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Attorneys for the BTJD Claimants

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

MANAGEMENT SOLUTIONS, INC., a
Texas Corporation; WENDELL A.
JACOBSON; ALLEN R. JACOBSON,

Defendants.

**LANEY V. JACOBSON'S
OBJECTION TO THE RECEIVER'S
MAY 14, 2015 CLAIMS ANALYSIS
REPORT**

Case No. 2:11-cv-01165

Judge Bruce S. Jenkins

Laney V. Jacobson ("**Laney**"), by and through the undersigned counsel, herein submits her Objection to the Receiver's May 14, 2015 Claims Analysis Report (the "**Report**"). For the reasons set forth herein, the Court should disregard the proposed Report, order the Receiver to reserve sufficient funds to satisfy Laney's claim entirely, or alternatively, rescind Laney's previously stipulated withdrawal of her objection to the Receiver's proposed Plan of Distribution (the "**Plan**") and allow Laney's objections to the Plan to be heard.

BACKGROUND

Laney's Claim and the Receiver's Proposed Plan

1. On approximately September 1, 2014, Laney submitted her proposed claim to the Receiver (the "***Claim***"), setting forth the basis of Laney's Claim and setting the Claim amount at \$235,709. *See Claim*, a true and correct copy of which is attached hereto as **Exhibit A**.

2. On February 27, 2015, Gil A. Miller, the Court-appointed receiver in this matter (the "***Receiver***"), submitted his proposed Plan, [Docket No. 2311-2](#), together with a Motion for Approval of the Plan (the "***Plan Motion***"), [Docket No. 2311](#).

3. On March 30, 2015, Laney, together with other claimants referred to as the "***BTJD Claimants***," objected to the Plan and the Plan Motion (the "***BTJD Objection***"), [Docket No. 2395](#).

4. Laney, together with most of the BTJD Claimants, objected to the Plan generally and specifically to her classification as an "Insider" under the Plan and placed in "Class 9" of the Plan as a "Non-Participant" to the Plan. *Id.* at 6–7.

5. Laney observed, among other things, that the term "Insider" and its application to Laney was inappropriately based on an unfounded Ponzi presumption, that the Plan's proposed definition and application of "Insider" status was so baseless and so broad as to render it meaningless (or worse—capture within its ambit practically every individual and entity involved with Management Solutions, Inc. "***MSI***"), and that the Plan, by its very terms, offended Due Process. *Id.* at 6–12.

The BTJD Claimants' Conditional Stipulation to the Plan and the Plan Hearing

6. Following discussions with the Receiver, the Receiver and the BTJD Claimants arrived at a Stipulated Withdrawal of the BTJD Objection (the "***Withdrawal***"), [Docket No. 2452](#).

7. In exchange for the Withdrawal, the Receiver agreed to, among other terms,
 - a. “reclassify” the BTJD Claimants “as Class 5 Claimants under the Plan, subject to the Receiver’s claims process outlined in the Receiver’s [Plan Motion] and in Article V of the [Plan] (the ‘*Claims Process*’),” and
 - b. “reserve sufficient funds to pay any and all of the BTJD Claimants’ claims, on an equal footing and treatment as the Class 5 Claimants, in the event that any or all of the BTJD Claimants’ respective claims are deemed meritorious by the Receiver or by the Court.”

Id. at 2–3, ¶¶ 3, 8.

8. On April 13, 2015, the Court conducted a hearing on the Plan and the Plan Motion (the “*Plan Hearing*”). [Docket No. 2458](#).

9. At the Plan Hearing, the Court noted that contested matters existed and that objections to the Plan had been filed and asked the Receiver how much he had reserved “in the way of set-asides” for those contested matters, to which the Receiver’s counsel indicated the Receiver planned to “hold[] back” approximately \$30 million. *See* Transcript of Plan Hearing, 11:4–10.

10. This amount was again affirmed and reemphasized by the Receiver later in the Plan Hearing. *See id.* at 27:4–8.

11. At the close of the Plan Hearing, the Court again noted that the Receiver “set aside amounts or properties that currently enjoy an existing contest, and that makes sense because those that have a specific interest in either a specific property or a question as to classification or a question as to amount, the [R]eceiver has indicated that they have set aside about 30, \$31 million.” *Id.* at 36:9–16.

12. The Court ultimately approved the Plan, but in its ruling and order required the Receiver to “expressly point out that [the Receiver] ha[d] set aside and ha[d] left for future determinations those contests amongst those who have objected.” *Id.* at 38:25–39:5.

