

FILED
2019 JAN 16 PM 1:13
CLERK
U.S. DISTRICT COURT

Prepared and Submitted by:

MANNING CURTIS BRADSHAW
& BEDNAR, PLLC
David C. Castleberry [11531]
dcastleberry@mc2b.com
136 East South Temple, Suite 1300
Salt Lake City, UT 84111
Telephone (801) 363-5678
Facsimile (801) 364-5678

Attorneys for Court-Appointed Receiver R. Wayne Klein

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

U.S. COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

vs.

U.S. VENTURES, LC, a Utah limited
liability company, WINSOME
INVESTMENT TRUST, an unincorporated
Texas entity, ROBERT J. ANDRES and
ROBERT L. HOLLOWAY,

Defendants.

**ORDER GRANTING
RECEIVER'S MOTION
REQUESTING ORDER APPROVING:
(1) PUBLIC SALE OF
OUTSTANDING JUDGMENTS AND
RESIDUAL RECEIVERSHIP ASSETS;
(2) METHOD AND FORM OF
PUBLICATION NOTICE; AND (3)
PUBLIC AUCTION PROCEDURES
AND MEMORANDUM IN SUPPORT**

Civil No. 2:11-cv-00099-BSJ

The Honorable Bruce S. Jenkins

The Court has reviewed the Receiver's Motion Requesting Order Approving: (1) Public Sale of Outstanding Judgments and Residual Receivership Assets; (2) Method and Form of Publication Notice; and (3) Public Auction Procedures and Memorandum in Support (the "Motion") and the exhibits attached to the Motion. The Court held a hearing on January 11, 2018 at which arguments were made and representations were made by the Receiver. Based thereon, the applicable law, the record in this case, the representations of the Receiver, and for good cause shown,

IT IS HEREBY ORDERED that:

1. The Receiver may sell at auction the Judgments identified in the Motion.
2. The Receiver may sell at auction the rights to any potential residual assets that may come into the Receivership after it is closed.
3. The Receiver shall advertise the auction in a manner he believes will best increase interest in the auction, including placing color advertisements about the auction in the *Salt Lake Tribune* and *Deseret News* newspapers, sending notice of the auction to firms identified in paragraph 16 of his motion, soliciting bids by SM Financial, and encouraging bidding by the judgment debtors themselves. The Receiver will also cause this notice to be published in DailyDAC.com, which is a website catering to buyers of distressed bankruptcy and receivership properties
4. Pursuant to 28 U.S.C. §§ 2001 and 2002, the Receiver shall publish the following notice once a week for a period of four weeks prior to the public sale (the “Publication Notice Time”):

R. Wayne Klein, Receiver for U.S. Ventures LC, Winsome Investment Trust, and all the assets of Robert J. Andres and Robert L. Holloway (the “Receiver”) in the civil case styled as *U.S. Commodity Futures Trading Commission v. U.S. Ventures LC, et al*, Civ. Case No. 2:11CV00099 BSJ (D. Utah) (“Civil Case”), gives notice of his intent to sell certain personal property consisting of 26 unsatisfied legal judgments held by the Receiver with face amounts totaling \$9,255,807.77 (the “Judgments”) and potential residual assets received after the close of the Receivership (the “Residual Assets”) through a public auction to the highest bidder payable in lawful money of the United States on the ___ day of _____, 2019 at the hour of ____ at the Third District Court of Utah, 450 South State Street, Salt Lake City, UT 84111, or as may be continued from time to time by the Receiver (the “Auction”). The Judgments include the following, which shall be sold in five parcels (“Parcels”):

Judgment Defendant	Case # (District of Utah)	Judgment Amount
Parcel #1		
• William T. Cornelius and Cornelius & Salhab	2:11-cv-1159	\$89,845.73
Parcel #2		
• King & King & Jones; David Jones note (less amounts paid, \$1,258.78 paid as of 1/11/19)	2:12-cv-51	\$21,000.00
Parcel #3		
• Lou Georges	2:12-cv-76	\$48,500.00
Parcel #4		
• Warren Wai Hung Chiu (less amounts paid, \$11,900 paid as of 1/11/19)	2:12-cv-116	\$767,570.63
• Winnie Chiu	2:12-cv-116	\$110,000.00
• Pacific Win	2:12-cv-116	\$164,000.00
Parcel #5		
• Al and Cherylyn Sellers	2:11-cv-950	\$144,200.00
• Connie Patterson	2:11-cv-723	\$1,966,417.00
• Houston Zero	2:11-cv-956	\$ 10,000.00
• Jerome Carter	2:11-cv-722	\$798,753.23
• Jesus Enrique Baca Delgado	2:12-cv-105	\$75,100.00
• Kathy Grady	2:12-cv-66	\$49,625.84
• Keith Shaffner	2:12-cv-16	\$362,188.78
• Khiem Allen Le	2:12-cv-77	\$127,244.82
• Lisa Pham	2:11-cv-1155	\$122,000.00
• MME Group /Robert Ruzzo Righetti	2:12-cv-78	\$483,000.00
• Mykal Pitts	2:11-cv-957	\$332,298.00
• Nancy Howe d/b/a Howe Financial and Leo Renaud	2:11-cv-1160	\$2,279,187.71
• Nunzio Bruno	2:12-cv-58	\$203,052.66
• Onti Management Group and Robert Quinton Cook	2:12-cv-117	\$25,355.00
• Ryan Runia	2:12-cv-79	\$82,071.40
• William Ison	2:12-cv-55	\$185,501.03
• Wings Over the World and Terry Harper	2:12-cv-23	\$335,470.07
• Aishwariya Enterprises	2:12-cv-70	\$206,020.40
• Garry Smith	2:12-cv-69	\$64,240.00
• M&K Ventures	2:12-cv-16	\$203,165.47
• Residual assets of the Receivership Estate	Not Applicable	Unknown

The Parcels will be sold at the Auction “as is” with no representations and warranties. Requests for additional information about the Judgments and Residual Assets (including additional amounts paid to the Receiver after the date of the motion) may be obtained upon request made to the Receiver’s counsel at: Manning Curtis Bradshaw & Bednar

PLLC, attn: David Castleberry, 136 East South Temple, Suite 1300, Salt Lake City, Utah 84111; dcastleberry@mc2b.com.

