

1 Lawrence E. Wilk, # 006510
Jonathan P. Ibsen, # 023284
2 **JABURG & WILK, P.C.**
3200 North Central Avenue, Suite 2000
3 Phoenix, Arizona 85012
(602) 248-1000

4 Attorneys for James C. Sell, Conservator
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6
7 **SUPERIOR COURT OF ARIZONA**

8 **MARICOPA COUNTY**

9 **ARIZONA CORPORATION**
10 **COMMISSION**

11 Plaintiff,

12 v.

13 **MATHON MANAGEMENT COMPANY,**
14 **L.L.C., fka an Arizona limited liability**
15 **company now dba a Delaware limited**
16 **liability company, SLADE WILLIAMS AND**
17 **ASSOCIATES, L.L.C., an Arizona limited**
18 **liability company, MATHON FUND I,**
19 **L.L.C., an Arizona limited liability company,**
20 **MATHON FUND, L.L.C., fka an Arizona**
21 **limited liability company now dba a**
22 **Delaware limited liability company,**
23 **INTEGRITY101, L.L.C., an Arizona limited**
24 **liability company, INTEGRITY 201, L.L.C.,**
25 **an Arizona limited liability company,**
26 **INTEGRITY 301, L.L.C., and Arizona**
27 **limited liability company, INTEGRITY401,**
28 **L.L.C., an Arizona limited liability company,**
INTEGRITY 501, L.L.C., an Arizona limited
liability company, INTEGRITY 601, L.L.C.,
an Arizona limited liability company,
INTEGRITY 701, L.L.C., an Arizona limited
liability company, INTEGRITY 801, L.L.C.,
an Arizona limited liability company,
INTEGRITY 901, L.L.C., an Arizona limited
liability company, ROUND VALLEY
CAPITAL, L.L.C., an Arizona limited
liability company, W.S.F. – WORLD
SPORTS FANS, L.L.C., an Arizona limited
liability company, MILL CREEK, L.L.C., an
Arizona limited liability company,
BELLEVUE HOLDINGS, L.L.C., an
Arizona limited liability company, OAK

Case No. CV 2005-005484

NOTICE OF ERRATA

(Assigned to the Honorable
Barry C. Schneider)

JABURG & WILK, P.C.
ATTORNEYS AT LAW
3200 NORTH CENTRAL AVENUE
SUITE 2000
PHOENIX, ARIZONA 85012

1 HARBOR FINANCIAL, L.L.C., an Arizona
2 limited liability company, SW STRATEGIC,
3 WEALTH ADVISORS, L.L.C., an Arizona
4 limited liability company, EVERETT
5 CAPTIAL, L.L.C., an Arizona limited
6 liability company, CRE CAPITAL, L.L.C.,
7 an Arizona limited liability company,
8 MEZZANINE MANAGEMENT, L.L.C., an
9 Arizona limited liability company,
10 MEZZANINE FUND I, L.L.C., an Arizona
11 limited liability company, JONAS FUND I,
12 L.L.C., an Arizona limited liability company,
13 TEMPLAR FUND L.L.C., fka an Arizona
14 limited liability company now dba a
15 Delaware limited liability company,
16 MERCER ISLAND, L.L.C., an Arizona
17 limited liability company, CONNECTICUT
18 PROPERTIES, L.L.C., an Arizona limited
19 liability company, FIRST ATLANTA
20 INVESTMENTS, L.L.C., a Georgia limited
21 liability company, MM COLONIAL FUND,
22 L.L.C., a Delaware limited liability company,
23 SLADE CONSTRUCTION, L.L.C., an
24 Arizona limited liability company,
25 DUANE SLADE and JENNIFER SLADE,
26 husband and wife, GUY ANDREW
27 WILLIAMS and LISA WILLIAMS, husband
28 and wife,


Defendants.

The Conservator, through counsel of record undersigned, files this Notice of Errata to correct a typographical error in the *Motion to Authorize Conservator to Distribute the First Interim Distribution to Creditors*.

Paragraph 6 on page 3 of the Motion reflects a recovery by the Conservator of \$15,389,150. Due to a typographical error, the number reflected in the paragraph should have read \$12,389,150. The Conservator requests that the Clerk of the Court replace the existing page with the page 3 attached hereto.

DATED this 13 day of September, 2005.

JABURG & WILK, P.C.