13. On April 14, 2015, the Court entered an Order Granting Motion for Approval of Plan of Distribution, [Docket No. 2459](#).

The Claim Analysis Report and Motion to Approve First Distribution

14. On May 14, 2015, the Receiver filed a Motion to Approve Claims Analysis Report and attached his Report as Exhibit A thereto. [Docket No. 2522](#).

15. In the Report, the Receiver valued Laney’s Claim at \$1,650, a marked departure from the Claim of \$235,709 submitted by Laney. Docket No. 2522-1 at 9.

16. On that same day, May 14, 2015, the Receiver also filed a Motion to Approve First Distribution (the “***Distribution Motion***”). [Docket No. 2523](#).

17. In the Distribution Motion, the Receiver attached as Exhibit B a document titled “First Distribution – Reserved Amounts.” [Docket No. 2523-2](#).

18. Exhibit B purports to lay out all of the reserved amounts for current contested matters, and indicates that only \$22,104,485.72 has been set aside from those amounts. *Id.*

19. Notably, and contrary to the terms of the Withdrawal, Laney’s claim amount has not been adequately reserved. Docket No. 2322-1 at 9.

20. Indeed, although Laney’s Claim is for \$235,709, the Receiver has only reserved \$1,650 for the entirety of Laney’s Claim. *Id.*

ARGUMENT

As demonstrated above, and for the reasons set forth below, the Receiver has failed to live up to his commitments in the Withdrawal. Accordingly, the Court should enforce the terms

of the Withdrawal and order the Receiver to pay Laney the full amount of her Claim or, alternatively, to reserve adequate funds from the receivership estate to fully satisfy Laney's claim. Additionally, and in the alternative, the Court should rescind the Withdrawal, reopen the BTJD Objection and hear out Laney's original objection.

I. THE RECEIVER IMPROPERLY INDUCED THE WITHDRAWAL OF LANEY'S OBJECTION TO THE PLAN OF DISTRIBUTION.

The Withdrawal is a binding agreement between the BTJD Claimants (including Laney) and the Receiver. The Tenth Circuit has long held that such stipulated agreements, even in the midst of litigation, must be honored. *See L.P.S. v. Lamm* 708 F.2d 537, 539 (10th Cir. 1983) (holding that courts "cannot overlook or disregard stipulations which are absolute and unequivocal," (quotation marks omitted)). As such, traditional contract remedies may be employed to ensure that the Withdrawal is enforced. Among those remedies available to contracting parties when a breach of contract is at issue are strict performance of the terms of the agreement or rescission of the agreement altogether. *See, e.g., World Alliance Consulting, Inc. v. DocPlanet.com, Inc.*, 57 Fed.Appx. 390, 392 (10th Cir. 2003) (observing that plaintiff in breach of contract claim may seek specific performance of the agreement); *Rosenfield v. HSBC Bank, USA*, 681 F.3d 1172, 1183 (10th Cir. 2012) (noting that party may "void a contract in equity—i.e., to make it such that the agreement [had] never been executed" (alteration in original) (internal quotation marks omitted)).

Here, the Withdrawal has already been breached by the Receiver. Indeed, even though the terms of the Withdrawal are clear and unambiguous and the Court itself emphasized those terms in its ruling on the Plan and the Plan Motion, the Receiver has failed to uphold his part of the bargain in the Withdrawal. As set forth below, the Receiver has failed to abide by the terms of the Withdrawal by failing to reserve funds adequate to satisfy the full amount of Laney's

claim. The Court should accordingly and strictly enforce the terms of the Withdrawal and order the Receiver to reclassify Laney as a Class 5 participant and to reserve sufficient funds for Laney's claim or, alternatively, rescind the Withdrawal altogether and allow Laney's objections to the Plan to be heard.

In the Withdrawal, the Receiver agreed to "reserve sufficient funds to pay any and all of the BTJD Claimants' claims, on an equal footing and treatment as the Class 5 Claimants, in the event that any or all of the BTJD Claimants' respective claims are deemed meritorious by the Receiver or by the Court." Withdrawal at 3, ¶ 8. When pressed by the Court at the Plan Hearing, the Receiver insisted that he would reserve some \$30 million to cover the full amounts of contested claims. Background, *supra* ¶¶ 8–12.

