

1 GEORGE E. SCHULMAN (State Bar No. 064572)
gschulman@dgdgk.com
2 KATHY BAZOIAN PHELPS (State Bar No. 155564)
kphelps@dgdgk.com
3 MICHAEL G. D'ALBA (State Bar No. 264403)
mdalba@dgdgk.com
4 DANNING, GILL, DIAMOND & KOLLITZ, LLP
2029 Century Park East, Third Floor
5 Los Angeles, California 90067-2904
Telephone: (310) 277-0077
6 Facsimile: (310) 277-5735

7 Attorneys for David A. Gill, Receiver

8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **WESTERN DIVISION**

12 SECURITIES AND EXCHANGE)
COMMISSION,)
13 Plaintiff,)
14 vs.)
15 DIVERSIFIED LENDING GROUP,)
16 INC.; APPLIED EQUITIES, INC.; AND)
BRUCE FRIEDMAN,)
17 Defendants,)
18 and)
19 TINA M. PLACOURAKIS,)
20 Relief Defendant.)
21

Case No. CV 09-01533-R (SSx)
**ORDER GRANTING
RECEIVER'S MOTION FOR
ORDER
(1) ESTABLISHING
DISTRIBUTION PRIORITY;
(2) ALLOWING AND RESERVING
FOR CLAIMS;
(3) ESTABLISHING A
PROCEDURE FOR RESOLVING
DISPUTED CLAIMS;
(4) RESERVING FOR UNPAID
ADMINISTRATIVE EXPENSES
AND TAXES; AND
(5) AUTHORIZING THE
RECEIVER TO MAKE AN
INTERIM DISTRIBUTION**

22
23 The Receiver's Motion for Order (1) Establishing Distribution Priority; (2)
24 Allowing and Reserving for Claims; (3) Establishing a Procedure for Resolving
25 Disputed Claims; (4) Reserving for Unpaid Administrative Expenses and Taxes; and
26 (5) Authorizing the Receiver to Make an Interim Distribution ("Motion") came on
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1 for hearing at the above-referenced time and place. The Court having reviewed the
2 Motion and considered the arguments of counsel, and good cause appearing:

3
4 IT IS HEREBY ORDERED THAT:

5 1. The Receiver's Motion is granted.

6 2. The distribution priority of the Receivership Estate is as follows:

7 a. first, expenses of the administration of the Receivership,
8 including legal and accounting fees along with expenses to preserve the value
9 of assets, including payment of any taxes due on property and/or income of
10 property of the Receivership Estate incurred during the pendency of the
11 Receivership ("Administrative Expenses");

12 b. second, to priority wage claims, if any remain and are approved;

13 c. third, to other priority claims, such as tax claims;

14 d. fourth, to distributions to Diversified's investors with respect to
15 approved claims; and

16 e. finally, in the event there are any assets over and above 100%
17 satisfaction of Diversified's investors' approved claims, payment on any
18 approved non-investor general unsecured Claims, which will be reviewed at
19 that time.

20 3. The Receiver shall not complete a claims review process for non-
21 investor general unsecured claims at this time.

22 4. Claims in the amounts set forth in Exhibit 4 to the Motion, at Column 6,
23 entitled "Allowed Claim Amounts,"- for all investor claimants, are hereby approved.

24 5. Any investor claimant who disagrees with the amount the Receiver has
25 shown may submit to the Receiver a statement not later than 30 days after entry of
26 this order, in writing, along with whatever documentation the investor feels
27 necessary, seeking to establish a higher amount, up to the full amount that investor
28 claimed. If the Receiver can reach agreement with the investor, that investor's claim

1 will be allowed in the amount agreed, and the Receiver will be authorized to pay the
2 agreed distribution based upon that amount without further order of the Court. If the
3 Receiver cannot reach agreement with the investor, the Receiver will file a motion to
4 determine the disputed investor claims. Aggrieved investors may file an opposition
5 to the Receiver's motion or provide the Receiver a brief written statement of their
6 position which the Receiver will file with the Court. In addition, the Receiver may
7 reserve for a few claims where the Receiver has current litigation pending against the
8 claimant.

9 6. The Receiver is authorized to distribute funds with respect to allowed
10 claims, and reserve funds in a pro rata amount for disputed claims or portions of
11 claims, such that the total of reserved and allowed funds is about \$5.1 million.

12 7. The Receiver is authorized to establish a reserve of \$2,000,000, of
13 which \$500,000 will be for the purpose of paying any taxes the Receiver may owe,
14 and the balance of \$1.5 million as a reserve to fund any administrative fees the
15 Receiver may owe after review and approval of such fees and expenses by the Court.

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17 Dated: JAN. 23, 2012



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19 MANUEL L. REAL
20 United States District Judge
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