

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
GREEN BAY DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Civil Action No: 09-C-506

v.

WEALTH MANAGEMENT LLC;
JAMES PUTMAN; and SIMONE FEVOLA,

Defendants, and

WML GRYPHON FUND LLC;
WML WATCH STONE PARTNERS, L.P.; WML
PANTERA PARTNERS, L.P.; WML PALISADE
PARTNERS, L.P.; WML L3, LLC; and WML
QUETZAL PARTNERS, L.P.

Relief Defendants.

**ORDER (I) ESTABLISHING CREDITOR BAR DATE AND
INVESTOR CLAIM OBJECTION DEADLINE; AND (II) APPROVING
FORM AND MANNER OF NOTICE THEREOF**

THIS MATTER CAME before the Court on the Receiver's Motion for the Entry of an Order (1) Establishing Creditor Bar Date and Investor Claim Objection Deadline; and (2) Approving the Form and Manner of Notice Thereof (the "Motion"). The Court having reviewed the Motion, the exhibits thereto, and the record herein, being satisfied that the Motion, the proposed Creditor Bar Date, the proposed Investor Claim Objection Deadline, and the claim procedures contained therein are fair and reasonable, having determined that notice of the Motion and hearing thereon, if any, was reasonable under the circumstances, and being fully advised in the premises, hereby deems it appropriate to approve the Creditor Bar Date, the Investor Claim Objection Deadline, and the form and manner of notice of the claims procedures, including the Creditor Bar Date, the

Creditor Proof of Claim Form, the Investor Claim Objection Deadline, and the Receiver Notice of Investor Claim.

ACCORDINGLY, IT IS HEREBY ORDERED:

1. The Receiver's Motion for Entry of an Order (I) Establishing Creditor Bar Date and Investor Claim Objection Deadline; and (II) Approving the Form and Manner of Notice Thereof is **GRANTED.**

2. **Definitions.** For the purposes of this Order, the "Receivership Entities" refer to Wealth Management LLC (the "Company"), Employee Services of Appleton, Inc. ("ESA"), WML Gryphon Fund LLC ("Gryphon"), WML Watch Stone Partners, L.P. ("Watch Stone"), WML Pantera Partners, L.P. ("Pantera"), WML Palisade Partners, L.P. ("Palisade"), WML L3 LLC ("L3"), and WML Quetzal Partners ("Quetzal," and together with Gryphon, Watch Stone, Pantera, Palisade, and L3, the "WM Funds"). A "Creditor" refers to a person or entity who holds a claim for goods or services provided, or money loaned to any of the Receivership Entities. An "Investor" refers to a person or entity who holds an equity interest and/or has invested funds in any of the Receivership Entities. The term "Net Cash" shall be as defined in the Receiver's Plan for the Allocation of the Assets of the Company and the WM Funds, as, for each Investor, the total cash investments in each WM Fund made at any time, *less* redemption payments made on or before May 31, 2008.

3. **The Claims Procedures.** The Claims Procedures are necessary (i) in order for the Receiver to determine the nature and extent of Creditors' and Investors' claims against the Receivership Entities; (ii) to provide for orderly administration and finality of the claims process, and to allow for the timely winding down of the Receivership Entities; and (iii) to establish a

procedure by which Investors can review and object, if necessary, to the information that the Receiver has in her possession regarding each respective Investor's "Net Cash".

INVESTOR CLAIM PROCEDURE

4. **Investors' "Negative Notice" Claim Procedures.** The Court hereby approves the Receiver's request to adopt a "negative notice procedure" for Investors' claims whereby the Receiver shall provide each Investor with notice of the Receiver's calculation of each Investors' "Net Cash" in those WM Funds in which an Investor has invested ("Receiver Notice of Investor Claim"). If an Investor disagrees with the Receiver Notice of Investor Claim, then the Investor shall be required to file an objection with the Receiver by the Investor Claim Objection Deadline (which is defined herein).

5. **Receiver Notice of Investor Claim.** The Receiver shall serve on all known Investors via United States first class mail at the last address known to the Receiver or by e-mail: (a) a Receiver Notice of Investor Claim substantially in the form of the document attached to the Motion as Exhibit A; (b) a copy of the Notice of Investor Claim Objection Deadline and Procedures for Objecting to Receiver Notice of Investor Claim ("Investor Objection Notice"), substantially in the form of the notice attached to the Motion as Exhibit B; and (c) a copy of this Order. The Receiver shall serve said documents on all known Investors on or before **December 30, 2009**.