The Receiver has utterly failed to comply with this obligation. In fact, in his Distribution Motion, the Receiver admits that he has only reserved \$22,104,485.72 to satisfy contested claims—nearly \$8 million less than the \$30 million he guaranteed to the Court would be set aside. [Docket No. 2523](#). Worse, and contrary to the terms of the Withdrawal, Laney's claim amount has not been adequately reserved. *See id*, Exhibit B, [Docket No. 2523-2](#). Indeed, although Laney's claim amount had been \$235,709, the Receiver has only reserved \$1,650.

The Receiver's failure to reserve stands as an outright breach of the Withdrawal. Despite assurances to the BTJD Claimants, including Laney, that he would set aside funds to pay out their claims in full upon a successful appeal to the Receiver or to the Court, the Receiver has simply and conveniently valued Claim at \$1,650 and ignored the full amount of her Claim. Given the express terms of the Withdrawal and the Receiver's assurances in open court that he would adequately reserve funds to satisfy all contested claims, the Court should not allow this preferential payout to stand, and should accordingly compel the Receiver to reserve adequate

funds to satisfy Laney's claim—a total of \$235,709. Alternatively, the Court should rescind the Withdrawal altogether and allow Laney to object to the Plan and propose an alternative, more equitable plan of distribution.¹

II. EVEN SETTING ASIDE THE RECEIVER'S BREACH OF THE WITHDRAWAL, LANEY ALSO OBJECTS TO THE CLAIM ANALYSIS BECAUSE THE RECEIVER HAS CALCULATED THE WRONG AMOUNT FOR HER CLAIM.

In addition to objecting to the Receiver's actions with respect to Laney's classification and the reservation amount, Laney also objects to the amount of her Claim set forth in the Report. Specifically, the Receiver has classified Laney's unpaid claim as \$1,650, a far cry from her original Claim amount of \$235,709. Accordingly, and based on this discrepancy, Laney objects to the amount of her Claim as determined by the Receiver and set forth in the Report and requests that the Court order the Receiver to either pay her the full amount of her Claim or set aside funds sufficient to satisfy her Claim in full. Alternatively, and as set forth above, the Court should rescind the Withdrawal altogether and allow Laney to object to the Plan itself.

DATED this 28th day of May, 2015.

BENNETT TUELLER JOHNSON & DEERE

/s/ Eric B. Vogeler

Barry N. Johnson
Brigman L. Harman
Eric Boyd Vogeler
Attorneys for Laney

¹ Given the Court's insistence that reserve funds be set aside to satisfy claims before approving the Plan, perhaps rescission of the Withdrawal and giving the chance to Laney and other affected Claimants to object to and propose a more adequate Plan is the best option.

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of May, 2015, I electronically filed the foregoing **LANEY V. JACOBSON'S OBJECTION TO THE RECEIVER'S MAY 14, 2015 CLAIMS ANALYSIS REPORT** via the Court's CM/ECF system, which in turn effected service on all counsel of record.

/s/ Kenzie Dunn

EXHIBIT

A

EXHIBIT "A"

To be Completed by Receiver upon Filing:
Claimant Name: _____
Claim No. _____
Date Received: _____
Approved: _____

Claim Form and Instructions

**Securities and Exchange Commission v.
Management Solutions, Inc., et al.**

**United States District Court for the District of Utah
Case No. 2:11-cv-01165**

June 18, 2014

On December 15, 2011, the United States District Court for the District of Utah (the "Court") placed Management Solutions, Inc., Wendell A. Jacobson, Allen R. Jacobson, 208 related companies, and 11 other individuals in receivership and appointed John A. Beckstead as receiver. On April 15, 2014, Gil A. Miller was appointed as the substitute receiver by the Court (the "Receiver"). Persons who are owed money by any of these companies or individuals are entitled to file a claim in the receivership and may be eligible to participate in distributions of available funds from the receivership. This document is the official claim form which must be filed to present your claim.

Your claim must be completed and filed by September 2, 2014. Failure to timely file a complete and proper claim may result in denial of your claim.

Please read this Claim Form and Instructions in it's entirety and provide all requested information.

Introduction

After the Claim Forms have been received, a Plan of Distribution will be submitted by the Receiver outlining how cash will be distributed to pay allowed claims. Upon approval of the Plan of Distribution by the Court, the available cash from liquidation of assets will be distributed in accordance with the Plan.

