

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> <hr/>	<p><b>Lead Case</b></p> <p>Case No.: 4:05-CV-472 RAS</p> <p>RECEIVER'S MOTION TO APPROVE SCHEDULE OF ALLOWED SUPPLEMENTAL 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 &amp; INVESTMENTS, INC.; et al.</p> <p>Defendants,</p> <p>and</p> <p>USASSET &amp; FUNDING CORP.; et al.</p> <p>Defendants Solely for Purposes of Equitable Relief.</p>	<p><b>Consolidated Case</b></p> <p>Case No.: 4:07-cv-346 RAS</p>

**RECEIVER'S MOTION TO APPROVE SCHEDULE OF ALLOWED  
SUPPLEMENTAL 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 a Schedule of Allowed Supplemental Claims and 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.

2.

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

3.

In his motion to approve the First Schedule, the Receiver stated that he anticipated that there would be multiple distributions in this case, and that he would file additional Schedules of Claims prior to making any further distributions.

4.

Since making the initial distribution in accordance with the First Schedule, the Receiver has determined that there are certain additional investors and a creditor with valid Claims who did not receive payments during the initial distribution. These additional “Supplemental Claimants” generally fall into three categories:

- 1) Claimants who were identified as having Conditionally Allowed Investor Claims in the First Schedule and have now satisfied the requisite conditions for their Claims;
- 2) Claimants who did not submit their Claims to the Receiver in time for the initial distribution for various reasons, such as certain Claimants who were not originally identified by the Receiver and therefore did not receive notification of the Receivership in time to submit Claims prior to the first distribution, as well as Claimants who received timely notification of the Receivership but who had valid excuses, as determined by the Receiver in his sole and absolute discretion, as to why their Claims were not timely submitted prior to the initial distribution; and

3) Claimants who timely submitted Claims but who disputed the Receiver's initial determination as to their Claims after the initial distribution had been made, which disputes have now been resolved by the Receiver.

The Claims of the above-referenced Supplemental Claimants will be hereinafter referenced as the "Supplemental Claims."

### **ANALYSIS OF CLAIMS**

5.

Pursuant to Section 3 of the Plan for Claims Administration and Distribution of Proceeds approved by the Court on December 2, 2008 (the "Plan"), the Receiver and the professionals working with him relied upon the funds tracing database developed in this case and information provided by the Supplemental Claimants and analyzed and reconciled all of the Supplemental Claims that have been submitted to the Receiver.

6.

Pursuant to Section 3.5 of the Plan, the Receiver issued a Claim Determination Notice to each Supplemental Claimant, which calculated the Supplemental Claimant's net loss, or "Allowed Supplemental Claim." Additionally, the Receiver provided each Supplemental Claimant with an opportunity to object to the claim determination together with instructions for doing so. Pursuant to Section 4.3 of the Plan, the Receiver has resolved all disputes without the need for Court intervention. The Receiver has received signed or verbal acknowledgements by all Supplemental Claimants stating that they agree with the Receiver's determinations as to their Supplemental Claims.

## **DISTRIBUTION**

7.

Based on the Receiver's analysis detailed in the Claim Determination Notices, the Receiver has determined that the Allowed Supplemental Claims total \$1,531,779.58. The Allowed Supplemental Claims are detailed in the Schedule of Allowed Supplemental Claims attached hereto as Exhibit "A."

8.

Pending this Court's approval of the Schedule of Allowed Supplemental Claims (Exhibit A), Claimants will receive a pro rata distribution consistent with the amounts listed therein.

9.

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

## **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 Schedule of Allowed Supplemental Claims.

This 4th day of September, 2009.

[Signature on following page.]

TROUTMAN SANDERS LLP

/s/ J. David Dantzler, Jr.  
J. DAVID DANTZLER, JR.  
Ga. State Bar No. 205125  
CHARLES R. BURNETT  
Ga. State Bar No. 396397

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 CONFERENCE

Pursuant to Local Rule CV-7(i) of the United States District Court for the Eastern District of Texas, the Receiver has, prior to filing this Motion, consulted with counsel for all remaining parties to this action in a good faith attempt to resolve the matter without court intervention and no opposition was voiced.

Furthermore, in accordance with his practice in the above-styled case, the Receiver is posting the Motion on his website so that any and all investors will have an opportunity to review it and file objections. Accordingly, and out of an abundance of caution, the Receiver states for purposes of this certificate that **this Motion is opposed at this time**. If no investor objects to Motion after fifteen (15) days from the date of filing, the Receiver will file an amended certificate of conference indicating that it is unopposed.

Additionally, in accordance with Paragraph 17 of the Order Appointing Receiver, the Receiver has, prior to filing this Motion, consulted with counsel for the Securities and Exchange Commission regarding the schedules of claims that are the subject of this motion.

/s/ J. David Dantzler, Jr.  
J. David Dantzler, Jr.  
Ga. State Bar No. 205125

**CERTIFICATE OF SERVICE**

I do hereby certify that, September 4, 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 September 4, 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/ Charles R. Burnett \_\_\_\_\_  
Charles R. Burnett  
Ga. State Bar No. 396397