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**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH**

**CENTRAL DIVISION**

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p style="text-align: right;">Plaintiff,</p> <p style="text-align: center;">v.</p> <p>NATIONAL NOTE OF UTAH, LC, a Utah Limited Liability Company and WAYNE LaMAR PALMER, and individual,</p> <p style="text-align: right;">Defendants.</p>	<p><b>TWENTY-SIXTH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER</b> <i>For the Quarter Ending December 31, 2018</i></p> <p>2:12-cv-00591 BSJ</p> <p>The Honorable Bruce S. Jenkins</p>
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R. Wayne Klein, the Court-Appointed Receiver (the “Receiver”) of National Note of Utah, LC (“National Note”), as well as certain subsidiaries and entities affiliated with National Note and the assets of Wayne LaMar Palmer (“Palmer”), hereby submits this Twenty-Sixth Status Report for the period October 1, 2018 through December 31, 2018 (the “Reporting Period”).

**I.**

**PROCEDURAL HISTORY**

This action (the “Civil Case”) was commenced by the United States Securities and

Exchange Commission (the “SEC”) on June 25, 2012, against Defendants Palmer and National Note by the filing of a Complaint in the United States District Court for the District of Utah (the “Court”).<sup>1</sup> The Court held a trial on November 2, 2015 and on November 30, 2015 entered judgment against Palmer and National Note.<sup>2</sup>

On August 19, 2015, a grand jury indicted Palmer and his cousin, Julieann Palmer Martin. On February 5, 2017, both pleaded guilty. Palmer pleaded guilty to two felony counts: a scheme and artifice to defraud and money laundering. Ms. Martin pleaded guilty to one felony count of concealing fraud by another. On February 26, 2018, the Court rejected the plea agreements and set a September 2018 trial date.

Ms. Martin subsequently reaffirmed her plea agreement and on May 11, 2018 was sentenced to 16 months in prison followed by three years of probation and ordered to pay approximately \$2 million in restitution. She is currently incarcerated in Phoenix, Arizona, with a scheduled release date in August 2019.

On August 9, 2018, Palmer entered a new plea agreement to the same two felony counts. On August 31, 2018, the Honorable Clark Waddoups found that the new agreement was reasonable and imposed a sentence of 60 months incarceration and three years of post-release supervised probation. Palmer is scheduled to report to prison on April 17, 2019. The Court also ordered Palmer to pay \$52,944,855.41 in restitution to 564 investors, with at least \$500 being required to be paid each month after his release from prison.

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

<sup>2</sup> Docket No. 1043.

## II.

### **REAL ESTATE TRANSACTIONS**

Attached hereto as **Exhibit A** is a chart setting forth the status of all real properties in the Receivership Estate as of December 31, 2018. At the beginning of the Reporting Period, two primary properties remained in the Receivership Estate: 37 lots located in the “Elkhorn Ridge” subdivision in Malad, Idaho and the “Overland Trails” property located in Eagle Mountain, Utah. Activity related to these properties during the Reporting Period is discussed below.

**A. Overland Trails Appraisal and Proposed Auction.** Overland Trails had been the subject of numerous deeds of trust and tax liens securing alleged claims exceeding \$225,000. Based on concerns that the Receivership Estate lacked equity in the property, the Court authorized the Receiver to enter into settlement agreements with five parties claiming to hold enforceable liens under which a total of \$108,900 was paid in exchange for a release of liens.<sup>3</sup>

The Receiver determined that he should auction on the property. On August 31, 2018, the Court entered an *Order* denying the *Receiver’s Motion for Approval of (1) Public Sale of Property Free and Clear of Interests, (2) Method and Form of Publication Notice, and (3) Public Auction Procedures*, which would have used as stalking horse bid in the amount of \$250,000 as an opening bid at auction.<sup>4</sup> As a result, the listing broker and the Receiver engaged in an aggressive marketing plan which included placing color advertisements for the property in newspapers and online property websites, listing the property on a national database of properties

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<sup>3</sup> Docket No. 1382.