A Court-approved process will be implemented to determine the allowed claims. This Claim Form and Instructions is the first step in that process. The purpose of the Claim Form is to gather information. It will be mailed and emailed to all known Claimants and availability of the Claim Form and Instructions will be advertised to solicit claims from those who do not receive the mailed notice. There is a deadline to file claims and claims not filed by that date will be considered late and may be denied. Upon receipt of a completed Claim Form, the Receiver will review the information in the Claim Form and supporting documents and compare it to records of the Receivership Entities and other records compiled by the Receiver. The Receiver will then take one of the following actions: (i) validate the claim, in which case, the Receiver will recommend approval and allowance of such claim; (ii) request additional information from the Claimant; or (iii) object to the claim should the Receiver and Claimant be unable to reach agreement on a validated claim. If the Receiver objects to the claim, notice of the objection will be given to the Claimant and filed with the court, after which the court will determine if the claim will be allowed.

At this time, it is not possible to determine when distributions to pay claims will be made and the amount that will be available for distribution.

The Receiver maintains a public website at www.managementsolutionsreceivership.com which contains more detailed information about the receivership and is updated regularly to report new developments. If needed information regarding the receivership is not on the website, the Receiver welcomes individual inquiries about the receivership or its status.

Instructions for Completing Claim Form

Please read the below Definitions which define terms used in this Claim Form.

This Claim Form will help determine the amount, if any, you will be paid from the Receivership Estate. It is very important that you complete the entire form and provide the requested documents. If you are unable to locate documents or obtain them from another source, such as your accountant or bank, please state that documents are not available when completing the Claim Form. Your claim may not be validated if sufficient information is not provided. You are also required to sign the Claim Form under penalty of perjury.

Please do not submit any original documents with your Claim Form, but rather complete and fully legible copies. Keep a copy of your Claim Form. If you wish to receive acknowledgement of receipt of your Claim Form, please include a stamped self-addressed envelope with your Claim Form. A roster of claims received will be posted on the Receiver's website. A list of all validated claims will be filed with Court.

Please do not leave any spaces blank or unanswered, unless instructed to do so. Write "none", "not applicable", "not available", or a similar response if you do not have the requested information.

If additional space is needed, attach additional sheets to the Claim Form. State your name in the upper right hand corner of each sheet and identify by number the question(s) to which you are responding.

If the Receiver requests additional information concerning your claim, you must supply that information within 30 days of when the request is sent. Failure to timely provide that additional information will result in your claim not being validated.

If the investment in a Receivership Entity was made by a Company, the claim is to be made by the Company, not by the individual members, partners or shareholders of the Company. For example, if A, B and C formed a limited liability company called XYZ, L.L.C., and XYZ, L.L.C. then invested in a Property Company which is a Receivership Entity, the claim is to be filed only by XYZ, L.L.C. and claims should not to be filed by A, B or C. However, the Claimant will be asked to provide information about the individual owners of the Company. The Claim Form must be submitted and signed by an individual with authority to represent the Company. The Receiver may require proof of such authority.

If the claim is owing jointly to a married couple, the couple must file a single, joint Claim Form, listing both spouses' names.

Instructions for Filing Claim Form

THE DEADLINE TO FILE CLAIMS IS SEPTEMBER 2, 2014. CLAIMS NOT FILED BY THIS DATE MAY BE DENIED. Claims will be deemed timely filed if received by the Receiver by 11:59 p.m. Mountain Time on the Bar Date or if sent by first class U.S. mail, postage prepaid, and postmarked by 11:59 p.m. on the Bar Date.

Intentionally filing a false claim is a criminal offense and may also be punishable as contempt of court.

Do not file your claim with the Court. Claims are to be filed only with the Receiver.

Claims may be filed by U.S. mail or by email. Mailed claims are to be sent to:

Management Solutions Receivership
Attention: Claim Filing
P.O. Box 1290
Salt Lake City, Utah 84110-1290

E-mailed claims are to be sent to: msicclaim@rockymountainadvisory.com.

If you determine that a claim you filed needs to be amended, you should resubmit the entire Claim Form with supporting documents, signed, and add the word "AMENDED" prominently on the first page of the Claim Form. Amended Claim Forms that are filed after the above Bar Date may be disallowed.

Definitions

"Bar Date" means the deadline for filing of Claim Forms, which is September 2, 2014.

"Claimant" means a Person who claims to be owed money by a Receivership Entity. A married couple, who are owned money jointly, will be considered a single Claimant.

"Company" means any Person other than an individual.

