

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p>Plaintiff, vs.</p> <p>TRAVIS E. CORRELL, individually and doing business as Horizon Establishment; et al.</p> <p>Defendants, and</p> <p>BANNER SHIELD, LLC; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p> <hr/>	<p style="text-align: center;"><b>Lead Case</b></p> <p style="text-align: center;">Case No.: 4:05-CV-472 RAS</p> <p style="text-align: center;"><b>Consolidated Case</b></p> <p style="text-align: center;">Case No.:4:07-cv-346 RAS</p>
<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p>Plaintiff, vs.</p> <p>GLOBAL FINANCE &amp; INVESTMENTS, INC.; et al.</p> <p>Defendants, and</p> <p>USASSET &amp; FUNDING CORP.; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p style="text-align: center;"><b>RECEIVER'S MOTION TO APPROVE AMENDED SCHEDULE OF ALLOWED CLAIMS IN CONSOLIDATED CASE OF GLOBAL FINANCE &amp; INVESTMENTS, INC.</b></p>

**RECEIVER'S MOTION TO APPROVE AMENDED SCHEDULE OF ALLOWED CLAIMS IN CONSOLIDATED CASE OF GLOBAL FINANCE & INVESTMENTS, INC.**

S. Gregory Hays is the court-appointed Receiver (“Receiver”) for Consolidated Defendants Global Finance and Investments, Inc., Charles R. Davis, Lucre Fund, LLC, JTA Enterprises, Inc., William H. Clark, Sterling Meridian, LLC, Consolidated Relief Defendant Wells Ventures, LLC and certain assets believed to be in the possession of other Relief Defendants (collectively, “the Receiver Defendants”). The Receiver files this Motion for the Court to Approve the Amended Schedule of Allowed Claims attached hereto and shows the Court as follows:

### **BACKGROUND**

This action was commenced on July 18, 2007 when the Securities and Exchange Commission (“SEC”) filed the above-styled civil enforcement action (the “Enforcement Action”). On September 21, 2007, this Court entered an Order appointing S. Gregory Hays as Receiver for certain of the Defendants and for certain assets of the Relief Defendants (the “Receivership Order”). The Receivership Order grants the Receiver broad authority over the organization, management, control and disposal of the assets of the Receiver Defendants (the Receiver Defendants and their assets are collectively referred to as the “Receiver Estate”).

1.

In furtherance of his duties, the Receiver provided all known investors with claim forms on December 18, 2007. The claim forms also have been available on the Receiver’s website since that time. Additionally, the Receiver has periodically provided a claim form to all potential investors who did not respond to the December 2007 mailing, but who have become known to the Receiver throughout the course of this Receivership.

2.

On May 8, 2009, the Receiver filed his first Motion to Approve the Schedule of Claims and Distribution of Proceeds. (Dkt. # 390.) The Court issued an Order approving the Schedule of Claims and Distribution of Proceeds (the “Schedule”) on May 13, 2009 (Dkt. # 393), and the Receiver has made two distributions from the Estate in accordance with the Schedule.

**AMENDMENT OF SCHEDULE OF ALLOWED CLAIMS**

3.

The Receiver has determined that the Schedule should be amended to account for three investor issues, only one of which is relevant to the distribution of funds in this case. The relevant amendment concerns the allowed amount of the claim of one investor identified in the Schedule as “Hal, K” (hereinafter, the “Investor”).<sup>1</sup> The claim of the Investor was initially approved in the amount of \$205,000 as set forth on the Schedule.

4.

In addition to his claim for \$205,000 in this case, the Investor also submitted a timely claim for \$72,000 in the Lead Case of *Securities and Exchange Commission v. Travis E. Correll, et al.* (“Correll”). The Receiver and the professionals working with him relied upon the funds tracing database developed in this case and information provided by the Investor to analyze and reconcile the Investor’s additional claim. After a careful analysis, the Receiver has determined that the additional \$72,000 claim should have been submitted in this case instead of Correll due to the timing of the investment that gave rise to the claim. Further, the Receiver has determined that there is only sufficient evidence to support \$57,000 of the Investor’s \$72,000 claim. The

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<sup>1</sup> This claim was referenced in the Notice of Resolution of Pending Tax Issues and Intent to Make Distribution filed by the Receiver on October 7, 2009 (Dkt. # 449) as the “disputed and unresolved claim.” As set forth herein, the claim dispute has been resolved.

Investor therefore has a valid claim in this case in the amount of \$57,000 in addition to the Investor's previously approved claim of \$205,000.

5.

The Investor has submitted a signed acknowledgement to the Receiver stating that he agrees with the Receiver's determination to treat the \$72,000 claim he submitted in Correll as an allowed claim in this case in the amount of \$57,000.

6.