<sup>4</sup> Docket Nos. 1398, 1418.

being sold by receivers and trustees, and sending detailed information about the property to scores of real estate developers, brokers, and investors. On November 13, 2018, the Receiver filed *Receiver's Amended Motion Seeking Approval of (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 (Overland Trails)*,<sup>5</sup> requesting approval to conduct a public auction of the property with a new minimum bid of \$400,000, which was above the appraised value. The Court entered an *Order* granting this Motion on November 19, 2018.<sup>6</sup>

The Receiver set an auction date of December 19, 2018. He published notice of the auction and placed color advertisements about the property in newspapers in Salt Lake City and Provo, Utah. Three additional bidders contacted the Receiver and prequalified to bid at the auction. After aggressive bidding by all bidders at the auction, the property sold for \$690,000. The sale of this property has closed, and a *Notice of Public Sale Results* has been filed with the Court.<sup>7</sup>

**B. Elkhorn Ridge Estates.** The other real property still owned by the Receivership Estate consists of building lots in the Elkhorn Ridge development located near Malad, Idaho. Over the past six years, ten of these lots have sold, but 37 remain.<sup>8</sup>

The Receiver has determined that at this point an auction of the remaining property is in

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<sup>5</sup> Docket No. 1429.

<sup>6</sup> Docket No. 1431.

<sup>7</sup> Docket No. 1438.

<sup>8</sup> As noted in the prior *Status Report*, the buyer who initially agreed to purchase lots 9 and 10 declined to consummate the sale. During the Reporting Period, the Receivership Estate received \$500 in forfeited earnest money from that failed sale.

the best interest of the Receivership Estate. The Receiver believes that selling this property at auction is preferable to keeping the Receivership open for additional years and continuing to market the lots individually. The SEC has notified the Receiver that it concurs with this approach. The Receiver has negotiated with a national real estate auction firm to conduct an auction of the Elkhorn Ridge property, and will provide further information about the status of this property in his next Status Report.

### **III.**

#### **COLLECTION OF JUDGMENTS**

The following collection efforts were accomplished during the Reporting Period:

##### **A. Collection Recoveries.**

1. Carol Slaughter. On December 3, 2018, Ms. Slaughter paid the Receivership Estate \$32,000 to settle an action seeking to collect the judgment against her. The Receiver determined that settling with Ms. Slaughter was in the best interest of the Receivership Estate inasmuch as Ms. Slaughter had limited assets and some of her income was restricted to the care of disabled persons living in her home. The settlement amount was paid by Ms. Slaughter's children.

2. Colt West Perrin. Collection counsel succeeded in executing on a bank account held by Mr. Perrin, and thereafter, Mr. Perrin agreed to pay \$12,000 in settlement of the \$22,337.88 judgment against him, including relinquishing the funds in the bank account. After deducting legal fees and paying 50% of the collection recovery to the

collection agency, the Receivership Estate received \$4,942.62.<sup>9</sup> This collection effort is now concluded.

3. Harley Fabrizio and Mark Flynn. Collection counsel has indicated it believes nothing can be collected on the judgments against Mr. Fabrizio and Mr. Flynn. The Receiver has abandoned further collection efforts on these judgments.

**B. Collection of Amounts Owed Under Approved Settlement Agreements.**

Three Court-approved settlement agreements have payments still due. For two of these, the final payments were due by December 31, 2018, both of which were made on time. As of the close of the Reporting Period, the Receiver had contacted these parties, and further details will be included in the Receiver's next Status Report. The third settlement payment is conditioned upon the resolution of litigation between third parties. It is not known when that triggering event will occur.

**IV.**

**DISTRIBUTIONS**

**A. The Initial Distribution.** On November 14, 2016, pursuant to the Initial Distribution Order, the Receiver distributed \$4.49 million to the holders of "Allowed Claims" who were entitled to a distribution under the *Plan of Distribution* that was approved by the Court. All distribution checks related to this initial distribution cleared. Subsequently, on May

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<sup>9</sup> Of this total, \$2,113.90 was received during the Reporting Period and \$2,828.72 was received on January 7, 2019.

14, 2018, the Court entered an Order allowing payment of \$20,960.85 to the holders of three Disputed Claims.<sup>10</sup> Those payments have been made and the checks have cleared.

**B. The Second Distribution.** On June 21, 2018, the Court entered an *Order Granting Receiver's Amended Motion Seeking Authorization to Make Second Distribution*.<sup>11</sup> Pursuant to that Order, the Receiver distributed on June 29, 2018, a total of \$2,005,394.41 to 228 holders of Allowed Claims entitled to a distribution under the rising tide methodology approved by the Court. During the prior Reporting Period, 227 of those distribution payments cleared the bank. The final distribution payment was cashed during the current Reporting Period.

