

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

ALANAR, INC., et al.,

Defendants,

and

CHURCHMEN'S INVESTMENT CORPORATION, et al.,

Relief Defendants.

Judge: David F. Hamilton

CIVIL ACTION NO.:

1:05-CV-1102-DFH-TAB

Magistrate Judge: Tim A. Baker

**ELEVENTH MOTION FOR INTERIM COMPENSATION  
OF BRADLEY W. SKOLNIK AS RECEIVER**

Bradley W. Skolnik, the appointed and acting Receiver herein, files the Eleventh Motion for Interim Compensation of Bradley W. Skolnik as Receiver. In support thereof, the Receiver shows the Court as follows:

1. On July 26, 2005, this Court entered an Order of Permanent Injunction and Other Relief in which it appointed Bradley W. Skolnik as the Independent Monitor in this proceeding. (Docket No. 8).
2. On December 20, 2005, this Court entered its Order Granting Plaintiff Securities and Exchange Commission's Motion to Convert Monitorship to Receivership. (Docket No. 73). Pursuant to this Order, as amended, Bradley W. Skolnik was appointed as the Receiver in this action and has been authorized to employ lawyers and other professionals to assist him in this action

3. Since the inception of this Receivership on December 20, 2005, the Receiver has previously filed ten interim motions for compensation, all of which have been granted by this Court.

4. The Receiver has continued to perform the duties of his office and accordingly requests this Court to authorize payment of interim compensation for his services during the period from July 1, 2010 through October 15, 2010.

5. This motion seeks an approval of compensation for services, including fees and costs, of the receiver from July 1, 2010 through and including October 15, 2010, and the Receiver believes that all such work performed and expenses incurred were proper and necessary in order to administer the Receivership estate.

6. The Receiver was granted the authority to take possession of the assets of the Receiver Defendants, all of which are specifically identified in this Court's December 20, 2005 Order, as amended.

7. The services to be rendered by the Receiver, his counsel and the forensic accountants retained by him are extensive as Receiver Defendant, Alanar, Inc. ("Alanar") and the related entities that comprise the Receiver Defendants can best be described as a financial services conglomerate that once consisted of:

- Fifty-two (52) separate entities (forty-two (42) of which are bond funds),
- Four hundred thirty-eight (438) separate bond/brokerage accounts,
- Over three hundred (300) open bond issues with an aggregate outstanding balance due from issuers of almost \$165,000,000, and
- Over ten thousand (10,000) individual accounts.

8. During the three and a half month period from July 1, 2010 through October 15, 2010, the Receiver has performed various services, many of which are described in detail in the statement of services rendered attached hereto and incorporated by reference herein as Exhibit A. The services performed by the Receiver for and on behalf of the Receivership include, but are not limited to, the following:

- a. The Receiver and his counsel and accountants continue to devote a substantial amount of time to matters pertaining to the implementation of the Approved Alternative Receivership Plan (Docket No. 321), including the implementation and administration of the investor claims and trade creditor claims procedures adopted by this Court.
- b. The Receiver and his counsel and accountants have devoted a substantial amount of time implementing the orders entered by this Court authorizing the distribution, to date, of approximately \$35 million to investors.
- c. The Receiver and his counsel and accountants have devoted a significant amount of time to a variety of matters and issues pertaining to the individual retirement accounts (IRAs) for which Receiver Defendant Guardian Services, LLC serves as custodian and the 401(k) accounts for which Alanar, Inc. serves as a plan sponsor. On January 14, 2010, the Receiver filed a Motion for Order Authorizing Receiver to Terminate Guardian Services, LLC Individual Retirement Accounts, which was granted by this Court (Docket No. 1037).
- d. The Receiver and his counsel have been required to devote a significant amount of time to pending or threatened litigation and other legal matters, including foreclosure actions, involving the Receiver or Receiver Defendants.

e. Receiver and his counsel have devoted a considerable amount of time to a variety of real estate matters, including the gathering of information regarding the status of real estate pledged as collateral for many of the bond issues. This information is necessary in order for the Receiver and his counsel to determine the appropriate course of action to take in attempting to collect on non-performing bond issues. Substantial efforts have been taken recently by the Receiver and his counsel to prepare for initiation of foreclosure proceedings against several defaulting bond issuers.