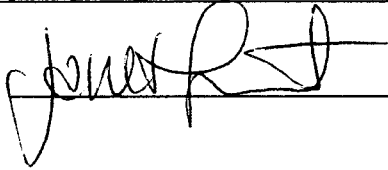

Lawrence E. Wilk
Jonathan P. Ibsen
Attorneys for James C. Sell, Conservator

1 ORIGINAL filed and COPY
2 of the foregoing hand-delivered this
3 13th day of September, 2005 to:

3 The Honorable Barry C. Schneider
4 MARICOPA COUNTY SUPERIOR COURT
5 101 West Jefferson, CCB 13A
6 Phoenix, Arizona 85003-2243

6 COPIES of the foregoing mailed and
7 emailed this 13th day of September, 2005 to:

7 Wendy L. Coy, Esq. 8 ARIZONA CORPORATION COMMISSION 9 SECURITIES DIVISION 10 1300 West Washington, 3 rd Floor 11 Phoenix, Arizona 85007 12 <i>Attorney for Plaintiff</i> 13 WCoy@azcc.gov	Keith Beauchamp, Esq. LEWIS & ROCA, LLP 40 N. Central Avenue Phoenix, Arizona 85004-4429 <i>Attorney for Duane Slade and Guy Williams</i> kbeauchamp@lrlaw.com
11 J. Grant Woods 12 GRANT WOODS P.C. 13 1726 N. Seventh Street 14 Phoenix, Arizona 85006-2200 15 <i>Attorney for Duane and Jennifer Slade</i> 16 <i>And Guy and Lisa Williams</i> 17 gw@grantwoodspc.net	Robert A. Shull, Esq. MARISCAL, WEEKS, MCINTYRE & FRIEDLANDER, P.A. 2901 N. Central Avenue, Suite 200 Phoenix, AZ 85012-2705 <i>Attorney for Scott Johnson & Ross Farnsworth, Jr.</i> rob.shull@mwmf.com
15 Gerald L. Shelley, Esq. 16 QUARLES & BRADY STREICH LANE 17 Two N. Central Avenue 18 Phoenix, Arizona 85004-2391 19 <i>Attorney for Creditors Committee</i> 20 glsh@quarles.com	Steven C. Mahaffy, Esq. BEUS GILBERT PLLC 4800 N. Scottsdale Road, Suite 6000 Scottsdale, Arizona 85251-7630 <i>Attorney for Wealth Partners</i> smahaffy@beusgilbert.com
18 Merwin D. Grant, Esq. 19 GRANT & VAUGHN, PC 20 6225 N. 24 th Street, Suite 125 21 Phoenix, Arizona 85016 22 <i>Attorney for Dr. Glauser, Larry Pew & Rich Stewart</i> 23 grant@phxlaw.com	Keith A. Call SNOW, CHRISTENSEN & MARTINEAU, P.C. 10 Exchange Place, 11 th Floor P.O. Box 45000 Salt Lake City, Utah 84145 <i>Attorney for Dr. Robert Berry</i> kcall@scmlaw.com
21 James C. Sell 22 2222 E. Camelback Road, Suite 110 23 Phoenix, Arizona 85016 24 <i>Court Appointed Conservator</i> 25 jsellsprint@earthlink.net	

24 

JABURG & WILK, P.C.
ATTORNEYS AT LAW
3200 NORTH CENTRAL AVENUE
SUITE 2000
PHOENIX, ARIZONA 85012

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3 **MEMORANDUM OF POINTS AND AUTHORITIES**

4 I. **Procedural Background**

5 1. On or about April 1, 2005, the Arizona Corporation Commission caused to
6 be filed, in the Superior Court in and for the State of Arizona, a Verified Complaint in the
7 above-captioned matter against numerous individual defendants and entities, seeking the
8 appointment of a Receiver over the named Defendants.

9 2. On April 5, 2005, this Court issued its Order appointing James C. Sell
10 Receiver for the approximately 30 entities named in the Receivership complaint.

11 3. Subsequently, after notice and hearing, the Court on April 14, 2005 issued
12 its Order approving the Stipulation Regarding Order Appointing Conservator, in which
13 the title of James C. Sell was changed from Receiver to Conservator (hereinafter, the
14 "Conservatorship Order"). The rights and obligations of the Conservator remained
15 identical to those of the Receiver.

16 4. Paragraph 11 of the Conservatorship Order provides, in relevant part, that:

17 The Conservator is hereby authorized to make such ordinary
18 and necessary payments, distributions, and disbursements as
19 he deems advisable or proper for the marshalling, maintenance
20 or preservation of the Conservatorship Assets.

21 6. In connection with his duties under the terms of the Conservatorship Order,
22 the Conservator has entered into various Court Approved Settlements and Transactions,
23 which have generated \$12,389,150¹ for the Conservatorship Estate.

24 7. In connection with such recoveries, the Conservator has kept the associated
25 costs of recovery and operation the Conservatorship Entities to a minimum. Based upon
26 his analysis, the Conservator believes that, given the relatively low administrative costs,
27 these recoveries have generated a surplus in the amount of \$10,500,000² (the "Surplus")
28 which is not needed to maintain the operations of the Conservatorship Entities.

¹ There is an additional settlement of \$13,050,000 which is scheduled to fund September 15, 2005. In the event this funds, these funds will be disbursed, subject to any stipulations to sequester funds.

² Certain monies already received pursuant to earlier Orders of this Court will not be distributed until further Order of the Court.