V.

**FINANCIAL ANALYSIS**

**A. Receivership Financial Information.** The following financial information is provided for the Reporting Period:

1. **Bank Accounts.** The Receiver maintains two bank accounts for the operation of the Receivership Estate: a general operating account (the "Operating Account") and an account used to hold deposits for the sales of real estate (the "Real Estate Account").<sup>12</sup> The balances in these accounts as of the close of the Reporting Period are as follows:

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<sup>10</sup> Docket No. 1376.

<sup>11</sup> Docket No. 1400.

<sup>12</sup> Pursuant to the Court's *Order Approving the Receiver's Third Interim Fee Application for Receiver and Receiver's Professionals for Services Rendered from July 1, 2013 through December 31, 2013*, Docket No. 828, the Receiver has established a separate Savings Account tied to the Operating Account in which he is holding 20% of the professional fees incurred by him and his counsel related to that fee application. Money to open this Savings Account was

Account	Account Balance
Operating Account	\$204,140.87
Real Estate Account <sup>13</sup>	\$96,955.00
<b>TOTAL</b>	<b>\$301,095.87</b>

2. Operating Account Deposits. The sources of funds deposited into the Operating Account during the Reporting Period are shown in the following table:

Source	Amount In
Settlement, collection proceeds	\$34,113.90
Sales of real estate	\$500.00
Bank interest	\$68.61
<b>TOTAL</b>	<b>\$34,682.51</b>

3. Operating Account Expenditures. The following table shows the categories of operating expenses that have been paid from the Operating Account during the Reporting Period:

Type of Expense	Amount Out
Publishing sale notices, advertising	\$1,500.14
Legal fees for collection counsel	\$1,395.33
Property taxes, tax filing fees	\$348.98
Storage fees, other operating exp.	\$864.00
<b>TOTAL</b>	<b>\$4,108.45</b>

4. Distributions. As described in Part IV.B, distribution payments were sent on June 29, 2018 to 228 allowed claimants. All those distribution payments, totaling \$2,005,394.41, have cleared the bank.

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transferred from the Operating Account. This Savings Account has a current balance of \$123,033.19 and is in addition to the amounts reported below.

<sup>13</sup> Of this total, \$89,000 represents deposits made by bidders at the auction of the Overland Trails property. Some of this amount will be refunded to unsuccessful bidders and the balance applied to the purchase price.



5. Real Estate Account Deposits and Withdrawals. The Real Estate Account remains open and is being used to hold deposits relating to real estate transactions.

6. SFAR. Attached as Exhibit B is a copy of the *Standardized Fund Accounting Report* for the Reporting Period

7. Administrative Expenses. On October 11, 2018, the Court entered an order approving the *Sixteenth Interim Fee Application* for the Receiver and his counsel for services rendered during the period of April 1, 2018 to June 30, 2018.<sup>14</sup> Pursuant to that Order, the Receiver paid the amounts allowed by the Court.

For the current Reporting Period, the Receiver and his staff have spent a total of 68.2 hours on behalf of the Receivership Estate. Billable services provided by the Receiver during the Reporting Period total \$11,762.50. For the current Reporting Period, Dorsey's total fees, less voluntary reductions, are in the total amount of \$5,340.00 and its out of pocket expenses total \$ 321.36.

## VI.

### NEXT STEPS

The Receiver anticipates addressing the following priorities in the coming months:

1. Property Sales. The Receiver will close on the sale of the Overland Trails property and expects to file a motion seeking Court approval to auction the 37 remaining Elkhorn Ridge lots at a bulk sale.

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<sup>14</sup> Docket No. 1426.

2. Judgment and Settlement Collection. All judgments are now collected or abandoned. The Receiver will focus on collecting final settlement payments on the last three unpaid settlements.

3. Closing the Estate. The Receiver is preparing to close the Receivership, including by making final distributions and requesting appropriate relief from the Court.

**VII.**

**CONCLUSION**

The Receivership Estate is close to the point at which it can be closed. This will require selling the Elkhorn Estate property, and collecting on the remaining outstanding payments required under settlement agreements.

DATED this 7th day of March, 2019.

