

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: John Daniel Tinder

CIVIL ACTION NO.:

1:05-CV-1102-JDT-TAB

Magistrate Judge: Tim A. Baker

**RECEIVER'S PETITION FOR AUTHORIZATION TO DISTRIBUTE OR ROLLOVER
CASH AND NON-ALANAR RELATED INVESTMENTS IN IRA AND 401(K)
ACCOUNTS**

The Receiver, Bradley W. Skolnik, hereby petitions this Court for authority to distribute or rollover cash and certain non-Alanar related investments presently held by investors in Individual Retirement Accounts ("IRAs") and 401(k) accounts. In support thereof, the Receiver would show 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 to oversee various facets of the operations of several of the Defendants in this proceeding.
2. On December 20, 2005, this Court entered its Order Granting Plaintiff Securities and Exchange Commission's Motion to Convert Monitorship to Receivership (the "Receivership Order"). Pursuant to this Court's Receivership Order, Bradley W. Skolnik was appointed as the Receiver in this action and was authorized to employ the accounting firm of BGBC Partners, P.C. to assist him.

3. The Receiver Defendant, Guardian Services, LLC (“Guardian”), provides custodial services for approximately eight hundred forty IRA accounts. In addition, the Receiver Defendant, Alanar, Inc. serves as a plan sponsor for approximately fifty 401(k) accounts maintained by the employees of Alanar, Inc. and several other Receiver Defendants.

4. In addition to church bonds and other bond issues underwritten by Alanar, Inc. and the Defendant and Non-Defendant Bond Funds sold by Alanar, Inc. (all of which bonds and bond funds are hereinafter referred to as “Alanar related investments”), these IRA and 401(k) accounts also contain cash deposits totaling more than \$1.4 million dollars and other non-Alanar related investments in products such as mutual funds and REITs that were not specifically underwritten by Alanar, Inc. or any of its related entities.

5. The accounting reports prepared by BGBC Partners, P.C. reveal that there is no evidence of any inappropriate commingling, misapplication or raiding of the cash deposits or non-Alanar related investments in these IRA or 401(k) accounts.

6. Based upon the results of the forensic accounting reports prepared by BGBC Partners, P.C., both the Receiver and BGBC Partners, P.C. believe that the cash deposits and the non-Alanar related investments in these IRA and 401(k) accounts should be made available at this time for distribution to the IRA and 401(k) account holders or, at the direction of any account holder, for rollover to a new custodian.

7. Therefore, except for any IRA and/or 401(k) accounts held in the name of the Defendants Vaughn A. Reeves, Sr., Vaughn A. Reeves, Jr., Jonathan Christopher Reeves and Joshua Craig Reeves, whose assets are frozen pursuant to this Court’s order, the Receiver respectfully submits that the cash deposits and the non-Alanar related investments in the IRA and 401(k) accounts

should be made available at this time for distribution to the IRA and 401(k) account holders or, at the direction of any account holder, for rollover to a new custodian.

8. The Receiver believes that it will be in the best interests of the Receivership and the IRA and 401k account holders if the cash deposits and the non-Alanar related investments in these accounts are made available for distribution to the IRA and 401(k) account holders or for rollover to a new custodian.

9. Copies of the letters that the Receiver proposes to send to the IRA and 401(k) account holders advising them of the options available to them for the distribution or rollover of the cash and non-Alanar related investments in their accounts are attached hereto as Exhibits A and B.

WHEREFORE, the Receiver respectfully requests that he be authorized to distribute the cash deposits and the non-Alanar related investments presently held in the Individual Retirement Accounts (IRAs) for which Guardian Services, LLC provides custodial services and the 401(k) accounts for which Alanar, Inc. serves as plan sponsor to the holders (not including the Defendants Vaughn A. Reeves, Sr., Vaughn A. Reeves, Jr., Jonathan Christopher Reeves and Joshua Craig Reeves, whose assets are frozen pursuant to this Court's order) of such IRA and 401(k) accounts, or, at the direction of any such account holder, to rollover the cash deposits and non-Alanar related investments to a new custodian, and for all other proper relief.

Respectfully submitted,

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

CERTIFICATE OF SERVICE

Service of the foregoing was accomplished via the United States District Court's Electronic Notification and/or via U.S. Mail, first class postage pre-paid, this 15th day of June 2006, addressed to:

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