

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p style="text-align:center">Plaintiff,</p> <p>v.</p> <p>MOBILE BILLBOARDS OF AMERICA, INC., INTERNATIONAL PAYPHONE CORPORATION, TIGER MEDIA, INC., RESERVE GUARANTY TRUST, CALIFORNIA MOBILE BILLBOARDS, INC., WESTERN RESERVE GUARANTY TRUST, MICHAEL A. LOMAS and MICHAEL L. YOUNG,</p> <p style="text-align:center">Defendants.</p>	<p style="text-align:center">CIVIL ACTION NO. 1:04-CV-2763-WBH</p>
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**MOTION FOR APPROVAL OF THE SCHEDULE OF CLAIMS AND
DISTRIBUTION OF PROCEEDS**

S. Gregory Hays, court-appointed Receiver, files this Motion for the Court to Approve the Schedule of Claims and Distribution of Proceeds and shows the Court as follows:

BACKGROUND

1.

This action commenced on September 21, 2004 when the Securities and Exchange Commission (“SEC”) filed the above-styled civil enforcement action

(the “Enforcement Action”). The Receiver was appointed by an Order of the same date, which was subsequently amended by Orders dated October 18, 2004 and February 7, 2005 (collectively the “Receivership Orders”). The Receivership Orders grant the Receiver broad authority over the organization, management, control and disposal of the assets of the Receiver Entities (the Receiver Entities and their assets are collectively referred to as the “Receiver Estate”).

2.

In furtherance of his duties, the Receiver provided all known investors and creditors with claim forms in October 2004. The forms have been available on the Receiver’s website since that time. Additionally, in June of 2008, the Receiver provided a claim form to all known investors and creditors who did not respond to the October 2004 mailing. As of the filing of this motion, 1,166 Claims have been submitted to the Receiver by investors or creditors (“Claimants”).

ANALYSIS OF CLAIMS

3.

On October 16, 2008, the Court entered an Order approving the Receiver’s Plan for Claims Administration and Distribution of Proceeds (the “Plan”), a true and correct copy of which is attached hereto as Exhibit A.

4.

Pursuant to Section 3 of the Plan, the Receiver and the professionals working with him relied upon the funds tracing database developed in this case and, along with information provided by Claimants, analyzed and reconciled all 1,166 Claims.

5.

Pursuant to Section 3.5 of the Plan, the Receiver issued a Claim Determination Notice to each Claimant, which calculated the Claimant's net loss, or "Allowed Claim." Additionally, the Receiver provided each Claimant with an opportunity to object to the claim determination together with instructions for doing so. The time period within which Claimants could object to the Allowed Claims detailed in the Claim Determination Notices has expired, and only one Claimant has objected. Pursuant to Section 4.3 of the Plan, the Receiver resolved this dispute without the need for Court intervention.

DISTRIBUTION

6.

Based on the Receiver's analysis detailed in the Claim Determination Notices, and the resolution of the lone objection thereto, the Receiver has determined that the Allowed Claims in this case total \$45,344,198.63. The

Allowed Claims are detailed in the Schedule of Claims attached hereto as Exhibit B. After deducting appropriate amounts for administrative expenses and tax liabilities pursuant to Sections 5.3 (a-b) of the Plan, the Receiver has \$2,598,561.84 available for distribution to Claimants.¹ Accordingly, pending this court's approval of the Schedule of Claims, each Claimant will receive a pro rata distribution representing approximately 5.73% of the Allowed Claim.

7.

Because the appropriate amounts for all Claims filed against the Receiver Estate have been established, it is now appropriate to make a distribution to the Claimants based on the Schedule of Claims. Pursuant to Section 5 of the Plan, the Receiver requests that the Court approve the Schedule of Claims (attached hereto as Exhibit B) and grant the Receiver the authority to make a distribution from the Receiver Estate to pay the Approved Claims as detailed therein.

¹ On December 1, 2008 the Receiver filed his Fifth Fee Application seeking compensation for the fees and expenses he and the professionals working with him have incurred from January 1, 2008 through October 31, 2008. The Receiver anticipates that there will only be one more fee application after the Fifth Fee Application, which will seek reimbursement for the fees and expenses incurred from November 1, 2008 through the resolution of this case. Pursuant to Section 5.3 (a) of the Plan, the Receiver shall reserve funds sufficient to pay those fees and expenses.

8.

Pursuant to Section 6.4 of the Plan, at the conclusion of the distribution, the Receiver will file with the Court a Final Report setting forth: (a) the activities engaged in or to be undertaken in winding-up the Receiver Estate; (b) a financial statement for the Receiver Estate indicating the Receiver's receipt and disbursement of funds during the course of the Receivership; and, (c) the Receiver's proposal regarding the disposition of any monies or other assets remaining in the Receiver Estate.

CONCLUSION

WHEREFORE, S. Gregory Hays, Receiver, respectfully requests that the Court approve the Schedule of Claims and Distribution of Proceeds.

This 3rd day of December, 2008.

By: /s/ Merle R. Arnold III
J. David Dantzler, Jr.
Georgia Bar No. 205125
Merle R. Arnold III
Georgia Bar No. 023503
Attorneys for S. Gregory Hays,
Receiver For Defendants Mobile Billboards
of America, Inc., et. al.

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CERTIFICATE OF SERVICE

This is to certify that on December 3, 2008, I electronically filed *Motion For Approval Of The Schedule of Claims and Distribution Of Proceeds* with the Clerk of Court using the CM/ECF system which will automatically send email notification of such filing to the following attorneys of record:

James Alexander Rue, Esq.
William P. Hicks, Esq.
Julie M. O'Daniel, Esq.
Nina Marino, Esq.

This 3rd day of December, 2008.

By: /s/ Merle R. Arnold III
J. David Dantzler, Jr.
Georgia Bar No. 205125
Merle R. Arnold III
Georgia Bar No. 023503
Attorney for S. Gregory Hays,
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