  
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WAYNE KLEIN, Receiver

**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the above **TWENTY-SIXTH STATUS REPORT OF R. WAYNE KLEIN, RECEIVER** was filed with the Court on this 7th day of March, 2019, and served via ECF on all parties who have requested notice in this case.

/s/ Candy Long

# EXHIBIT A

	A	B	C	D	E	F	G
1		REAL PROPERTIES--STATUS					
2		As of 12/31/18. Investigation Ongoing. All Information Subject to Change.					
3		The numbers in the first column correspond with numbers of these properties as described in the Receiver's First Status Report.					
4		Property Name	Location	Listing Price	Sales Price	Net Sale Status	Proceeds
5		PROPERTIES CURRENTLY IN RECEIVERSHIP ESTATE					
6	3	Elkhorn Ridge Estates-37 Building Lots	Malad, ID	Various			
7	20	Overland Trails	Eagle Mtn., UT	340,000	690,000.00	Sale approved 11/19/18 [Docket No. 1431] Auction 12/19/18, closing is pending	
8		PROPERTIES SOLD OR RELEASED					
9		Property Name	Location	Listing Price	Sales Price	Net Sale Status	Proceeds
10	1	River Run/Riverbend Subdivision-Land	Middleton, ID	N.A.	N.A.	N.A. No equity. Court approved release of property to lender [Dkt. No. 590]	
11	2	Single family home: 1st Avenue	Middleton, ID	115,000	105,000	102,461.72 Sale approved [Docket No. 734]. Sale closed 10/15/14	
12		Single family home: Hawthorne Ave.	Middleton, ID	80,000	76,000	69,569.48 Sale approved [Docket No. 804]. Sale closed 11/17/14	
13	3	Elkhorn Ridge Estates-47 Building Lots	Malad, ID			Lots sold to date are:	
14		Lot #1		135,000	155,000	142,834.78 Sale approved [Docket No. 419] Sale closed 8/29/13	
15		Lot #2		35,000	31,500	27,725.00 Sale approved [Docket No. 492] Sale closed 12/6/13	
16		Lot #3		35,000	22,000	19,344.67 Sale approved [Docket No. 1261]. Sale closed 1/31/17	
17		Lot #4		35,000	35,000	30,893.21 Sale approved [Docket No. 231] Sale closed 4/26/13	
18		Lot #5		80,000	80,000	71,803.14 Sale approved [Docket No. 231] Sale closed 4/8/13	
19		Lots #6 & 7		70,000	44,000	39,483.79 Sale approved [Docket No. 1295]. Sale closed 6/9/17	
20		Lot #22			22,000	19,322.15 Sale approved [Docket No. 1364]. Sale closed 4/2/18	
21		Lot #25			25,200	22,178.62 Sale approved [Docket No. 1341]. Sale closed 1/29/18	
22		Lot #48		80,000	80,000	73,620.84 Sale approved [Docket No. 231] Sale closed 4/9/13	
23	4	Elkhorn Ridge-4 Undeveloped Parcels	Malad, ID	250,000	240,000	226,369.05 Sale approved [Docket No. 1173]. Sale closed 9/9/16	
24	5	Manhattan Grille Condominium	Manhattan, MT	49,000	51,000	45,933.32 Sale approved [Docket No. 300] Sale closed 6/5/13	
25	6	Twin Pines Apartments	Brigham City, UT	N.A.		172,020.02 Sale approved [Docket No. 736]. Sale closed 9/14/14	
26	7	Ogden Office Building (49% ownership)	Ogden, UT	699,000	600,000	241,836.07 Sale approved via auction [Docket No. 1042]. Sale closed 1/6/16	
27	8	Summit Park Lot	Summit Park, UT	40,000	37,500	32,477.61 Sale approved [Docket No. 135] Sale closed 1/24/13	
28	9	Bandanna Cabin	Fruitland, UT	260,000	260,000	226,374.07 Sale at auction approved [Docket No. 341] Sale closed 10/24/13	
29	10	Deer Meadows	Duchesne Co., UT	54,000	41,000.00	34,506.47 Sale approved [Docket No. 1369]. Sale closed 6/6/18	
30	11	Outpost/Indian Canyon	Duchesne Co., UT	N.A.	148,222.56	134,068.12 Sale approved [Docket No. 269] Sale closed 8/21/13	
31	12	East Meadows Mobile Home Park	Vernal, UT	N.A.	1,025,000	979,620.29 Sale approved [Docket No. 292] Sale closed 7/29/13	
32	13	Quail Hollow Apartments	Vernal, UT	N.A.	N.A.	N.A. Determined not owned by Receivership Estate	
33	14	Residential Building Lots at 900 West	Salt Lake City, UT	N.A.	70,000	65,295.00 Sale approved [Docket No. 263] Sale closed 5/8/13	
34	15	Cottonwood Road Property-4 acres	Salt Lake City, UT	N.A.	N.A.	N.A. No equity; court approved release of property to lender [Dkt. No. 179]	
35	15	Cottonwood Road Property-1 acre	Salt Lake City, UT	N.A.	291,000	279,189.07 Sale at auction approved [Docket No. 495] Sale closed 11/8/13	
36	16	National Note Office Building	West Jordan, UT	285,000	285,000	55,903.09 Sale approved [Docket No. 161] Sale closed 3/19/13	
37	17	Palmer Residence	West Jordan, UT	N.A.	N.A.	N.A. No equity. Court approved abandonment of property [Dkt. No. 869]	
38	18	Star Pointe Development	Salt Lake City, UT	N.A.	N.A.	70,000.00 Court approved settlement agreement with lender [Docket No. 608]	
39	19	Autumn Ridge Subdivision-Phase I	Eagle Mtn., UT				
40		Phase I-Lot #2		37,000	39,900	35,635.21 Sale approved [Docket No. 692]. Sale closed 7/8/14	
41		Phase I-Lot #3		37,000	39,900	35,711.84 Sale approved [Docket no. 644] Sale closed 5/1/14	
42		Phase I-Lot #4		37,000	37,000	30,821.91 Sale approved to builders [Docket No. 293] Sale closed 6/3/13	
43		Phase I-Lot #6		37,000	37,000	31,355.85 Sale approved to builders [Docket No. 293] Sale closed 10/31/13	
44		Phase I-Lot #7		37,000	37,000	31,355.85 Sale approved to builders [Docket No. 293] Sale closed 10/31/13	
45		Phase I-Lot #8		37,000	37,000	31,554.15 Sale approved to builders [Docket No. 293] Sale closed 5/31/13	

