

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

<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p>Plaintiff,</p> <p>vs.</p> <p>TRAVIS E. CORRELL, individually and doing business as Horizon Establishment; et al.</p> <p>Defendants,</p> <p>and</p> <p>BANNER SHIELD, LLC; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p>Lead Case</p> <p>Case No.: 4:05-CV-472 RAS</p> <p>RECEIVER'S MOTION TO APPROVE THE SCHEDULE OF CLAIMS AND DISTRIBUTION OF PROCEEDS (LEAD CASE ONLY) AND BRIEF IN SUPPORT</p>
<p>SECURITIES AND EXCHANGE COMMISSION,</p> <p>Plaintiff,</p> <p>vs.</p> <p>GLOBAL FINANCE & INVESTMENTS, INC.; et al.</p> <p>Defendants,</p> <p>and</p> <p>USASSET & FUNDING CORP.; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p>Consolidated Case</p> <p>Case No.: 4:07-cv-346 RAS</p>

RECEIVER'S MOTION FOR APPROVAL OF THE SCHEDULE OF CLAIMS AND DISTRIBUTION OF PROCEEDS (LEAD CASE ONLY) AND BRIEF IN SUPPORT

S. Gregory Hays is the court-appointed Receiver ("Receiver") for Defendants Travis E.

Correll, individually and d/b/a Horizon Establishment; Gregory W. Thompson; Harry Robinson “Robbie” Gowdey, individually and d/b/a Atlas and Jericho Productions; Dwight J. Johnson; Grant Cardno; Neulan D. Midkiff; Travis E. Correll & Company, Inc.; Liberty Establishment, Inc.; Sovereign Capital Investments, SA; The Net Worth Group, Inc.; TNT Office Supply, Inc.; Joshua Tree Group, LLC; Kerry Sitton; KG Sitton and Company, LLC; and KGS Group, LLC. Hays also is the Receiver over certain assets of Relief Defendants Banner Shield, LLC; Hospitality Management Group, Inc.; Creative Wealth Ventures, LLC; and JTA Enterprises (the “Receiver Defendants”). The Receiver files this Motion for the Court to Approve the Schedule of Claims Distribution of Proceeds and shows the Court as follows:

BACKGROUND

This action was commenced on December 7, 2005 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 (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 and creditors with Claim forms in January 2006. 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 and creditors who did not respond to the January 2006 mailing, but who have become known to the Receiver throughout the course of this Receivership. As of the filing of

this motion, approximately 1,500 Claims have been submitted to the Receiver by investors or creditors (“Claimants”) representing approximately \$76 million in Claims.

ANALYSIS OF CLAIMS

2.

On December 2, 2008, the Court approved 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.”

3.

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 information provided by Claimants and analyzed and reconciled all of the Claims that have been submitted to the Receiver.¹

4.

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

¹ Subsequent to the mailing of the Claim Determination Notices to all Claimants during the first week of March 2009, the Receiver became aware of additional potential claimants to whom he has sent Claim Forms. The Receiver Team will reconcile the claims pursuant to Section 3 of the Plan and then issue Claim Determination Notices pursuant to Section 3.5 of the Plan and if necessary, the Receiver will supplement this Motion and the Schedule of Claims attached hereto.

the Allowed Claims detailed in the Claim Determination Notices has expired.² Pursuant to Section 4.3 of the Plan, the Receiver was able to resolve all disputes without the need for Court intervention.

DISTRIBUTION

5.

Based on the Receiver's analysis detailed in the Claim Determination Notices, and the resolution of the disputes arising thereunder, the Receiver has determined that the Allowed Claims in this case total \$68,154,334.90. These Claims can be broken down into three groups: (1) Allowed Investor Claims (\$66,245,927.25); (2) Allowed Creditor Claims (\$329,884.72); and (3) Conditionally Allowed Investor Claims (\$1,578,522.93).³ The Allowed Investor Claims are detailed in the Schedule of Allowed Investor Claims attached hereto as Exhibit "B;" the Allowed Creditor Claims are detailed in the Schedule of Allowed Creditor Claims attached hereto as Exhibit "C;" and the Conditionally Allowed Investor Claims are detailed in the Schedule of Conditionally Allowed Claims attached hereto as Exhibit "D."