Accordingly, the Receiver hereby moves that the Schedule be amended to account for this additional \$57,000 claim by changing the total amount of the Investor's approved claim from \$205,000 to \$262,000. This amendment is reflected in the Amended Schedule of Allowed Claims attached hereto as Exhibit "A."

7.

Pending this Court's approval of the Amended Schedule of Allowed Claims (Exhibit A), the Receiver will make an immediate distribution to the Investor in the total amount of \$35,340, which represents 62% of his additional allowed claim of \$57,000. This distribution will bring the Investor current with the other investors, who have already received 62% of their allowed claims in the two previous distributions. Following this immediate distribution to the Investor, the Investor's amended claim will be treated similarly with the other investors' approved claims with respect to any future distributions.

8.

The two other changes reflected on the Amended Schedule of Allowed Claims are immaterial to the distribution of the Receiver Estate. One of these changes is the addition of the claim of "Bea, J," which was initially approved as a Conditionally Allowed Investor Claim. (*See*

Dkt. # 393.) Because this investor satisfied the necessary conditions to have his claim treated as an allowed claim prior to the Receiver's first distribution in this case, the Receiver has treated this claim as an allowed claim and has made payments on the claim in the two previous distributions. It is therefore appropriate to include this claim in the Amended Schedule of Allowed Claims, and such inclusion will not alter any future distributions.

9.

The other immaterial change is the reduction of the allowed amount of the claim belonging to the investor identified in the Schedule as "Smi, C" from \$41,500 (as listed in the original Schedule) to \$40,500. After the Schedule was approved, but before the first distribution was made, the Receiver discovered that this investor's claim was overstated by \$1,000. The investor agreed that the claim was overstated. Accordingly, during the first two distributions, the Receiver has paid this investor's claim as though it were \$40,500 instead of the \$41,500 listed in the Schedule. The amount has been corrected on the Amended Schedule of Allowed Claims, but such correction will not alter any future distributions because the Receiver has been treating the claim as allowed in the amount of \$40,500.

### **CONCLUSION**

WHEREFORE, S. Gregory Hays, Receiver, respectfully requests that the Court grant the Receiver's Motion for Approval of the Amended Schedule of Allowed Claims and approve the schedule attached as Exhibit A.

Respectfully submitted this 22nd day of October, 2009.

[Signature on following page.]

TROUTMAN SANDERS LLP

/s/ J. David Dantzler, Jr.

J. DAVID DANTZLER, JR.

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/s/ Clark B. Will

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*Attorneys for S. Gregory Hays, Receiver*

**CERTIFICATE OF SERVICE**

I do hereby certify that on October 22, 2009, I electronically filed the foregoing Document with the Clerk of this Court using the CM/ECF system, which will automatically send notification of such filing to the following:

Timothy S. McCole  
Scott R. Baker

I further certify that on October 22, 2009, the foregoing was served on the following non-CM/ECF participants by depositing a copy in the United States Mail with adequate postage thereon and addressed as follows:

William Clark  
JTA Enterprises  
16 Beech Place  
Denville, NJ 07834

Neal M Brown, as spokesperson for the Level Par Investors  
Brown Investment Group, Inc.  
8s270 Derby Ct  
Naperville, IL 60540

/s/ Charles R. Burnett  
CHARLES R. BURNETT  
Ga. State Bar No. 396397

# Exhibit A

***SEC v. Global Finance & Investments, Inc. et al***  
***Amended Schedule of Allowed Claims***

<b><i>ID</i></b>	<b><i>Investor Name</i></b>	<b><i>Resolved Allowed Amounts</i></b>
<b><u>Allowed Claims</u></b>		
39	Ahm, S and Nau, Q	\$23,239.45
99	Bar, J	\$60,000.00
3	Bea, J	\$100,000.00
4	Blu, B	\$50,000.00
38	Brown Investment Group, Inc.	\$50,000.00
139	Carlton E Wade Family Trust	\$38,366.74
119	Coo, T	\$3,847.50
171	Cru, H and Cru, C	\$30,000.00
54	Cun, S	\$45,872.31
6	Dav, F and Dav, B	\$40,000.00
129	DeB, L and DeB, D	\$25,000.00
74	deG, A and deG, C	\$50,000.00
67	Don Ross Nabb Production LLC	\$161,888.21
126	Emm, C	\$10,000.00
125	Emm, C	\$25,000.00
124	Emm, C	\$100,000.00
8	Emm, B	\$100,000.00
66	Fee, J	\$760,821.67
128	Fel, S	\$50,000.00
122	Fiserv ISS & Co. Trustee FBO Thomas J. Muelle	\$160,000.00
7	Fle, G	\$200,000.00
58	Gar, E	\$126,006.18
151	Gib, J	\$80,000.00
105	Gom, P and Gom, P	\$214,750.00
170	Gua, P and Gua, L	\$400,000.00
13	Hal, K	\$262,000.00
15	Han, B	\$30,000.00
132	Her, T	\$23,750.00
161	Hor, R	\$100,000.00
17	Irw, L	\$9,000.00
71	Joanne D. Maxwell Marital Trust	\$89,194.61
162	Kin, T	\$50,000.00
49	Kir, E	\$92,872.61
166	L.T. Oil Company	\$400,000.00
46	Lab, P	\$28,065.38
163	Lai, L and Joh, J	\$41,000.00
111	Lai, R	\$4,000.00
76	Lan, A	\$100,000.00
91	Mag, E	\$70,000.00
101	McE, M	\$100,000.00
45	McM, G and McM, M	\$165,975.74
68	McM, L	\$43,550.81