f. The Receiver and his counsel have spent a considerable amount of time responding to communications from and working with bond issuers (and their counsel and loan brokers) that are interested in refinancing or working out their indebtedness on the bonds.

g. The Receiver and his counsel and accountants have had communications with bond issuers and their representatives to obtain and gather data and information regarding the issuers' indebtedness under the bond issues, including the ability or willingness of the issuers to make payments or enter into settlements.

h. The Receiver and his counsel and accountants have endeavored to keep travel time to a minimum in this matter. There are occasions, however, when the Receiver must travel in order to fulfill his duties. For example, the Receiver and his counsel and accountant recently traveled to Detroit, Michigan for the purpose of meeting with the representatives of a defaulting bond issuer and to inspect several church properties of other defaulting bond issuers in the Detroit, Michigan area.<sup>1</sup>

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<sup>1</sup> The travel to Detroit was an extensive day-long trip that required the Receiver and his counsel and accountant to each devote no less than thirteen hours of time, including round-trip travel, meetings and inspections of properties, to this matter.

- i. The Receiver continues to receive numerous inquiries from investors and/or their counsel regarding the status of the proceedings.
  - j. The Receiver has established and maintained a webpage on his law firm's website to provide updates and information regarding the status of the case.
  - k. The Receiver continues to work closely with the staff in Sullivan, Indiana in connection with the administration and operation of the Alanar office and the Receiver Defendants.
  - l. The Receiver continues to work closely with and has attended several in-depth meetings and conferences with BGBC Partners, LLP and the attorneys retained by the Receiver in connection with this case.
  - m. The Receiver, working in conjunction with BGBC Partners, LLP and the staff in Sullivan, Indiana, has devoted time to tax related matters involving the Receivership.
  - n. The Receiver and his advisors participated in the preparation of the quarterly Receiver's Report of Receipts and Expenditures and Reports of Acts and Transactions filed in this action.
9. Exhibit A provides a detail of the time expended in this matter by the Receiver from July 1, 2010 through October 15, 2010.
10. The Receiver also incurred expenses in this matter during the period from July 1, 2010 through October 15, 2010 in the amount of \$485.33.
11. The Receiver requests compensation for his services totaling 191.60 hours at an average hourly rate of \$265 per hour, or the sum of \$50,744.00, and for expenses of 485.33, for a total amount due of \$51,259.33.

12. The Receiver devoted 12.4 hours of time and incurred expenses of \$165.00 in connection with testimony he provided pursuant to subpoena at the criminal trial of Vaughn A. Reeves, Sr. in Gibson County held during the month of October 2010. These hours and expenses are included in the Receiver's bill attached hereto as Exhibit A. It should be noted, however, that the Receivership has billed the State of Indiana for reimbursement of these costs and expenses. The Receiver therefore anticipates that Receivership estate will recoup the costs of his time and expenses incurred in connection with the criminal trial of Vaughn A. Reeves, Sr.

13. The Plaintiff, U.S. Securities and Exchange Commission, has reviewed this statement for services rendered and expenses incurred by the Receiver and has informed the Receiver that it has no objections.

14. No agreement or understanding exists between the Receiver and any other person for the sharing of compensation to be received for services rendered and expenses in connection with this case.

WHEREFORE, Bradley W. Skolnik, the Receiver herein, respectfully prays that the Court award Bradley W. Skolnik an interim allowance in the amount of \$51,259.33 for services rendered and expenses incurred in his capacity as Receiver in this matter from July 1, 2010 through October 15, 2010, or such sum as the Court deems proper.

Respectfully submitted,

s/Bradley W. Skolnik  
Bradley W. Skolnik (1770-49)  
*Receiver*

**CERTIFICATE OF SERVICE**

I hereby certify that on February 9, 2011, a copy of the foregoing Eleventh Motion for Interim Compensation of Bradley W. Skolnik as Receiver was filed electronically. Notice of this filing will be sent to the following parties by operation of the Court's CM/ECF system:

John Joseph Sikora, Jr.  
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And I further hereby certify that on February 9, 2011, a copy of the foregoing Eleventh Motion for Interim Compensation of Bradley W. Skolnik as Receiver was mailed, by first-class U.S. Mail, postage prepaid and addressed, to the following:

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s/Bradley W. Skolnik  
Bradley W. Skolnik

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