	A	B	C	D	E	F	G
46		Phase I-Lot #11		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
47		Phase I-Lot #16		37,000	39,900	35,903.39	Sale approved [Docket No. 696]. Sale closed 7/18/14
48		Phase I-Lot #21		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
49		Phase I-Lot #30		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
50		Phase I-Lot #33		37,000	37,000	30,775.92	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
51		Phase I-Lot #39		37,000	39,900	35,903.39	Sale approved [Docket No. 696]. Sale closed 7/18/14
52		Phase I-Lot #40		37,000	37,000	30,911.96	Sale approved to builders [Docket No. 293] Sale closed 9/25/13
53		Phase I-Lot #41		37,000	37,000	30,857.73	Sale approved to builders [Docket No. 293] Sale closed 8/14/13
54		Phase I-Lot #51		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
55		Phase I-Lot #52		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
56		Phase I-Lot #54		37,000	37,000	31,554.16	Sale approved to builders [Docket No. 293] Sale closed 5/31/13
57		Phase I-Lot #55		37,000	37,000	31,355.85	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
58		Phase I-Lot #60		37,000	37,000	31,355.89	Sale approved to builders [Docket No. 293] Sale closed 10/31/13
59		Phase II-62 Building Lots		N.A.	538,000	446,610.24	Sale approved [Docket No. 460] Sale closed 10/1/13
60	21	Cedar Fort Land (Fairfield)-8 acres	Fairfield, UT	24,000	25,000	22,274.21	Sale at auction approved [Docket No. 458] Sale closed 11/14/13
61	21	Cedar Fort Land (Fairfield)-85 Acres	Fairfield, UT	255,000	213,925	242,656.49	Sale approved [Docket No. 1186]. Sale closed 8/12/16
62	22	Expressway Business Park	Spanish Fork, UT				
63		Unit #109		N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 241]
64		Unit #305		65,000	69,000	55,840.79	Court approved sale at auction [Docket No. 270] Sale closed 6/27/13
65		Unit #204		N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 364]
66		Unit #215		N.A.	127,500	112,965.27	Sale approved at auction [Docket No. 393] Sale closed 10/30/13
67	23	Expressway Business Park-Land	Spanish Fork, UT	1,250,000	775,000	357,412.55	Sale at auction approved [Docket No. 1320]. Sale closed 12/22/17
68	24	Gooseberry Cabin	Fairview, UT	N.A.	N.A.	N.A.	No equity; Court approved release to lender [Docket No. 125]
69	25	Almond Heights-21 Building Lots	Toquerville, UT	842,000			
70		Lot #A-2		159,750	148,200	118,730.60	Sale Approved [Docket No. 1099] Sale closed 3/22/16
71		Lot #C-2		34,200	30,780	24,136.91	Sale Approved [Docket No. 1075] Sale closed 3/1/16
72		Lot #F		32,300	31,000	24,733.41	Sale approved [Docket No. 988] Sale closed 8/24/15
73		Lot #F-3		35,150	31,635	24,887.93	Sale Approved [Docket No. 1075] Sale closed 3/1/16
74		Lot #7		38,000	32,000	29,388.95	Sale approved [Docket No. 829]. Sale closed 12/18/14
75		Lot #10		38,950	36,000	30,552.54	Sale approved [Docket No. 906]. Sale closed 3/31/15
76		Lot #11		37,050	32,000	6,788.12	Sale approved [Docket No. 829]. Sale closed 12/16/14
77		Lot #12		38,000	32,000	6,787.90	Sale approved [Docket No. 829]. Sale closed 12/16/14
78		Lot #13		37,050	32,000	6,787.75	Sale approved [Docket No. 829]. Sale closed 12/16/14
79		Lot #14		35,150	31,635	6,525.25	Sale Approved [Docket No. 1075] Sale closed 3/1/16
80		Lot #15		33,250	29,925	6,254.50	Sale Approved [Docket No. 1075] Sale closed 3/1/16
81		Lot #17		30,400	24,000	21,752.44	Sale approved [Docket No. 829]. Sale closed 12/11/14
82		Lot #18		30,400	27,360	23,562.06	Sale Approved [Docket No. 1075] Sale closed 3/1/16
83		Lot #19		22,800	18,600	-1,200.46	Sale Approved [Docket No. 1068] Sale closed 1/25/16
84		Lot #20		22,800	18,600	-1,526.81	Sale Approved [Docket No. 1068] Sale closed 1/25/16
85		Lot #21		11,500	7,700	4,198.82	Sale approved [Docket No. 1256]. Sale closed 2/9/17
86		Lot #22					Sale approved [Docket No. 1256]. Sale closed 2/9/17
87		Lot #23		31,350	24,000	20,346.06	Sale approved [Docket No. 998]. Sale closed 9/4/15
88		Lot #24		33,250	31,000	26,672.24	Sale approved [Docket No. 998]. Sale closed 9/4/15
89		Lot #25		35,150	34,000	29,216.54	Sale approved [Docket No. 951]. Sale closed 5/21/15
90		Lot #26		34,200	32,000	27,151.02	Sale approved [Docket No. 829]. Sale closed 12/17/14
91	26	Kanab Home	Kanab, UT	199,000	197,000	18,162.90	Sale approved [Docket No. 746]. Sale closed 9/4/14
92	27	Farrell Business Park-12 Units	Gilbert, AZ				
93		Unit 103		76,631	101,631	83,997.05	Court approved sale at auction [Docket No. 202] Sale closed 5/31/13
94		Unit 104		76,631	101,631	83,997.05	Court approved sale at auction [Docket No. 202] Sale closed 5/31/13
95		Unit 105		80,000	92,000	70,392.98	Court approved sale at auction [Docket No. 203] Sale closed 5/21/13

