11,267.46	\$0.00	\$11,267.46	62.36%
1274					
1275					
1276	\$177,000.00	\$3,136.15	\$32,353.10	\$35,489.25	20.05%
1277	\$213,000.11	\$4,232.86	\$17,770.56	\$22,003.42	20.05%
1278	\$28,303.20	\$610.05	\$166.19	\$776.24	20.05%
1279	\$276,949.11	\$10,631.03	\$0.00	\$10,631.03	55.61%
1280	\$3,867.78	\$292.35	\$0.00	\$292.35	78.33%
1281	\$50,333.45	\$1,789.56	\$0.00	\$1,789.56	51.94%
1282	\$2,403.83	\$218.37	\$0.00	\$218.37	82.27%
1283	\$371,495.06	\$11,053.13	\$0.00	\$11,053.13	42.22%
1284	\$32,817.67	\$673.30	\$1,763.53	\$2,436.83	20.05%
1285	\$421,109.70	\$28,030.52	\$0.00	\$28,030.52	75.15%
1286	\$18,058.30	\$885.92	\$0.00	\$885.92	65.66%
1287	\$18,058.31	\$885.92	\$0.00	\$885.92	65.66%
1288	\$97,542.06	\$3,100.72	\$0.00	\$3,100.72	46.03%
1289	\$11,300.96	\$270.13	\$0.00	\$270.13	27.65%

1290	\$26,436.87	\$492.63	\$3,715.41	\$4,208.04	20.05%
1291	\$25,800.00	\$1,240.29	\$0.00	\$1,240.29	64.91%
1292	\$30,760.74	\$550.98	\$5,348.33	\$5,899.31	20.05%
1293	\$67,457.89	\$4,872.56	\$0.00	\$4,872.56	77.24%
1294	\$169,400.00	\$3,001.49	\$30,963.93	\$33,965.42	20.05%
1295	\$55,748.28	\$987.77	\$10,190.00	\$11,177.77	20.05%
1296	\$72,500.00	\$1,816.13	\$0.00	\$1,816.13	31.04%
1297	\$1,894.33	\$503.12	\$0.00	\$503.12	95.10%
1298	\$25,414.93	\$1,771.84	\$0.00	\$1,771.84	76.36%
1299	\$50,567.13	\$2,657.76	\$0.00	\$2,657.76	68.06%
1300	\$27,886.02	\$885.92	\$0.00	\$885.92	46.00%
1302	\$17,464.91	\$1,373.18	\$0.00	\$1,373.18	79.24%
1303	\$120,422.00	\$3,543.68	\$0.00	\$3,543.68	41.56%
1304	\$85,304.11	\$3,543.68	\$0.00	\$3,543.68	59.12%
1305	\$193,905.72	\$3,896.37	\$14,195.66	\$18,092.03	20.05%
1306	\$38,507.82	\$3,189.31	\$0.00	\$3,189.31	80.38%
1307	\$4,078.13	\$72.26	\$745.42	\$817.68	20.05%
1308	\$323,097.96	\$5,873.61	\$52,193.14	\$58,066.75	20.05%
1309	\$402.57	\$7.13	\$73.58	\$80.71	20.05%
1310	\$200,000.00	\$3,543.68	\$36,557.18	\$40,100.86	20.05%
1311	\$33,372.22	\$1,151.70	\$0.00	\$1,151.70	50.43%
1312	\$33,306.30	\$590.13	\$6,087.92	\$6,678.05	20.05%
1313	\$44,134.81	\$1,240.29	\$0.00	\$1,240.29	38.72%
1314	\$355,638.36	\$7,087.36	\$28,752.71	\$35,840.07	20.05%
1314A	\$85,923.29	\$1,771.84	\$4,201.88	\$5,973.72	20.05%
1315	\$225,000.00	\$4,633.54	\$11,290.16	\$15,923.70	20.05%
1316	\$68,030.51	\$2,164.69	\$0.00	\$2,164.69	46.09%
1317	\$220,411.00	\$4,429.60	\$16,107.47	\$20,537.07	20.05%
1318	\$21,687.08	\$1,063.10	\$0.00	\$1,063.10	65.63%
1319	\$27,937.13	\$4,252.41	\$0.00	\$4,252.41	90.13%
1322	\$25,776.71	\$885.92	\$0.00	\$885.92	50.22%
1325	\$167,918.11	\$5,847.07	\$0.00	\$5,847.07	50.89%
1326	\$414,619.45	\$14,440.49	\$0.00	\$14,440.49	50.90%