6. **Notices Published on the Receiver's Website.** A copy of this Order and the Investor Objection Notice shall also be made available on the Receiver's website (<http://www.wealthmgmt.com/receiver-appointed-by-court.html>).

7. **Accepting the Receiver Notice of Investor Claim.** If an Investor believes that the Receiver has properly calculated the Investor's Net Cash, as stated in the Receiver Notice of Investor claim, the Investor does not need to do anything further.

8. **Investor Claim Objection Deadline.** If, however, the Investor objects to the Receiver's calculation of the Investor's Net Cash, then the Investor shall file an Objection to the Receiver Notice of Investor Claim with the Receiver's agent, so that it is received on or before **January 27, 2010, at 5:00 p.m. prevailing Central Time.** Objections shall be submitted in person or by courier service, hand delivery or mail addressed to the Receiver's agent, Alan Lasko, c/o Alan D. Lasko & Associates, P.C., Attn: Alan D. Lasko, 29 S. LaSalle Street, Suite 1240, Chicago, IL 60603. Objections shall be deemed filed only when actually received by the Receiver's agent. Any Objection submitted by facsimile or electronic mail will not be accepted and will not be deemed filed until such Objection is submitted by one of the accepted methods. Objections must be in writing, and include (a) the Investor's detailed calculation of his or her Net Cash amount showing the dates and amounts of each investment in and distribution from each of the Receivership Entities; and (b) any and all documents that support the Investor's calculation of his or her claim.

9. **Failure to Object by the Investor Claim Objection Deadline.** Any Investor who receives a Receiver Notice of Investor Claim, but who fails to object to said Receiver Notice of Investor Claim by the Investor Claim Objection Deadline, shall be deemed to have accepted the Receiver's calculation, and shall be precluded from asserting any objection to the Receiver Notice of Investor Claim.

10. **Reservation of Rights.** Nothing herein shall preclude the Receiver from disputing on any grounds or asserting defenses against (i) the claim of any Investor, or (ii) any objection filed by any Investor.

CREDITOR CLAIM PROCEDURES AND BAR DATE

11. **Purpose of the Creditor Claim Procedures and Bar Date.** In order to determine the number and amount of liabilities of the Receivership Entities, and to provide for the orderly administration of the claims process, it is necessary to set a deadline for the submission of all Creditor claims against the Receivership Entities. It is critically important to the efficient administration of the receivership and the fair distribution of assets that all Creditors timely file claims and that untimely claims be barred. With limited proceeds available for distribution, the Creditor Claims Procedures will ensure that proceeds available for distribution are maximized for payment to those Creditors who hold valid claims against the Receivership Entities, and whose claims are sufficiently documented and filed by the Bar Date.

12. **Creditor Bar Date.** The Court hereby establishes a bar date of **January 15, 2010, at 5:00 p.m. prevailing Central Time**, for the assertion of Creditor claims against the Receivership Entities (the “Creditor Bar Date”). This will provide parties in interest with no fewer than 30 days’ notice of the Creditor Bar Date, allowing all potential claimants sufficient time to file their proofs of claim.

13. **Eligibility to File a Creditor Claim.** Claims shall be filed by all persons or entities (including without limitation individuals, partnerships, corporations, joint ventures, estates, trusts, and governmental units) that are Creditors of any of the Receivership Entities and believe that they are owed any money by, or claim a right to distribution from, any of the Receivership Entities. This includes but is not limited to: (1) Creditors of the Receivership Entities with or through any person or entity; (2) anyone with a claim against the Receivership Entities or any entity under their control based on primary, secondary, direct, indirect, secured, unsecured or contingent liabilities; or (3) anyone asserting a claim of any sort against the Receivership Entities or any entity under their

control whether such claim is based on contract, tort, indemnity, reimbursement, subrogation theories, or other legal or equitable theory.

