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for Management Solutions, Inc., Wendell  
A. Jacobson and Allen R. Jacobson*

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

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SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

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

Defendants.

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**RECEIVER'S MOTION TO APPROVE  
FIFTH DISTRIBUTION**

Civil Action No. 2:11-cv-01165

Judge Bruce S. Jenkins

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Gil A. Miller, as receiver for Defendants Management Solutions, Inc., Wendell A. Jacobson, Allen R. Jacobson, and others (the "Receiver"), by and through counsel, hereby moves the Court for an order approving the Receiver's proposed fifth distribution to the Class 5 Claimants<sup>1</sup> in this case (the "Fifth Distribution").

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<sup>1</sup> Unless otherwise defined herein, capitalized terms are defined in the Plan of Distribution attached as Exhibit A to the Court's Order at CM/ECF No. 2460.

**I. The Proposed Fifth Distribution**

The Receiver has resolved all remaining disputes and, for the most part, liquidated the remaining receivership property. The Internal Revenue Service had until April 15, 2018, to inform the Receiver whether it would audit or otherwise challenge the receivership's 2011-2015 tax returns, and it has not done so. Therefore, the possible contingency of a higher tax liability than calculated by the Receiver's accountants for the year in which the Receiver liquidated the bulk of the receivership property no longer exists. Under these circumstances, the Receiver is prepared to make a final distribution to the Class 5 Claimants in the amount of \$8,879,500 and requests that the Court authorize such distribution.

Attached hereto as **Exhibit A** is a schedule that shows the amounts paid thus far, and the amounts proposed to be paid to Class 5 with this proposed Fifth Distribution. For Class 5 Claimants that will participate in this Fifth Distribution, it will result in a Percentage Return of 100% of their Adjusted Investor Claim, considering (1) amounts they received from MSI after December 31, 2008, and prior to the appointment of the Receiver, and (2) amounts the Receiver previously distributed and proposes to distribute with the Fifth Distribution. Because Class 5 will reach 100% Percentage Return, and there will be insufficient funds to pay Class 6 Claims in full, this will be the final distribution to Class 5.

**II. Cash Available and Reserve Amounts**

An estimate and summary of the cash available for distribution is attached hereto as **Exhibit B**. As of the filing of this motion, the estate has a cash balance of approximately \$9,804,850. Calculating for the potential receipt of funds from the sale of one small residential lot (the "Cox Property"), and reserving amounts for anticipated professional fees and taxes and

penalties, the Receiver anticipates having a net amount available for distribution of approximately \$9,560,473. Following the proposed Fifth Distribution, the receivership estate will have a total of approximately \$680,973, which the Receiver believes is an adequate and prudent amount to reserve at this time for the winding up of this case and to pay Class 6 Claimants approximately 93% of the allowed claims.<sup>2</sup>

**III. Conclusion**

For the foregoing reasons, the Receiver requests that the Court approve the proposed Fifth Distribution.

A proposed order granting this motion is submitted herewith.

DATED this 16th day of April, 2018.

HOLLAND & HART LLP

/s/ Doyle S. Byers  
David K. Broadbent  
Doyle S. Byers  
Cory A. Talbot  
*Attorneys for Gil A. Miller, Receiver  
for Management Solutions, Inc., Wendell  
A. Jacobson and Allen R. Jacobson*

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<sup>2</sup> In the event the Receiver's projections are correct regarding the reserve amounts, and barring any other unforeseen events or expenses, the Receiver anticipates that he will move the Court for authority to make a distribution to Class 6 Claimants in the approximate amounts shown on Exhibit B, which will result in a recovery of approximately 93.5% for Class 6 Claimants.

**INDEX OF EXHIBITS**

- A - Schedule of Class 5 Investor Claims.
- B - Estimated Cash Available to Pay Claimants.

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