1327	\$3,818.63	\$708.74	\$0.00	\$708.74	92.23%
1328	\$16,100.00	\$285.27	\$2,942.85	\$3,228.12	20.05%
1329	\$16,100.00	\$285.27	\$2,942.85	\$3,228.12	20.05%
1330	\$62,256.44	\$1,240.29	\$5,051.45	\$6,291.74	20.05%
1331	\$220,410.96	\$4,429.60	\$16,107.43	\$20,537.03	20.05%
1332	\$7,690.17	\$136.26	\$1,405.65	\$1,541.91	20.05%
1333	\$1,779.13	\$1,779.13	\$0.00	\$1,779.13	100.00%
1334	\$16,150.00	\$286.15	\$2,951.99	\$3,238.14	20.05%
1335	\$4,324.67	\$116.59	\$0.00	\$116.59	36.05%
1336	\$79,336.22	\$1,851.70	\$0.00	\$1,851.70	25.86%
1337	\$14,498.57	\$293.09	\$980.67	\$1,273.76	20.05%
1338	\$10,000.00	\$177.18	\$1,827.86	\$2,005.04	20.05%
1339	\$5,016.00	\$363.51	\$0.00	\$363.51	77.32%
1340	\$146,200.00	\$2,590.43	\$26,723.29	\$29,313.72	20.05%



1341	\$51,802.74	\$1,771.84	\$0.00	\$1,771.84	49.97%
1342	\$34,058.08	\$708.74	\$1,369.52	\$2,078.26	20.05%
1343	\$90,058.08	\$1,630.09	\$14,874.38	\$16,504.47	20.05%
1344	\$282,632.88	\$5,315.52	\$37,468.64	\$42,784.16	20.05%
1345	\$18,574.64	\$542.38	\$0.00	\$542.38	41.09%
1346	\$73,822.08	\$3,164.92	\$0.00	\$3,164.92	60.44%
1347	\$26,346.99	\$2,834.94	\$0.00	\$2,834.94	85.30%
1348	\$11,288.00	\$831.74	\$0.00	\$831.74	77.73%
1349	\$27,354.89	\$649.78	\$0.00	\$649.78	27.18%
1351	\$15,000.00	\$265.78	\$2,741.79	\$3,007.57	20.05%
1352	\$151,003.37	\$11,073.99	\$0.00	\$11,073.99	77.61%
1353	\$91,454.97	\$4,802.22	\$0.00	\$4,802.22	68.03%
1354	\$25,000.00	\$442.96	\$4,569.65	\$5,012.61	20.05%
1355	\$184,980.82	\$3,543.68	\$21,538.00	\$25,081.68	20.05%
1356	\$67,058.89	\$1,204.06	\$11,524.83	\$12,728.89	20.05%
1357	\$76,600.00	\$1,357.23	\$14,001.40	\$15,358.63	20.05%
1358	\$44,290.41	\$3,543.68	\$0.00	\$3,543.68	79.63%
1359	\$2,829.41	\$480.54	\$0.00	\$480.54	91.34%
1360	\$107,317.68	\$2,122.15	\$9,439.09	\$11,561.24	20.05%
1361	\$91,200.00	\$2,073.05	\$0.00	\$2,073.05	23.82%
1362	\$6,000.00	\$106.31	\$1,096.72	\$1,203.03	20.05%
1363	\$476,949.31	\$10,188.07	\$7,051.19	\$17,239.26	20.05%
1364	\$486,363.01	\$10,188.07	\$16,464.89	\$26,652.96	20.05%
1365	\$225,773.97	\$4,429.60	\$21,470.44	\$25,900.04	20.05%
1366	\$33,658.86	\$1,063.10	\$0.00	\$1,063.10	45.67%
1367	\$90,000.00	\$1,860.43	\$4,192.52	\$6,052.95	20.05%
1368	\$140,290.41	\$3,543.68	\$0.00	\$3,543.68	31.63%
1369	\$415,890.56	\$27,640.69	\$0.00	\$27,640.69	75.11%
1370	\$268,077.26	\$11,339.77	\$0.00	\$11,339.77	59.88%
1371	\$43,892.08	\$885.92	\$3,031.37	\$3,917.29	20.05%
1372	\$46,027.81	\$1,220.80	\$0.00	\$1,220.80	34.97%
1373	\$17,911.75	\$321.19	\$3,097.50	\$3,418.69	20.05%
1374	\$952,000.00	\$19,328.19	\$60,538.06	\$79,866.25	20.05%
