

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ALANAR, INC., et al.,

Defendants,

and

CHURCHMEN'S INVESTMENT CORPORATION, et al.,

Relief Defendants.

Judge: John Daniel Tinder

CIVIL ACTION NO.:

1:05-CV-1102-JDT-TAB

Magistrate Judge: Tim A. Baker

**PETITION FOR AUTHORITY TO CONDUCT PUBLIC SALE OF REAL ESTATE
LOCATED AT 501 EAST MIDDLEBURY STREET, ELKHART, INDIANA**

The Receiver, Bradley W. Skolnik, hereby petitions this Court for authority to conduct a public sale of real estate located at 501 East Middlebury Street, Elkhart, Indiana. In support thereof, the Receiver states as follows:

1. On July 26, 2005, this Court entered an Order of Permanent Injunction and Other Relief in which it appointed Bradley W. Skolnik as the Independent Monitor to oversee various facets of the operations of several of the Defendants in this proceeding.
2. On December 20, 2005, this Court entered its Order Granting Plaintiff Securities and Exchange Commission's Motion to Convert Monitorship to Receivership (the "Receivership Order"). Pursuant to this Court's Receivership Order, as amended, the Receiver is empowered, to dispose of any assets in the Receivership Estate. One such asset in the Receivership Estate is real estate commonly known as 501 East Middlebury Street, Elkhart, Indiana the legal description of which is attached hereto as **Exhibit A** and incorporated herein by reference (the "Property").

3. The Property, formerly owned by an Alanar bond issuer, Abundant Life Church of God, was obtained by the Receiver Defendant The Liberty Group, Inc. pursuant to a foreclosure action initiated in connection with a default by the church on Alanar Bond Issue 475. Legal title to the Property is therefore held in the name of the Receiver Defendant, The Liberty Group, Inc.
4. Certain liens and encumbrances for unpaid taxes and other liens may exist against the Property and the Receiver will incur costs and expenses in connection with the sale of the property. The Receiver therefore requests authority to pay at closing out of the proceeds of the sale all such liens, costs, and encumbrances, to the extent such costs and liens are not paid prior to the sale.
5. The Receiver believes that it is in the best interest of the estate to offer the Property as a whole at public sale "as is" without warranties of any type and under the terms and conditions as he directs, by authority of the Court.
6. The public sale of real property by a receiver is authorized and governed by the procedures set forth in 28 U.S.C. §§2001(a)¹ and 2002².

¹ Section 2001. Sale of Realty Generally. (a) any realty or interest therein sold under any order or decree of any court of the United States shall be sold as a whole or in separate parcels at public sale at the courthouse of the county parish or city in which the greater part of the property is located or upon the premises of some parcel thereof located therein as the court directs. Such sale shall be upon such terms and conditions as the court directs.

Property in the possession of receiver or receivers appointed by one or more district courts shall be sold at public sale in the district wherein any such receiver was first appointed, at the courthouse of the county, parish, or city situated therein in which the greater part of the property in such district is located, or on the premises or some parcel thereof located in such county parish or city as such court directs, unless the court orders the sale of the property or one of more parcels thereof and one or more ancillary districts.

² Section 2002. Notice of Sale of Realty. A public sale of realty or interest therein under any order, judgment or decree of any court of the United States shall not be made without notice published once a week for at least four weeks prior to the sale in at least one newspaper regularly issued and of general circulation in the county, state or judicial district of the United States wherein the realty is situated.

If such realty is situated in more than one county, state district or circuit, such notice shall be published in one or more of the counties, states or districts wherein it is situated as the court directs. The notice shall be substantially in such form and contained such description of the property by reference or otherwise as the court approves. The court may direct that the publications be made in other newspapers.

7. In accordance with conducting a public sale of the Property, the Receiver has sought and obtained an auction proposal from Hahn Auctioneers, Inc., a real estate auction company located in Nappanee, Indiana. Hahn Auctioneers, Inc. has conducted numerous successful public sales of real estate in Indiana where the Property is located. Attached hereto as **Exhibit B** and incorporated herein by reference is the form of a proposed exclusive listing contract for real estate auction prepared by Hahn Auctioneers, Inc.

8. The Receiver requests that the public sale of the Property be held on location at 501 East Middlebury Street, Elkhart, Indiana on Monday, November 5, 2007 at 6:00 o'clock, p.m., local Elkhart, Indiana time. This will afford the Receiver sufficient time to provide proper notice of the public sale pursuant to 28 U.S.C. §2002 and afford the auctioneer ample opportunity to adequately advertise and market the Property for public sale. The Receiver and the highest bidder should be authorized and directed to close on the sale of the Property within 30 days after the public sale.

9. Prior to the public sale of the Property, the Receiver proposes to publish notice in a form substantially similar to that attached as **Exhibit C** hereto and incorporated herein by reference (the "publication notice") once a week for a period of four weeks in a newspaper or newspapers regularly issued and of general circulation in the court, state or judicial district of the United States wherein the Property is situated as the Receiver may select.