"Investor Claimant" means any Claimant who is not a Priority Claimant, Secured Lender, TIC Claimant, Personal Injury Claimant, or Vendor.

"Investor Company" means a Company formed under the direction of Wendell Jacobson with the intention that the Investor Company become a member, partner, or shareholder of a Property Company.

"Person" means an individual, corporation, partnership, limited liability company, trust, association, retirement or pension plan, or other entity.

“Personal Injury Claimant” means a Claimant whose claim is based upon a tort (negligence or an intentional act) resulting in personal injury or death to a person or damage to tangible property committed by, or for, which a Receivership Entity is responsible.

“Principal” means: (i) For a limited liability company, all managers, managing members and members; (ii) for a general partnership, all partners; (iii) for a limited partnership, all general and limited partners; (iv) for a corporation, all officers, directors and shareholders; (v) for a trust, the trustee(s) and all beneficiaries; and (vi) for a pension or retirement plan, the administrator or trustee and the beneficiary.

“Priority Claimant” means (i) a governmental entity or agency making a claim based upon unpaid taxes or assessments.

“Property Company” means a Company formed under the direction of Wendell Jacobson with the intention that the Property Company own real estate and that an Investor Company or an Investor become a Principal of the Property Company.

“Receiver Appointment Date” means December 15, 2011.

“Receivership Entity” means the Companies and Persons listed on the Schedule of Receivership Entities attached hereto.

“Receivership Estate” means the assets of the Receivership Entities which will be liquidated by the Receiver.

“Recorded TIC Interest” means a TIC Interest for which the deed creating the TIC Interest was recorded in the office of the applicable county recorder or other governing office prior to the Receiver Appointment Date.

“Rollover Payment” means a payment owing to a Person arising from an investment in an Investor Company, Property Company or other Company which was not paid in cash but was instead paid by giving the Person an increased interest or a new interest in an Investor Company, Property Company or other Company.

“Secured Lender” means (i) an institutional Company, such as a bank, credit union, insurance company, or commercial mortgage backed securities trust, whose primary business includes the making of loans secured by real estate, or other secured lender, who has made a loan to a Receivership Entity secured by real estate, or purchasing and servicing loans secured by real estate which include secured loans made to a Receivership Entity; or (ii) a homeowners association or similar association making a claim for unpaid dues or assessments which are secured by a non-priority statutory lien on the property.

“TIC Claimant” means a Claimant whose claim is based upon a Recorded TIC Interest or an Unrecorded TIC Interest.

“TIC Interest” means an interest in real property created by a deed to the owner granting an undivided interest described in the deed as a tenant-in-common interest.

“Unrecorded TIC Interest” means a TIC Interest for which the deed creating the TIC Interest was not recorded in the office of the applicable county recorder or other governing office prior to the Receiver Appointment Date.

“Vendor” means a merchant, supplier, tradesman, or similar provider who provided goods or services to a Receivership Entity, whose primary business is providing such goods or services, with terms that payment would be made upon providing the services or delivering the goods or upon open account, such as payment to be made within 30 days.

Claim Form

Section I – Determine Your Claim Category

Using the above definitions, determine the correct category of your claim based upon the circumstances under which your claim arises. The available categories are Priority Claimant, Secured Lender, TIC Claimant, Investor Claimant, Personal Injury Claimant, or Vendor. The category of your claim may change if it is determined you have selected an incorrect category. Depending on your individual circumstances, you may have multiple categories of claims. If so, please complete each section of the Claim Form that may apply.

Section II – General Information (To be completed by all Claimants)

1. Claimant Name (if Claimant is a married couple, list both names):

Laney V. Jacobson

2. Claimant address, phone number and email address (the Claimant has a continuing obligation to keep the Receiver informed of its current address)

498 East 100 South

Manti, Utah 84642

435.592.2732

austinsoper1@gmail.com

3. If Claimant is a Company, please provide the Federal Employer Identification Number of Claimant, if applicable. Social Security numbers are not required at this time.

NOT APPLICABLE

4. If Claimant is represented by an attorney, provide the name, address, phone number, and email address of the attorney:

NOT APPLICABLE

5. A. If Claimant is or was at any time related by blood or marriage to Wendell A. Jacobson, Melba Jacobson, Allen R. Jacobson, Cami Jacobson, or any of the individuals identified as Receivership Entities, explain that relationship:

**Laney is a daughter of Wendell and Melba Jacobson
Laney is a sister to Allen Jacobson and a sister-in-law to Cami Jacobson.**

B. If Claimant is currently or was at any time employed by Wendell A. Jacobson, Melba Jacobson, Allen R. Jacobson, Cami Jacobson, or any of the individuals or entities identified as Receivership Entities, explain that employment relationship:

Laney V. Jacobson was employed by Boulder Development.