5. The Receiver may conduct an auction of the following Judgments held by the Receiver in this case and of any potential residual assets received by the Receivership during the existence of the Receivership or after the Receivership is closed (the "Residual Assets") at the conclusion of the Publication Notice Time (the "Auction") in accordance with these Auction Procedures:

Judgments:

Defendant	Case # (District of Utah)	Judgment Amount
Parcel #1		
• William T. Cornelius and Cornelius & Salhab	2:11-cv-1159	\$89,845.73
Parcel #2		
• King & King & Jones, David Jones note (less amounts paid)	2:12-cv-51	\$21,000.00
Parcel #3		
• Lou Georges	2:12-cv-76	\$48,500.00
Parcel #4		
• Warren Wai Hung Chiu (less amounts paid)	2:12-cv-116	\$767,570.63
• Winnie Chiu	2:12-cv-116	\$110,000.00
• Pacific Win	2:12-cv-116	\$164,000.00
Parcel #5		
• Al and Cherylyn Sellers	2:11-cv-950	\$144,200.00
• Connie Patterson	2:11-cv-723	\$1,966,417.00
• Houston Zero	2:11-cv-956	\$ 10,000.00
• Jerome Carter	2:11-cv-722	\$798,753.23
• Jesus Enrique Baca Delgado	2:12-cv-105	\$75,100.00
• Kathy Grady	2:12-cv-66	\$49,625.84
• Keith Shaffner	2:12-cv-16	\$362,188.78
• Khiem Allen Le	2:12-cv-77	\$127,244.82
• Lisa Pham	2:11-cv-1155	\$122,000.00
• MME Group /Robert Ruzzo Righetti	2:12-cv-78	\$483,000.00
• Mykal Pitts	2:11-cv-957	\$332,298.00
• Nancy Howe d/b/a Howe Financial and Leo Renaud	2:11-cv-1160	\$2,279,187.71
• Nunzio Bruno	2:12-cv-58	\$203,052.66
• Onti Management Group and Robert Quinton Cook	2:12-cv-117	\$25,355.00
• Ryan Runia	2:12-cv-79	\$82,071.40
• William Ison	2:12-cv-55	\$185,501.03
• Wings Over the World and Terry Harper	2:12-cv-23	\$335,470.07

• Aishwariya Enterprises	2:12-cv-70	\$206,020.40
• Garry Smith	2:12-cv-69	\$64,240.00
• M&K Ventures	2:12-cv-16	\$203,165.47
• Residual assets of the Receivership Estate	Not Applicable	Unknown


- a. The Receiver will facilitate reasonable requests for information by interested parties prior to the date of the Auction about the Judgments and Residual Assets (including additional amounts paid to the Receiver after the date of the motion) through his counsel of record.
- b. The Receiver will conduct the Auction. The assets to be sold at Auction will consist of five Parcels, each of which will be auctioned individually. The five Parcels are: i) Cornelius judgment, ii) King, King and Jones judgment, iii) Lou Georges judgment, iv) Warren Chiu, Winnie Chiu, and Pacific Win judgments, and v) the remainder of judgments and residual assets.
- c. For each Parcel, the Auction shall proceed in rounds. Bidding at the Auction shall begin with the initial bid of \$1,000 in cash for each Parcel (which bid has been submitted by Argo Partners, as the “Stalking Horse Bidder”) and shall subsequently continue in \$250 minimum cash overbid increments. Bidding will continue until the Receiver determines that he has received the highest and best offer for each Parcel, at which time he will close the Auction, with the person making the last bid prior to the Receiver’s close of the Auction bound to purchase the Parcel at issue pursuant to the terms of the approved Auction Procedures (the “Successful Bidder”).
- d. Bids may be made in person or remotely via telephone or other remote communications means.
- e. Each person other than the Stalking Horse Bidder, wanting to bid at the Auction, must tender to the Receiver a bid deposit of \$1,000 for each Parcel on which the person intends to bid at least five (5) days before the date of the Auction and sign a form provided by the Receiver in which the bidder agrees to the terms of the Auction.
- f. Each bidder agrees that its last offer made is irrevocable until the date the sale of the Parcel at issue closes to the Successful Bidder.
- g. In the event that the Successful Bidder’s sale does not close, the bidder who made the next highest and best offer at Auction (the “Back-Up Bid”) shall be deemed the Successful Bidder. The Receiver may repeat the same Back-Up Bid procedure provided herein to each bidder, in the order of the highest and best offers received at Auction.
- h. Within five (5) days after the close of the Auction, each Successful Bidder must:
 - (i) sign a purchase agreement to pay the bid amount in exchange for the Parcel bid upon; and
 - (ii) deliver to the Receiver payment in the full amount bid for the

Parcel.

- i. Upon completion of the sale and after the conclusion of the public auction discussed below, the Receiver will file with the Court a "Notice of Sale Results," stating the purchase price that was obtained at public auction and reporting on the Net Sale Proceeds. The Notice of Sale Results will include evidence of the publication described above.

DATED this ^{16th} day of January, 2019.

BY THE COURT:



The Honorable Bruce S. Jenkins
United States District Court Judge