

**IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

UNITED STATES SECURITIES AND	)	
EXCHANGE COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	CAUSE NO. 1:05-cv-01102-DFH-TAB
	)	
ALANAR, INC., et al.,	)	
	)	
Defendants,	)	
	)	
and	)	
	)	
CHURCHMEN’S INVESTMENT	)	
CORPORATION, et al.,	)	
	)	
Relief Defendants.	)	

**ORDER IMPLEMENTING OBJECTION PROCEDURE FOR RECEIVER’S  
MOTION TO ADOPT TRADE CREDITOR CLAIMS PROCEDURE**

Bradley W. Skolnik, Court-appointed receiver (the “**Receiver**”), by counsel, having filed his “*Motion to Adopt Trade Creditor Claims Procedure*” (the “**Trade Creditor Claims Procedure Motion**”), requesting in part the establishment of a procedure for interested parties to receive notice and submit objections or comments regarding the third party creditor claims procedure proposed by the Receiver (the “**Proposed Trade Creditor Claims Procedure**”), and the Court having considered the Receiver’s request, finds and orders as follows:

**BACKGROUND**

1. On July 26, 2005, the United States Securities and Exchange Commission (the “**Commission**”) filed its Complaint against numerous entities and Defendants, including Vaughn A. Reeves, Sr., Vaughn A. Reeves, Jr., Jonathan Christopher Reeves, Joshua Craig Reeves, and other non-defendants and Relief Defendants identified in the Commission’s Complaint.

2. Also on July 26, 2005, the Court entered an “*Order of Permanent Injunction and Other Relief*” (Docket No. 8) (the “**July 26, 2005 Order**”) in which the Court appointed Mr. Skolnik as Independent Monitor with a mandate to protect the interest of bondholders and Bond Fund investors (the “**Investors**”) (*July 26, 2005 Order, Section IX.A.*).

3. On December 20, 2005, the Court entered its “*Order Granting Plaintiff United States Securities and Exchange Commission’s Motion to Convert Monitorship to Receivership,*” appointing Mr. Skolnik as the receiver for Alanar; Defendants, Guardian Services, LLC, First Financial Services of Sullivan County, Inc., and The Liberty Group, Inc.; the Bond Funds named as Defendants in this action; the non-defendant Bond Funds; and certain entities named as Relief Defendants in the Commission’s Complaint. (*Findings of Fact and Conclusions of Law Regarding July 16, 2007 Evidentiary Hearing* (Docket No. 320), *Procedural History*, ¶3).

4. On August 28, 2007, the Court entered the “*Approved Alternative Alanar Receivership Plan*” (Docket No. 321) (the “**Approved Plan**”). Under the terms of the Approved Plan, the Receiver is required to establish a procedure “for specified third party creditors to file claims against pooled funds.” (*Approved Plan, Section XI.1.*).

5. On June 24, 2008, the Receiver filed the Trade Creditor Claims Procedure Motion, requesting Court approval of the Proposed Trade Creditor Claims Procedure.

6. The Trade Creditor Claims Procedure Motion also requests the establishment of procedures to provide interested parties with notice of the Proposed Trade Creditor Claims Procedure and an opportunity to object or comment on the Proposed Trade Creditor Claims Procedure (the “**Objection Procedure**”).

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. The Court adopts the Receiver's recommendation that, before adoption of the Proposed Trade Creditor Claims Procedure: (i) interested parties should be given notice; (ii) an objection period should be established during which those interested parties are given an opportunity to file objections, comments and recommendations concerning the Proposed Trade Creditor Claims Procedure; and (iii) if the Court determines it to be necessary, a hearing be held on the Proposed Trade Creditor Claims Procedure, including any objections filed thereto.

2. The Court finds that reasonable notice and opportunity to be heard on the adoption of the Proposed Trade Creditor Claims Procedure is provided by the Objection Procedure as described in the provisions set forth below.

**ACCORDINGLY, IT IS HEREBY ORDERED THAT:**

A) **Publication, Mailing and Website Posting.** The Receiver shall:

- 1) Publish once in the national edition of either the *USA Today* or *The Wall Street Journal* a notice substantially similar to that set forth in **Exhibit 5** to the Trade Creditor Claims Procedure Motion as approved by the Court (the "**Notice**"), such publication to occur not less than twenty-one (21) days prior to the Objection Bar Date, as defined below;
- 2) Mail by United States First Class Mail to those interested parties identified in **Exhibit 3** to the Trade Creditor Claims Procedure Motion and **Exhibit A** to the Receiver's "*Motion And Memorandum Concerning Proposed Plan To Pool Assets And Adopt Claims Procedure*" (Docket No. 230) a copy of this Order,

the Notice, and the Proposed Trade Creditor Claims Procedure;  
and

3) Post a copy of this Order, the Notice, and the Trade Creditor Claims Procedure Motion and all attached Exhibits on the Receiver's website ([www.alanarinfo.com](http://www.alanarinfo.com)).

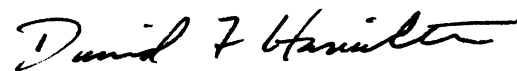
B) **Availability through Court Clerk.** A copy of this Order, the Notice, and the Trade Creditor Claims Procedure Motion shall also be filed by the Receiver with the Clerk of the Court for the United States District Court for the Southern District of Indiana (Indianapolis Division) (the "**Court Clerk**"). The Court Clerk is hereby directed to make such documents available for inspection at the Court Clerk's office, 46 East Ohio Street, Room 105, Indianapolis, Indiana 46204, during normal business hours to any interested party who wishes to examine the same. The Court Clerk is further directed to provide a copy of such documents to any person requesting the same at such person's cost, subject to the Court Clerk's normal practices, procedures, and requirements concerning copying of documents.

C) **Opportunity to Object.** Interested parties are hereby given the opportunity to file written objections, comments, or recommendations concerning the Proposed Trade Creditor Claims Procedure ("**Objections**"); provided that, except for good cause shown, to be considered by this Court, such Objections must be sent to the Court Clerk by letter at the address shown above or by email at [sec-](#)

[alanar@insd.uscourts.gov](mailto:alanar@insd.uscourts.gov), with a copy to the Receiver, (including any attachments thereto) by letter at Stewart & Irwin, P.C., 251 East Ohio St., Suite 1100, Indianapolis, IN, 46204 or by e-mail at [receiver@silegal.com](mailto:receiver@silegal.com), so as to be received by the Court Clerk no later than forty-five (45) days after the filing of the Trade Creditor Claims Procedure Motion, or August 8, 2008 (the “**Objection Bar Date**”). Except for good cause shown, any Objections not received by the Court Clerk by the Objection Bar Date shall conclusively be deemed waived.

- D) **Hearing.** If, after considering any properly filed Objections, the Court determines it is necessary to hold a hearing on the adoption of the Proposed Trade Creditor Claims Procedure, the Court shall schedule a hearing with the time, date, and location of said hearing to be established by future Order of the Court.
- E) **Amendments.** The Court reserves the right, without further notice to interested parties, to: (i) amend this Order from time to time as it sees fit and believes to be in the best interests of the Receivership; and (ii) amend the Proposed Trade Creditor Claims Procedure as it sees fit and believes to be in the best interest of the Receivership.

Dated: June 26, 2008



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Honorable David Frank Hamilton  
Chief Judge, United States District Court  
Southern District of Indiana

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