<i>ID</i>	<i>Investor Name</i>	<i>Resolved Allowed Amounts</i>
21	Mer, L	\$50,000.00
84	Mil, C	\$15,000.00
61	Moo, J	\$43,883.31
63	Mur, F and Mur, C	\$48,071.64
133	Pac, B and Jac, W	\$25,000.00
160	Pay, M	\$195,000.00
53	Phillip John Rodriquez - IRA (Acct # 70358281)	\$89,128.42
23	Pic, D	\$50,000.00
65	Pie, J	\$286,421.78
127	Poe, D	\$50,000.00
42	Poo, S and Poo, M	\$172,687.74
78	Pop, A	\$48,750.00
156	Pre, M	\$75,000.00
93	Reliant Financial Corporation	\$297,500.00
51	Roh, N	\$142,100.80
50	Roh, J	\$456,889.34
26	Rus, L	\$50,000.00
25	Rus, J	\$500,000.00
168	Sal, D	\$20,000.00
167	Sal, S	\$24,250.00
60	Sca, J and Sca, S	\$92,968.91
142	Schliemann Ltd.	\$700,000.00
116	Siennar, LLC	\$30,000.00
31	Smi, C	\$40,500.00
70	St., A	\$46,013.94
117	Ste, D and Ste, S	\$50,000.00
55	Sul, J	\$36,866.94
144	Swa, D	\$932,072.53
143	T. J. Mueller Investments	\$230,000.00
152	Tho, H and Tho, N	\$115,000.00
32	Tho, B	\$25,000.00
131	Tho, S	\$100,000.00
130	Thr, J and Thr, B	\$50,000.00
33	Thr, B	\$100,000.00
72	Tim, A and Tim, M	\$242,000.00
12	Tony Garritano Companies	\$100,000.00
147	Tuc, M and Tuc, E	\$75,000.00
37	Wad, W and Wad, J	\$86,194.61
155	Wealth Systems International, Ltd.	\$413,506.18
35	Wen, B	\$100,000.00
113	Wet, S	\$90,000.00
114	Whi, S	\$200,000.00
164	Whi, S	\$100,000.00
40	Wij, T	\$42,584.45
36	Wil, W	\$50,000.00
165	Wil, I	\$135,000.00
96	Woo, G	\$28,800.00

<i>ID</i>	<i>Investor Name</i>	<i>Resolved Allowed Amounts</i>
169	Z & Z International, Inc.	\$20,000.00
Count: 90		\$11,385,391.80
<b><u>Claim Resolved at \$0.00 (1)</u></b>		
2	Atc, R	\$0.00
123	Bak, W	\$0.00
137	Bec, S	\$0.00
64	Bil, W	\$0.00
56	Bor, G	\$0.00
47	Dug, R	\$0.00
48	Dvo, D	\$0.00
150	Fel, R and Fel, J	\$0.00
145	Hea, R	\$0.00
153	Hel, S and Hel, A	\$0.00
138	Hya, D	\$0.00
80	Joh, C	\$0.00
81	Kos, C	\$0.00
41	Lev, A	\$0.00
43	McB, J	\$0.00
20	McM, M	\$0.00
19	McM, J	\$0.00
52	Moo, M	\$0.00
85	Pet, R and Pet, S	\$0.00
44	Ran, K	\$0.00
157	Rub, P	\$0.00
27	Sal, D	\$0.00
154	Smi, V	\$0.00
172	Tho, R	\$0.00
57	Wag, B	\$0.00
141	Wes, L	\$0.00
62	Wri, L	\$0.00
Count: 27		\$0.00
Count: 117		\$11,385,391.80

*(1) "Claims Resolved at \$0.00" represents Investor Claims on which the Investor suffered no actual net loss as defined by the Receiver's Plan for Claims Administration and Distribution of Proceeds or did not have a claim against this receivership estate. With respect to any Investor who received payments from the Defendants in excess of the principal amount of cash invested, the Receiver reserves all rights he has to seek recovery of such excess amounts.*