1375	\$13,512.82	\$314.16	\$3,198.79	\$3,512.95	N/A
1376	\$49,769.60	\$2,019.90	\$0.00	\$2,019.90	58.11%
1377	\$69,265.43	\$6,542.44	\$0.00	\$6,542.44	83.01%
1378	\$9,075.24	\$163.23	\$1,546.60	\$1,709.83	20.05%
1379	\$414,710.83	\$15,809.21	\$0.00	\$15,809.21	55.29%
1380	\$5,405.00	\$1,240.29	\$0.00	\$1,240.29	94.05%
1381	\$44,112.33	\$1,771.84	\$0.00	\$1,771.84	57.66%
1382	\$20,872.06	\$13,091.42	\$0.00	\$13,091.42	98.95%
1383					
1384	\$5,697.63	\$382.04	\$0.00	\$382.04	75.35%
1385	\$73,427.54	\$2,834.94	\$0.00	\$2,834.94	55.88%
1386	\$30,690.00	\$584.71	\$3,721.93	\$4,306.64	20.05%
1387	\$53,000.00	\$2,657.76	\$0.00	\$2,657.76	66.44%
1388	\$52,000.00	\$3,596.83	\$0.00	\$3,596.83	76.16%

1389	\$20,000.00	\$354.37	\$3,655.72	\$4,010.09	20.05%
1391	\$106,071.72	\$1,879.42	\$19,388.41	\$21,267.83	20.05%
1392	\$168,500.45	\$10,985.40	\$0.00	\$10,985.40	74.59%
1393	\$48,457.76	\$1,086.83	\$0.00	\$1,086.83	22.77%
1394	\$99,505.40	\$1,763.07	\$1,536.13	\$3,299.20	20.05%
1395	\$33,532.72	\$2,120.09	\$0.00	\$2,120.09	73.75%
1396	\$415,708.92	\$7,392.90	\$74,730.78	\$82,123.68	20.05%
1397	\$71,815.00	\$1,275.72	\$12,975.58	\$14,251.30	20.05%
1398	\$20,000.00	\$354.37	\$3,655.72	\$4,010.09	20.05%
1399	\$30,302.80	\$3,366.49	\$0.00	\$3,366.49	85.82%
1400	\$51,221.92	\$2,126.21	\$0.00	\$2,126.21	59.09%
1402	\$433,453.35	\$11,959.91	\$0.00	\$11,959.91	37.56%
1403	\$2,771,509.03	\$65,558.04	\$0.00	\$65,558.04	26.87%
1404	\$414,876.67	\$7,973.27	\$47,130.31	\$55,103.58	20.05%
1405	\$146,628.99	\$2,834.94	\$15,874.73	\$18,709.67	20.05%
1406	\$300,000.00	\$5,315.52	\$54,835.76	\$60,151.28	20.05%
1407	\$47,629.83	\$1,210.17	\$0.00	\$1,210.17	32.04%
1408	\$5,712.47	\$102.77	\$972.63	\$1,075.40	20.05%
1409	\$85,867.25	\$3,543.68	\$0.00	\$3,543.68	58.84%
1410	\$124,167.16	\$3,335.61	\$0.00	\$3,335.61	35.82%
1411	\$88,825.00	\$1,656.67	\$12,415.48	\$14,072.15	20.05%
1412	\$16,110.89	\$285.46	\$2,944.84	\$3,230.30	20.05%
1413	\$86,684.71	\$1,535.91	\$15,844.74	\$17,380.65	20.05%
1414	\$28,605.50	\$506.84	\$5,228.68	\$5,735.52	20.05%
1415	\$67,351.09	\$1,193.35	\$12,310.83	\$13,504.18	20.05%
1416	\$24,358.22	\$885.92	\$0.00	\$885.92	53.06%
1417	\$115,978.98	\$4,004.36	\$0.00	\$4,004.36	50.45%
1419	\$42,500.00	\$753.03	\$7,768.40	\$8,521.43	20.05%
1421	\$3,392.40	\$60.11	\$620.08	\$680.19	20.05%
1422	\$12,270.10	\$217.41	\$2,242.80	\$2,460.21	20.05%
1423	\$184,000.00	\$5,315.52	\$0.00	\$5,315.52	40.44%
1424	\$33,853.23	\$1,086.85	\$0.00	\$1,086.85	46.58%
1425	\$37,067.16	\$656.77	\$6,775.35	\$7,432.12	20.05%
1426	\$16,150.29	\$289.61	\$2,792.89	\$3,082.50	20.05%