Section III – Priority Claimants (To be completed only by Priority Claimants)

6. Identify the Receivership Entity or Receivership Entities against whom your Claim is made:

NOT APPLICABLE

7. Provide the street address and legal description of the property against which your Claim is asserted:

NOT APPLICABLE

8. Provide copies of all notices which have been sent, filed or recorded concerning your Claim.

NOT APPLICABLE

9. If not identified in the notices provided pursuant to #8, above, cite the statute or other authority granting a lien upon property to secure your Claim:

NOT APPLICABLE

10. State the amount owing to Claimant as of the Receiver Appointment Date, itemized by principal, interest, fees, penalties, costs and any other items. If attorneys fees and costs are claimed, provide references to the contract and/or statutory provisions purportedly entitling the Claimant to such attorney fees and costs and invoices from the attorneys with itemized billing information.

NOT APPLICABLE

11. State the amount owing to Claimant as of about the date of filing your Claim, itemized by principal, interest, fees, penalties, costs and any other items, and provide per diem or other information needed to calculate the amounts owing thereafter. If attorneys fees and costs are claimed, provide references to the contract and/or statutory provisions purportedly entitling the

Claimant to such attorney fees and costs and invoices from the attorneys with itemized billing information.

NOT APPLICABLE

Section IV – Secured Lender Claimants (To be completed only by Secured Lender Claimants)

12. Identify all obligors on your loan:

NOT APPLICABLE

13. Identify the original lender and state the amount and date of the original loan:

NOT APPLICABLE

14. Identify and provide copies of all documents evidencing the loan and collateral for the loan, including any servicing agreements:

NOT APPLICABLE

15. If the loan has been transferred or assigned, state the date of each transfer or assignment, identify the transferee or assignee, and provide copies of all transfer or assignment documents:

NOT APPLICABLE

16. If there is a trustee or agent for the lender, identify the trustee or agent and provide copies of the documents appointing the trustee or agent:

NOT APPLICABLE

17. If you claim the loan was in default on or prior to the Receiver Appointment Date (other than a default based solely upon the appointment of the Receiver), describe such default and provide copies of all Notices of Default and similar communications notifying the obligors of the default:

NOT APPLICABLE

18. If you claim the loan was in default after the Receiver Appointment Date (other than a default based solely upon the appointment of the Receiver), describe such default and provide copies of all Notices of Default and similar communications notifying the Receiver of the default:

NOT APPLICABLE

19. If you claim the loan has been accelerated, state the grounds for acceleration, the date the acceleration was made, provide an itemization of the amount owing upon acceleration, and provide copies of all notices of acceleration that were given.

NOT APPLICABLE

20. State the amount owing to Claimant as of the Receiver Appointment Date, itemized by principal, interest, default interest, fees, penalties, costs and any other items. If attorneys' fees are claimed, provide invoices from the attorneys with itemized billing information.

NOT APPLICABLE

21. State the amount owing to Claimant as of about the date of filing your claim, itemized by principal, interest, default interest, fees, penalties, costs and any other items, and provide per diem or other information needed to calculate the amounts owing thereafter. If attorney's fees are claimed, provide invoices from the attorneys with itemized billing information.

NOT APPLICABLE

22. Do not make a claim for any anticipated deficiency if your collateral has not been liquidated. If the collateral for your loan has been abandoned by the Receiver, or you received a deed in lieu of foreclosure from the Receiver, and you claim a deficiency owing after liquidation of your collateral, provide the following:

a. Date and type of sale or other disposition of the collateral and the gross amount received:

NOT APPLICABLE

b. Itemization of all costs of sale claimed by you. If attorneys fees are claimed, provide invoices from the attorneys with itemized billing information:

NOT APPLICABLE

c. Amount of deficiency claimed with calculations showing how the deficiency was determined:

NOT APPLICABLE

Section V – TIC Claimants (To be completed only by TIC Claimants)

23. Identify each property in which you claim a TIC Interest as of the Receiver Appointment Date:

NOT APPLICABLE

24. Identify the date and amount of each and every payment (whether cash or property) made by you to a Receivership Entity. Do not include Rollover Payments in this response (see question 35 below). State the purpose of each payment, such as investment, loan, etc. Provide copies of checks or wire transfer records demonstrating each payment or, if not available, provide copies of other records demonstrating such payment.