² Pursuant to Section 4.1 of the Plan, Claimants had 20 days from the mailing of the Claim Determination Notices to submit objections thereto. The last of the Claim Determination Notices were mailed the week of March 9-13, 2009. Accordingly, the period to object expired on April 2, 2009.

³ The Conditionally Allowed Investor Claims are claims that will be allowed upon the named Claimant's submitting the appropriate supporting information to the Receiver (*i.e.*, a signed declaration or a correct address). In other words, the Receiver Team has determined that there is a valid claim and sufficient corroborating evidence to support the claim, but there are minor but necessary details missing from the Claim form. The Claimants listed on the Schedule of Conditionally Allowed Investor Claims already have been contacted by the Receiver's office to notify them of the documentation needed to complete their claims or the Receiver Team has made a concerted effort to locate the Claimant. If the Claimants listed on the Schedule of Conditionally Allowed Investor Claims do not provide the requested material to the Receiver within 20 days of the filing of this Motion, those claims will be deemed satisfied pursuant to Section 6.3 of the Plan. The Claimants listed on the Schedule of Conditionally Allowed Investor Claims also will receive notice of this Motion via U.S. Mail.

6.

The Receiver will withhold from this initial distribution appropriate amounts necessary to pay administrative expenses and tax liabilities pursuant to Sections 5.3 (a-b) of the Plan. Pending this Court's approval of the Schedules of Allowed Claims (Exhibits B through D), Claimants will receive a pro rata distribution consistent with the amounts listed therein.

7.

Because the appropriate amounts for all Claims submitted to the Receiver Estate have been established, it is now appropriate to make a distribution to the Claimants based on the Schedules of Allowed Claims. Pursuant to Section 5 of the Plan, the Receiver requests that the Court approve the Schedules of Allowed Claims (Exhibits "B" through "D") and grant the Receiver the authority to make a distribution from the Receiver Estate to pay the Allowed Claims as detailed therein.

8.

Pursuant to Section 5.4 of the Plan, the Receiver anticipates that there will be multiple distributions in this case. Accordingly, the distribution contemplated by the Motion is the initial distribution and will be followed by subsequent distribution(s). The Receiver will file with the Court subsequent Schedules of Claims for approval prior to any further distributions. At the conclusion of the distributions, pursuant to Section 6.4 of the Plan, 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 receipt and disbursement of money by the Receiver 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 grant the Receiver's Motion for Approval of the Distribution of Proceeds and approve the Schedules of Allowed Claims.

This 6th day of May, 2009.

TROUTMAN SANDERS LLP

/s/ Merle R. Arnold III
J. DAVID DANTZLER, JR.
Ga. State Bar No. 205125
Merle R. Arnold III
Texas State Bar No. 24003979

Bank of America Plaza, Suite 5200
600 Peachtree Street, N.E.
Atlanta, GA 30308-2216
(404) 885-3000
(404) 962-6799 (facsimile)

QUILLING, SELANDER,
CUMMISKY & LOWNDS, P.C.

/s/ Clark B. Will
CLARK B. WILL, P.C.
Texas State Bar No. 21502500

Bryan Tower
2001 Bryan Street, Suite 1800
Dallas, Texas 75201
(214) 871-2100
(214) 871-2111 (facsimile)

Attorneys for S. Gregory Hays, Receiver

CERTIFICATE OF SERVICE

I do hereby certify that, May 6th, 2009, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send notification of such filing to the following:

Timothy S. McCole
Scott R. Baker

I further certify that, on May 6th, 2009, the foregoing has been served to the following non-CM/ECF participants by United States Mail, postage pre-paid:

William Clark
JTA Enterprises
16 Beech Place
Denville, NJ 07834

/s/ Merle R. Arnold III
Merle R. Arnold III
Texas State Bar No. 24003979