10. The Receiver requests that he be authorized and directed to file with the Court a report of the results of the auction, including the identity of the highest bidder and the purchase price, within five days following the conclusion of the public sale.

WHEREFORE, the Receiver respectfully requests that this Court enter an order:

(a) authorizing the Receiver to sell the Property located at 501 East Middlebury Street, Elkhart, Indiana at a public sale conducted pursuant to 28 U.S.C. §§2001 and 2002;

(b) setting the Property for public sale as provided in 28 U.S.C. §§2001 and 2002 to be held at 501 East Middlebury Street, Elkhart, Indiana on Monday, November, 5, 2007 at 6:00 o'clock, p.m., local Elkhart, Indiana time;

(c) authorizing and directing the Receiver, prior to the date set for the auction, to publish the publication notice once a week for a period of four weeks in a newspaper or newspapers regularly issued and of general circulation in the court, state or judicial district of the United States wherein the Property is situated as the Receiver may select and to take such further steps, if any, as the Receiver deems appropriate to further advertise and promote such public sale, including retaining the services of Hahn Auctioneers, Inc. to advertise and conduct such public sale and pay such commission to Hahn Auctioneers, Inc. as agreed to by the Receiver;

(d) authorizing the Receiver to conduct the public sale of the Property, at his discretion, to establish bid terms or conditions of the sale including the minimum bid price for the property, the financial terms of the sale, and/or such other terms that the Receiver deems appropriate and in the best interest of the estate, including but not limited to rejecting bids and withdrawing the Property from public sale, and setting a new time and date for bidding;

(e) authorizing the Receiver to, where appropriate, accept the highest and best received bid at the auction as determined by the Receiver in his sole discretion, and convey all right and title to the Property to that highest bidder;

(f) authorizing the Receiver to pay all costs incurred in connection with maintaining and preparing the Property for auction and advertising and otherwise promoting the auction including, without limitation, the cost of publishing the publication notice;

(g) authorizing the Receiver to engage Hahn Auctioneers, Inc. to conduct such auction and to enter into such agreements with Hahn Auctioneers, Inc. in accordance with the engagement, and paying the agreed to commission thereto;

(h) authorizing the Receiver to pay at closing, out of the proceeds of the sale, all liens, encumbrances, mortgages, taxes, sale commissions, recording fees, and costs incurred in connection with the Property (if not already paid prior to sale) and other charges necessary to complete the sale;

(i) authorizing and directing the Receiver to file with the Court a report of the results of the auction, including the identity of the highest bidder and the purchase price, within five days following the conclusion of the public sale; and

(j) authorizing and directing the Receiver and the highest bidder to close on the sale of the Property within 30 days after the sale.

Respectfully submitted,

s/Bradley W. Skolnik
Bradley W. Skolnik (1770-49)
Receiver

Bradley W. Skolnik
STEWART & IRWIN, P.C.
251 E. Ohio Street, Suite 1100
Indianapolis, Indiana 46204-2147
(317) 639-5454/Fax: (317) 632-1319
bskolnik@silegal.com

CERTIFICATE OF SERVICE

Service of the foregoing was accomplished via the United States District Court's Electronic Notification and/or via U.S. Mail, first class postage pre-paid, this 11th day of September, 2007, addressed to:

John Joseph Sikora, Jr.
UNITED STATES SECURITIES & EXCHANGE COMMISSION
sikoraj@sec.gov

Jason A. Howard
UNITED STATES SECURITIES & EXCHANGE COMMISSION
howardja@sec.gov

Michael J. Rusnak, Jr.
HARRISON & MOBERLY
mrusnak@h-mlaw.com

David I. Rubin
HARRISON & MOBERLY
drubin@h-mlaw.com

H. James Maxwell
hjmesq@kc.rr.com

Joshua D. Hague
KRIEG DEVAULT
jdh@kdlegal.com

Mark J.R. Merkle
KRIEG DEVAULT
mmerkle@kdlegal.com

Gordon J. Toering
WARNER NORCROSS & JUDD, LLP
gtoering@wnj.com

Nicholas Anthony Miller
Office of the Indiana Attorney General
nmiller@atg.state.in.us

Vaughn A. Reeves, Sr.
4168 Water Trace Drive
Lexington, KY 50515

Vaughn A. Reeves, Jr.
900 Hillside Drive
Sullivan, IN 47882

Jonathan Christopher Reeves
2024 N. Section Street, Apt 12
Sullivan, IN 47882

Joshua Craig Reeves
4168 Water Trace Drive
Lexington, KY 50515

Charles L. House
Attorney at Law
P.O. Box 26565
1100 Main
Kansas City, MO 64196

s/Bradley W. Skolnik
Bradley W. Skolnik

Bradley W. Skolnik
STEWART & IRWIN, P.C.
251 E. Ohio Street, Suite 1100
Indianapolis, Indiana 46204-2147
(317) 639-5454/Fax: (317) 632-1319
bskolnik@silegal.com