NOT APPLICABLE

25. Identify the date and amount of each and every payment received by you from or on behalf of a Receivership Entity for any reason, including rent, lease payments, interest, principal, return of capital, profit from sale of a property, fees, reimbursement of expenses, or commissions. Provide copies of checks demonstrating each payment or, if checks are not available, provide copies of other records demonstrating such payment. Do not report Rollover Payments (see question 35 below). Report only transactions in which you received cash.

NOT APPLICABLE

26. For each payment identified in response #25, above, state the reason for the payment, such as a rent, lease payment, interest, principal, return of capital, profit from sale of property, fees, reimbursement of expenses, or commissions.

NOT APPLICABLE

27. Are you owed any money by any Receivership Entity with regard to your TIC Interest? If yes, identify the Receivership Entity which owes the money, explain the reason why it is owing, state the amount owing as of the Receivership Appointment Date, and show how the amount was calculated.

NOT APPLICABLE

28. Provide a copy of each deed you purport granted you TIC Interests. Indicate whether you possess original deed(s).

NOT APPLICABLE

29. If you claim a Recorded TIC Interest and the copy of the deed provided in response to #24, above, does not show the recording information, provide the name of the office where the deed was recorded, date of the recording, entry number, and, if applicable, the recording book and page:

NOT APPLICABLE

30. Provide copies of all documents associated with the acquisition of your TIC Interest, such as Purchase and Sale Agreement, Bill of Sale, Assignment, Closing or Settlement Statement, and 1031 Exchange documents.

NOT APPLICABLE

31. Did you enter into any agreement, written or oral, for another Person to manage or take care of the property in which you owned a TIC interest?

NOT APPLICABLE

32. If you answer to #31 is yes, and the agreement was written, provide a copy of the agreement.

NOT APPLICABLE

33. If you answer to #31 is yes, and the agreement was oral, identify all parties to the agreement, the date the agreement was made, and the terms of the agreement.

NOT APPLICABLE

34. Have you made payments to any Person concerning your TIC Interest or pursuant to any agreement identified in response #31, above, since acquiring your TIC Interest, excluding income tax payments based on income generated by your TIC Interest? Examples would include property taxes, homeowners associate dues or assessments, repairs or improvements to the property, utilities, management fees, ect. If yes, identify the date and amount of each payment made by you, and the payee and the purpose of the payment. Provide copies of checks or wire transfer records demonstrating each payment or, if not available, provide copies of other records demonstrating such payment.

NOT APPLICABLE

35. Identify the date and amount of each and every Rollover Payment concerning your TIC Interest to a Receivership Entity. Provide copies of records evidencing each transfer.

NOT APPLICABLE

36. Provide the following information as to representations or promises made to you by any Person concerning your TIC Interest and any agreement identified in response to #31, above:

a. Identify who made the representations or promises to you:

NOT APPLICABLE

b. What would be done with your money paid for your TIC Interest (for example, what Investor LLC would receive your money and what property would be purchased with that money)?

NOT APPLICABLE

c. The ownership, value, liabilities, liens and financing of the property in which you acquired your TIC Interest:

NOT APPLICABLE

d. Promised returns to you:

NOT APPLICABLE

e. Safety and risk concerning your investment:

NOT APPLICABLE

f. Provide copies of all letters, emails, agreements, brochures and other documents evidencing these representations and promises.

NOT APPLICABLE

37. Provide copies of all statements or accountings you received concerning your TIC Interest.

NOT APPLICABLE

38. If the Claimant is a Company, not an individual:

a. Identify the type of organization and state in which the Company is organized:

NOT APPLICABLE

b. Identify all Principals of the Company and the percentage ownership of each Principal. If any Principal is a Company, identify the Principals of each Company down through each level until individuals are identified.

NOT APPLICABLE

c. If the TIC Interest was acquired on behalf of Persons other than Principals in the Company, identify those Persons.

NOT APPLICABLE

Section VI – Investor Claimants (To be completed only by Investor Claimants)

39. Identify the date and amount of each and every payment (whether cash or property) made by you to a Receivership Entity. Do not include Rollover Payments in this response (see question 42 below). State the purpose of each payment, such as investment, loan, etc. Provide copies of checks or wire transfer records demonstrating each payment or, if not available, provide copies of other records demonstrating such payment.

