

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;">Lead Case</p> <p style="text-align: center;">Case No.: 4:05-CV-472 RAS</p> <p style="text-align: center;">Consolidated Case</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 & INVESTMENTS, INC.; et al.</p> <p>Defendants, and</p> <p>USASSET & FUNDING CORP.; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p style="text-align: center;">RECEIVER'S NOTICE OF RESOLUTION OF PENDING TAX ISSUES AND INTENT TO MAKE DISTRIBUTION IN CONSOLIDATED CASE OF GLOBAL FINANCE & INVESTMENTS, INC.</p>

RECEIVER'S NOTICE OF RESOLUTION OF PENDING TAX ISSUES AND INTENT TO MAKE DISTRIBUTION IN CONSOLIDATED CASE OF GLOBAL FINANCE & INVESTMENTS, INC.

As set forth in the Receiver's Status Report filed on September 15, 2009 (Dkt. # 439), the Receiver withheld approximately \$3 million from the initial distribution of the Receiver Estate in the Consolidated Case, *Global Finance*, pending a resolution of certain issues regarding potential tax liability to the Receiver Entities as a result of the nature of certain recoveries effected in this case. The Receiver filed federal income tax returns as necessary for the Receiver Entities in which the recoveries were not treated as taxable events, and requested a prompt assessment from the IRS as to whether those returns were filed correctly. For the reasons stated in the Status Report, the Receiver believes it was necessary to await the resolution of the requested prompt assessment prior to making any further distributions from the Estate.

On October 1 and October 5, 2009, the Receiver's office received two notices containing tax assessments by the IRS regarding the returns previously filed by the Receiver.¹ According to the notices, the IRS has assessed additional taxes for the periods covered by the tax returns but has not disputed the Receiver's decision not to treat the recoveries at issue as giving rise to taxable income. The Receiver has paid the additional taxes required by the assessments.

Because (1) the IRS has now assessed additional taxes for the relevant periods and has not raised the issue of taxable income related to the recoveries and (2) the Court has set a bar date of January 15, 2009 for all claims made by the IRS (Dkt. # 323), the Receiver believes that it is now appropriate to make another distribution to investors with approved claims in the amount of \$2,966,181.87. Distribution checks will be mailed no later than October 16, 2009.

¹ One of the notices was dated in August 2009, but because the IRS mailed the notice to an incorrect address the Receiver did not receive it until October 1, 2009. The other notice was dated October 5, 2009. Regardless of the delay caused by the first notice being mailed to the wrong address, the Receiver would not have been able to distribute the funds being withheld until it received both notices.

It should be noted that the Receiver will retain approximately \$187,246.46 to cover one disputed and unresolved claim, fees and expenses associated with closing this receivership, and other contingencies that may arise prior to closing the receivership. To the extent that there are unused funds in the Estate at the end of this case (which the Receiver expects will be no longer than 60 days from the date of this Notice), those monies will be distributed to investors or paid out in accordance with the provisions of the Plan for Claims Administration and Distribution of Proceeds (Dkt. # 370).

Respectfully submitted this 7th day of October, 2009.

TROUTMAN SANDERS LLP

/s/ J. David Dantzler, Jr.

J. DAVID DANTZLER, JR.

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Attorneys for S. Gregory Hays, Receiver

CERTIFICATE OF SERVICE

I do hereby certify that on October 7, 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 8, 2009, the foregoing will be served to 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
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Neal M Brown, as spokesperson for the Level Par Investors
Brown Investment Group, Inc.
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Naperville, IL 60540

/s/ Charles R. Burnett
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