	A	B	C	D	E	F	G
96		Unit 106		80,000	97,000	74,832.11	Court approved sale at auction [Docket No. 204] Sale closed 6/7/13
97		Unit 107		80,000	90,000	67,699.81	Court approved sale at auction [Docket No. 205] Sale closed 6/7/13
98		Unit 109		80,000	80,000	59,194.91	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
99		Unit 110		80,000	80,000	59,194.91	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
100		Unit 111		80,000	80,000	59,194.92	Court approved sale at auction [Docket No. 206] Sale closed 5/16/13
101		Unit 113		80,000	107,000	85,094.45	Court approved sale at auction [Docket No. 207] Sale closed 6/3/13
102		Unit 114		80,000	107,000	85,094.45	Court approved sale at auction [Docket No. 207] Sale closed 6/3/13
103		Unit 115		80,000	80,000	59,288.00	Court approved sale at auction [Docket No. 208] Sale closed 6/11/13
104		Unit 116		80,000	80,000	59,288.00	Court approved sale at auction [Docket No. 208] Sale closed 6/11/13
105	28	Clearview Business Park-8 Units	Mesa, AZ	415,954	737,000	591,295.43	Court approved sale at auction [Docket No. 177] Sale closed 5/10/13
106	29	Bear Grove Industrial Park-8 Lots	Byron, MN	1,675,200			
107		Parcel #8516		281,500	210,000	10,000.00	Sale approved [Docket No. 853]. Sale closed 3/27/15
108		Parcel #8509		156,700	149,000	98,795.03	Sale approved [Docket No. 849]. Sale closed 3/16/15
109		Parcel #8512		305,000	235,000	6,500.00	Sale approved [Docket No. 854]. Sale closed 3/6/15
110		Parcel #6060		340,000	235,000	10,000.00	Sale approved [Docket No. 875]. Sale closed 3/24/15
111		Lot 3, Block 1 (Parcel #8510)		149,500	149,500	95,340.47	Sale approved [Docket No. 989] Sale closed 9/30/15
112		Block 2, Lots 4-5		448,300	448,300	279,963.57	Sale at auction approved [Docket No. 1084] Sale closed 3/31/16
113		Block 2, Lot 1		285,000	280,000	34,019.74	Sale approved [Docket No. 1118]. Sale closed June 15, 2016
114		Block 1, Lot 4		285,000	288,520	10,000.00	Sale approved [Docket No. 1361]. Sale closed 4/16/18.
115	30	Georgia Single Family Residence	Temple, GA	135,000	125,000	106,843.83	Sale approved [Docket No. 553] Sale closed 1/10/14
116	31	Chicago Single Family Residence	Chicago, IL	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
117	32	Cleveland Single Family Residence	Cleveland, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
118	33	Cleveland Building Lot	Cleveland, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
119	34	Toledo Single Family Residence	Toledo, OH	N.A.	N.A.	N.A.	No value; Court approved abandonment [Docket No. 434] Order 9/10/13
120							
121		<b>Total</b>		<b>11,841,116.00</b>	<b>11,022,463.92</b>	<b>7,576,356.86</b>	