**12-31-2011 \$235,709 per Quorum Properties, LLC K-1 to Laney V. Jacobson
Purpose: Investment**

See Exhibit #39A attached which includes the 2011 K-1 sent to us by the Receiver showing our Capital Contributions.

Note: The partnership books and bank statements substantiating this investment are held and controlled by the receiver.

40. Identify the date and amount of each and every payment received by you from or on behalf of a Receivership Entity for any reason, including interest, principal, return of capital, profit from sale of a property, fees, reimbursement of expenses, or commissions. Provide copies of checks demonstrating each payment or, if checks are not available, provide copies of other records demonstrating such payment. Do not report Rollover Payments. (See question 42 below). Report only transactions in which you received cash.

NOT APPLICABLE

41. For each payment identified in response to #40, above, state the reason for the payment, such as interest, principal, return of capital, profit from sale of a property, fees, reimbursement of expenses, or commissions.

NOT APPLICABLE

42. Identify the date and amount of each and every Rollover Payment of your money to a Receivership Entity. Provide copies or records evidencing each transfer.

See Receivership Books

43. Are you owed any money by a Receivership Entity? If yes, identify the Receivership Entity that owes the money, explain the reason why it is owing, state the amount owing as of the Receivership Appointment Date, and show how the amount was calculated.

Yes.

**Quorum Properties, LLC
Per 2011 K-1 Attached as Exhibit #39A
Total Claim is \$235,709**

44. As to each investment identified in response #39 and #42, above, provide the following information as to representations or promises made to you:

a. Identify who made the representation or promises to you:

No one made any representations, or promises to us concerning the investment.

b. What would be done with your money (for example, what Investor LLC would receive your money and what property would be purchased with that money)?

The investment money would be invested into LLC's to purchase Real Estate and to do other investments.

c. The ownership, value, liabilities, liens and financing of the property in which you would be investing:

No representations were made.

LLC: d. The financial condition of the Investor LLC and the corresponding Property

No representations were made.

e. Promised returns on your investment:

No promises were made.

- f. Safety and Risk concerning your investment

No representations were made.

g. Provide copies of all letters, emails, agreements and other documents evidencing these representations and promises.

I do not have any letters, emails, or anything else showing any promises.

45. Provide copies of all statements or accountings you received concerning your investment.

See 2011 K-1 attached as Exhibit #39A

46. If the Claimant is a Company, not an individual:

a. Identify the type of organization and state in which the Company is organized:

NOT APPLICABLE

b. Identify all Principals of the Company and the percentage ownership of each Principal. If any Principal is a Company, identify the Principals of each Company down through each level until individuals are identified.

NOT APPLICABLE

c. If investments were made in a Receivership Entity on behalf of Persons other than Principals in the Company, identify those Persons.

NONE

Section VII – Vendor Claimants (To be completed only by Vendor Claimants)

47. Provide copies of all outstanding invoices for goods delivered or services provided by you to any Receivership Entity on or before the Receiver Appointment Date. Your response should be based on the date the goods were delivered or the services provided, not the date of the invoice. If the invoice is dated after the Receiver Appointment Date, state the date(s) upon which the goods were delivered or the services provided. If the invoice covers goods delivered or services provided both before and after the Receiver Appointment Date, identify the amounts which are for goods or services on or prior to the Receiver Appointment Date:

NOT APPLICABLE

48. If not reflected in the invoices, explain the nature of the services provided or goods delivered:

NOT APPLICABLE

49. State the terms upon which payment was to be made:

NOT APPLICABLE

50. State the total amount of your claim: \$ _____

NOT APPLICABLE

Section VIII – Personal Injury Claimants (To be completed only by Personal Injury Claimants)

51. Provide the date, location and circumstances giving rise to your claim.

NOT APPLICABLE

52. Provide copies of any and all police reports, insurance reports, and witness statements concerning your claim.

NOT APPLICABLE

53. Provide an itemization of the amount of your claim and documentation demonstrating the amount of damages, such as medical bills and invoices for repairs.

NOT APPLICABLE

The undersigned declares under penalty of perjury pursuant to 28 United States Code § 1746 that the foregoing is true and correct.

Executed on September 1, 2014.

For Individuals:

Printed Name: Laney V. Jacobson

Laney V. Jacobson