1427	\$33,988.91	\$1,869.89	\$0.00	\$1,869.89	69.57%
1429	\$36,426.13	\$645.41	\$6,658.18	\$7,303.59	20.05%
1430	\$864,299.92	\$49,122.28	\$0.00	\$49,122.28	70.60%
1431	\$175,000.00	\$3,295.62	\$22,998.17	\$26,293.79	20.05%
1432	\$16,266.69	\$1,771.84	\$0.00	\$1,771.84	85.51%
1433	\$42,367.13	\$885.92	\$1,506.42	\$2,392.34	20.05%
1434	\$100,000.00	\$1,771.84	\$18,278.59	\$20,050.43	20.05%
1435	\$80,167.69	\$5,737.76	\$0.00	\$5,737.76	77.02%
1436	\$81,225.91	\$12,437.72	\$0.00	\$12,437.72	90.20%
1437	\$23,214.33	\$411.32	\$4,243.25	\$4,654.57	20.05%
1438	\$9,724.71	\$177.18	\$1,552.57	\$1,729.75	20.05%
1439	\$11,374.48	\$340.65	\$0.00	\$340.65	42.61%
1440	\$12,789.00	\$226.60	\$2,337.65	\$2,564.25	20.05%

1441	\$34,842.20	\$721.62	\$1,559.52	\$2,281.14	20.05%
1442	\$50,000.00	\$885.92	\$9,139.29	\$10,025.21	20.05%
1443	\$111,307.94	\$3,632.27	\$0.00	\$3,632.27	47.48%
1444	\$45,968.63	\$1,240.29	\$0.00	\$1,240.29	36.10%
1445	\$1,185.99	\$314.99	\$0.00	\$314.99	95.10%
1447	\$273,628.40	\$7,087.36	\$0.00	\$7,087.36	33.36%
1448	\$136,814.20	\$3,543.68	\$0.00	\$3,543.68	33.36%
1449	\$135,935.16	\$3,543.68	\$0.00	\$3,543.68	33.80%
1450	\$26,600.00	\$471.31	\$4,862.10	\$5,333.41	20.05%
1451	\$7,000.00	\$124.03	\$1,279.50	\$1,403.53	20.05%
1452	\$51,000.00	\$903.64	\$9,322.08	\$10,225.72	20.05%
1453	\$10,000.00	\$177.18	\$1,827.86	\$2,005.04	20.05%
1454	\$1,000.00	\$17.72	\$182.79	\$200.51	20.05%
1455	\$8,000.00	\$194.90	\$0.00	\$194.90	29.04%
1458	\$101,039.94	\$5,315.52	\$0.00	\$5,315.52	68.09%
1459	\$16,102.91	\$332.22	\$780.15	\$1,112.37	20.05%
1460	\$282.61	\$5.01	\$51.66	\$56.67	20.05%
1461	\$2,750.00	\$48.73	\$502.66	\$551.39	20.05%
1463	\$200,000.00	\$3,543.68	\$36,557.18	\$40,100.86	20.05%
1464	\$57,564.50	\$1,019.95	\$10,521.98	\$11,541.93	20.05%
Klang	\$97,670.48	\$1,728.77	\$17,834.63	\$19,563.40	20.05%
<b>Total</b>	<b>\$47,822,278.67</b>	<b>\$1,481,244.00</b>	<b>\$3,011,551.80</b>	<b>\$4,492,795.80</b>	

# EXHIBIT 2

<b>Disputed Claims</b>						
<b>Proof of Claim Number</b>	<b>Claim Amount</b>	<b>Contingent Pro-Rata Distribution Amount</b>	<b>Contingent Rising Tide Distribution Amount</b>	<b>Total Distribution</b>	<b>Percentage Return After Both Distributions</b>	<b>Receiver Calculation of Net Principal Investment Amount</b>
1320	\$277,582.19	\$7,973.27	\$0.00	\$7,973.27	40.09%	\$277,582.19
1321	\$52,744.79	\$5,900.22	\$0.00	\$5,900.22	85.93%	\$52,744.79
1401	\$316,871.23	\$7,087.36	\$0.00	\$7,087.36	22.55%	\$310,751.23
<b>Totals</b>	<b>\$647,198.21</b>	<b>\$20,960.85</b>	<b>\$0.00</b>	<b>\$20,960.85</b>		<b>\$641,078.21</b>