14. **Administrative Claims.** Creditors with administrative claims against the Receivership Entities (i.e. creditors other than professionals who have provided goods or services to the Receivership Entities after appointment of the Receiver) shall not be required to file proofs of claim. The Receiver shall continue to satisfy valid administrative claims as they are incurred and come due. Neither the Receiver nor her professionals are required to submit Proofs of Claim. All claims of the Receiver or her professionals shall be addressed in accordance with (a) the Court's Order Appointing Receiver dated May 20, 2009 (Docket No. 8) (the "Initial Receiver Order"); (b) the Court's First Modified Order Appointing Receiver (Docket No. 14) (the "Modified Receiver Order"); and (c) the "Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission," dated October 1, 2008.

15. **Notice.** The Receiver shall provide the following notice to Creditors:

- a. **Notice by Mail.** The Receiver shall serve, via United States first class mail, on all known Creditors, and parties in interest, other than Investors, to the last address known to the Receiver: (a) a Notice of Creditor Bar Date and Procedures for Filing Proofs of Claim substantially in the form of the notice attached to the Motion as Exhibit C (the "Creditor Bar Date Notice"); (b) a Creditor Proof of Claim form substantially in the form of the document attached to the Motion as Exhibit D and incorporated herein by reference (the "Creditor Proof of Claim Form"); and (c) a copy of this Order. The Creditor Bar Date Notice and the Creditor Proof of Claim Form provide clear notice and instructions to Creditors concerning the claims process.

- b. **Notice by Publication.** The Creditor Bar Date Notice and the Creditor Proof of Claim Form shall also be made available on the Receiver's website (<http://www.wealthmgmt.com/receiver-appointed-by-court.html>)
- c. **Newspaper Publication.** The Receiver is not required to publish notice of the Creditor Bar Date in any newspapers of general or local circulation due to the other Notice provisions set forth herein and the costs involved in said publication.
- d. **Notice Upon Inquiry.** The Receiver shall promptly provide the Creditor Bar Date Notice and the Creditor Proof of Claim Form to any potential Creditor who requests said documents in writing.

16. **Procedure for Filing a Creditor Proof of Claim.** Except as otherwise ordered by the Court, each Creditor shall file a signed, original Creditor Proof of Claim Form, together with accompanying documentation, with the Receiver's agent, Alan Lasko, c/o Alan D. Lasko & Associates, P.C., Attn: Alan D. Lasko, 29 S. LaSalle Street, Suite 1240, Chicago, IL 60603, and in the manner indicated below, so that such Creditor Proof of Claim Form is actually received on or before the Creditor Bar Date. Creditor Proof of Claim Forms shall be submitted in person or by courier service, hand delivery or mail addressed to the Receiver's agent. Any Creditor Proof of Claim submitted by facsimile or electronic mail will not be accepted and will not be deemed filed until such Creditor Proof of Claim is submitted by one of the methods described herein.

17. **Rejection of Creditor Proof of Claim Forms.** Any purported filing of a Creditor Proof of Claim Form that is not properly documented, does not conform to the provisions of any Bar Date Order entered by this Court, or does not reasonably comply with the instructions for the completion of the Creditor Proof of Claim Form, may be rejected by the Receiver and shall be

treated as if no timely Creditor Proof of Claim Form has been properly filed by the Creditor. The burden shall be on the Creditor to ensure that its Creditor Proof of Claim Form has been properly received by the Receiver and that all requested information has been provided.

18. **Effect of Failure to File a Creditor Proof of Claim Form on or before the Bar Date.**

Any Creditor who is required to file a Creditor Proof of Claim, but who fails to do so in a timely manner, or in the proper form, shall be precluded from asserting any claim against the Receivership Entities or their respective property, and shall be denied any distributions under any plan or plans of distribution implemented by the Receiver. The Creditor Proof of Claim Form and the proposed deadline are not unduly burdensome or uncommon in matters of this type. Without a deadline, the administration of the Receivership will be delayed and those Creditors who timely file their forms will be prejudiced. Further, by requiring the production of documents and other information supporting the amounts claimed, the Receiver will discourage the filing of inflated claims and reduce the time required to verify the claims.

19. **Reservation of Rights.** Nothing herein shall prejudice the right of the Receiver to dispute, or assert offsets or defenses as to the nature, amount, liability, classification, or otherwise against, any amounts asserted in any Creditor Proofs of Claim. Nothing contained herein is intended to preclude the Receiver from objecting to any Creditor Proof of Claim on any grounds.

Dated at Green Bay, Wisconsin, this 1st day of December, 2009.

s/ William C. Griesbach
Honorable William C. Griesbach
United States District Court Judge