# EXHIBIT B



Wayne Klein, Receiver for National Note of Utah  
PO Box 1836  
Salt Lake City, UT 84110  
801-824-9616

# STANDARDIZED FUND ACCOUNTING REPORT

Civil – Receivership Fund

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Fund Name: SEC v. National Note of Utah  
Civil Court Docket No. 2:12-CV-00591 BSJ

Reporting Period 10/01/2018 to 12/31/2018

Standardized Fund Accounting Report for National Note of Utah - Cash Basis				
Receivership; Civil Court Docket No. 2:12-CV-00591 BSJ				
Reporting Period 10/01/2018 to 12/31/2018				
Fund Accounting (See Instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/2018):	\$432,691.77		
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	\$0.00		
Line 3	Cash and Securities	\$0.00		
Line 4	Interest/Dividend Income	\$83.78		
Line 5	Business Asset Liquidation	\$89,500.00		
Line 6	Personal Asset Liquidation	\$0.00		
Line 7	Third-Party Litigation Income	\$34,113.90		
Line 8	Miscellaneous - Other	\$0.00		
	<b>Total Funds Available (Lines 1 - 8)</b>		\$556,389.45	
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	\$88,154.18		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	\$15,310.00		
Line 10b	Business Asset Expenses	\$4,108.45		
Line 10c	Personal Asset Expenses	\$0.00		
Line 10d	Investment Expenses	\$0.00		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees	\$24,687.76		
	2. Litigation Expenses	\$0.00		
	<b>Total Third-Party Litigation Expenses</b>	\$24,687.76		
Line 10f	Tax Administrator Fees and Bonds	\$0.00		
Line 10g	Federal and State Tax Payments	\$0.00		
	<b>Total Disbursements for Receivership Operations</b>	\$132,260.39		
	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:	\$0.00		
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisers			
	Tax Advisers			
	2. Administrative Expenses	\$0.00		
	3. Miscellaneous	\$0.00		

