

FILED
2015 SEP 22 AM 11:41
CLERK
U.S. DISTRICT
COURT

David K. Broadbent (0442)
Doyle S. Byers (11440)
HOLLAND & HART LLP
222 S. Main Street, Suite 2200
Salt Lake City, UT 84101
Telephone: (801) 799-5800
Fax: (801) 799-5700
Attorneys for Gil A. Miller as Court-Appointed Receiver

**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.

**ORDER GRANTING MOTION FOR
APPROVAL OF SECOND
DISTRIBUTION**

Civil Action No. 2:11-cv-01165

Judge Bruce S. Jenkins

Gil A. Miller, the Court-appointed receiver in this matter (the "Receiver"), filed his Motion to Approve Second Distribution (CM/ECF No. 2784) ("Distribution Motion"). Black Cliffs Investments, LLC, MJ Investments, LLC, Matthew A. Nielson, and Jill R. Nielson (the "Black Cliffs Parties") filed a Response to Receiver's Motion to Approve Second Distribution (CM/ECF No. 2817); and the BTJD Claimants (Greg B. and Jenny J. Bailey; Melba Jacobson; Scott & Ellen Daley; Colonial Stone Brook Apartments Homes II, LLC; Cami Jacobson; Brandon W. and April C. Jacobson; Brett & Emily Lovell; and Red Castle Inc. Retirement Trust)

filed a Partial Opposition to Receiver's Motion to Approve Second Distribution (CM/ECF No. 2793).

The Court conducted a hearing on the Second Distribution Motion on September 14, 2015, at 1:30 p.m. The Receiver and his counsel, Doyle S. Byers, appeared. Daniel J. Wadley appeared on behalf of the Securities and Exchange Commission; Matthew C. Barneck on behalf of the Black Cliffs Parties; and Brigman L. Harman on behalf of the BTJD Claimants.

The Second Distribution Motion requests that the amount held in reserve for pending disputes be limited to 83.25% of the amounts in dispute so as to be consistent with the percentage return paid to claimants with the first distribution and proposed second distribution. The Receiver acknowledged that the Second Distribution Motion inaccurately stated that the amount proposed to be reserved for the Black Cliffs Parties' claim dispute is 48.5% of the value of the Providence Estates property, but the correct percentage should be 49.005%. With this adjustment, the proposed amount to reserve for the Black Cliffs Parties' claim dispute is \$2,156,220.00, and the total reserve the Receiver proposed for all remaining disputes is \$26,987,164.32. The Receiver represented that, following the proposed second distribution, the Receiver will have approximately \$30 million cash and assets remaining in the estate, or approximately \$3 million more than the requested reserve amount.

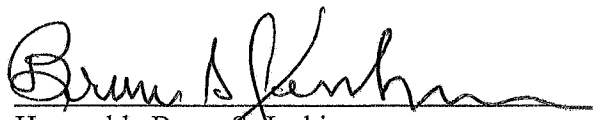
Having considered the Second Distribution Motion, the filings of the parties, arguments of counsel, and good cause appearing, the Court HEREBY FINDS and ORDERS as follows:

1. The Second Distribution Motion is GRANTED;
2. The Receiver shall distribute \$5,070,000.00 as outlined in the Second Distribution Motion; and

3. The Receiver shall reserve \$26,987,164.32 pending the resolution of remaining disputes.

DATED this 22 day of September, 2015.

BY THE COURT:


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

APPROVED AS TO FORM:

RICHARDS BRANDT MILLER NELSON

/s/ Matthew C. Barneck
Matthew C. Barneck
Attorneys for Black Cliffs Parties
(Signed by Filing Attorney with permission of Matthew C. Barneck)

BENNETT TUELLER JOHNSON & DEERE, LLC

/s/ Brigman L. Harman
Brigman L. Harman
Attorneys for BTJD Claimants
(Signed by Filing Attorney with permission of Brigman L. Harman)

8068971_1