	<i>Total Plan Development Expenses</i>	\$0.00		
<b>Line 11b</b>	<b>Distribution Plan Implementation Expenses:</b>			
	1. Fees:	\$0.00		
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisers			
	Tax Advisers			
	2. Administrative Expenses	\$0.00		
	3. Investor Identification:	\$0.00		
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond	\$0.00		
	5. Miscellaneous	\$0.00		
	6. Federal Account for Investor Restitution	\$0.00		
	(FAIR) Reporting Expenses	\$0.00		
	<i>Total Plan Implementation Expenses</i>	\$0.00		
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>	\$0.00		
<b>Line 12</b>	<b>Disbursements to Court/Other:</b>			
	<i>Investment Expenses/Court Registry Investment System</i>			
<b>Line 12a</b>	<i>(CRIS) Fees</i>	\$0.00		
<b>Line 12b</b>	<i>Federal Tax Payments</i>	\$0.00		
	<b>Total Disbursements to Court/Other</b>	\$0.00		
	<b>Total Funds Disbursed (Lines 9 - 12):</b>		\$132,260.39	
<b>Line 13</b>	<b>Ending Balance (As of 12/31/2018):</b>			\$424,129.06
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			
<b>Line 14a</b>	<i>Cash &amp; Cash Equivalents</i>	\$424,129.06		
<b>Line 14b</b>	<i>Investments</i>	\$0.00		
<b>Line 14c</b>	<i>Other Assets or Uncleared Funds</i>	\$0.00		
	<b>Total Ending Balance of Fund - Net Assets</b>			\$424,129.06
<b>Other Supplemental Information:</b>				
		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
	<b>Report of Items NOT To Be Paid by the Fund:</b>			
<b>Line 15</b>	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
<b>Line 15a</b>	<b>Plan Development Expenses Not Paid by the Fund:</b>			
	1. Fees:	\$0.00		



	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisers			
	Tax Advisers			
	2. Administrative Expenses	\$0.00		
	3. Miscellaneous	\$0.00		
	<b>Total Plan Development Expenses Not Paid by the Fund</b>	<b>\$0.00</b>		
<b>Line 15b</b>	<b>Plan Implementation Expenses Not Paid by the Fund:</b>			
	1. Fees:	\$0.00		
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisers			
	Tax Advisers			
	2. Administrative Expenses	\$0.00		
	3. Investor Identification:	\$0.00		
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond	\$0.00		
	5. Miscellaneous	\$0.00		
	6. FAIR Reporting Expenses	\$0.00		
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>	<b>\$0.00</b>		
<b>Line 15c</b>	<b>Tax Administrator Fees and Bonds Not Paid by the Fund</b>	<b>\$0.00</b>		
	<b>Total Distributions for Plan Administration Expenses Not Paid by the Fund</b>	<b>\$0.00</b>		
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			
	Investment Expenses/Court Registry Investment System			
<b>Line 16a</b>	<b>(CRIS) Fees</b>	<b>\$0.00</b>		
<b>Line 16b</b>	<b>Federal Tax Payments</b>	<b>\$0.00</b>		
	<b>Total Disbursements to Court/Other Paid by the Fund:</b>	<b>\$0.00</b>		
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>	<b>\$0.00</b>		
<b>Line 18</b>	<b>No. of Claims:</b>			
<b>Line 18a</b>	<b># of Claims Received This Reporting Period</b>	<b>0</b>		
<b>Line 18b</b>	<b># of Claims Received Since Inception of Fund</b>	<b>468</b>		
<b>Line 19</b>	<b>No. of Claimants/Investors:</b>			

Line 19a	# of Claimants/Investors Paid This Reporting Period	1		
Line 19b	# of Claimants/Investors Paid Since Inception of Fund	432		
Receiver: <i>National Note of Utah</i>				
By: <i>Wayne Klein</i>				
(signature)				
<i>Wayne Klein</i>				
(printed name)				
<i>Receiver for National Note</i>				
(title)				
Date: <i>January 14, 2019</i>				