

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

**RECEIVER'S PETITION FOR ORDER AUTHORIZING SALE OF  
CONDOMINIUM OWNED BY REEVES FAMILY LIMITED PARTNERSHIP**

1. On July 14, 2006, this Court entered an Agreed Order to Add Reeves Family Limited Partnership to the Receivership ("Agreed Order").
2. Pursuant to the terms of this Agreed Order, the Reeves Family Limited Partnership ("RFLP") and all of its assets became part of the Receivership and the Receiver has, with respect to the RFLP, the powers and duties enumerated in Paragraph III of the Amended Order Granting Plaintiff Securities and Exchange Commission's Motion to Convert Monitorship to Receivership entered May 1, 2006.
3. The Agreed Order further provides that the gross proceeds realized by the sale of any RFLP assets should be applied as a payment towards Defendant Vaughn Reeves, Sr.'s total disgorgement obligation, including prejudgment interest, as well as civil penalties that are ordered against him.
4. The RFLP owns significant assets including a condominium located in Brevard County, Florida at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida. This condominium

is presently vacant and the asset is in danger of wasting. For example, a \$3,000 tax lien was placed on the condominium that the Receiver was required to satisfy and redeem so that the property would not be subject to a sheriff's sale. In addition, the Receivership was required recently to satisfy a lien that had been placed upon the property by the Village of Seaport Condominium Association, Inc. because of the failure of the Reeves to timely pay condominium association and maintenance fees. The Receivership is now in the position of having to pay the monthly condominium association fees of \$296.00 in order to maintain the property.

5. In order to sell the condominium located at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida, the Receiver has engaged the services of ERA Showcase Properties and Investments, a real estate brokerage firm that is familiar and has experience with the condominium complex.

6. The Receiver has received an offer to purchase the condominium unit located at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida from a prospective purchaser, Doreen L. Hargreaves, for the gross amount of \$230,000. A copy of the "As Is" Contract for Sale and Purchase ("Purchase Agreement") is attached hereto as Exhibit A. The Receiver has accepted the proposed offer to purchase the condominium subject to the condition that it must be approved by this Court.

7. According to an independent appraisal of the property obtained by the Receiver, the condominium unit located at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida has an appraised value of approximately \$245,000. A copy of the appraisal is attached hereto as Exhibit B.

8. The Receiver believes that the proposed sale of the condominium located at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida is clearly in the best interests of the

Receivership and bondholders. Accordingly, the Receiver respectfully requests that this Court exercise its discretion to authorize the Receiver to immediately sell the subject property pursuant to the terms of the Purchase Agreement attached hereto as Exhibit A rather than requiring the Receiver to comply with the requirements of 28 USC § 2001.

9. The Receiver believes that it would be in the best interests of the Receivership and the bondholders if he is authorized to immediately sell the subject property for the gross sum of \$230,000 pursuant to the terms of the Purchase Agreement attached hereto as Exhibit A without incurring the costs and delays associated with the requirements of 28 USC § 2001 for the following reasons:

a. Based upon an analysis of the sales of comparable condominium units within the same general area, the Receiver believes that the sale price is fair and reasonable.

b. The Receiver has been advised that sales of condominiums in Brevard County, Florida are down approximately 85 % from the same time period last year. Therefore, if the property is not promptly sold at this time pursuant to the terms of the Purchase Agreement, the Receiver fears that the condominium may be on the market for an unusually long period of time during which time the Receivership would continue to incur substantial costs and fees to maintain and market the property.

c. The gross purchase price of \$ 230,000 is approximately 94% of the appraised value of the condominium, which the Receiver believes is a very fair and reasonable price considering the fact that sales of condominium units in Brevard County, Florida are down approximately 85 % from the same time period last year

10. Following payment of the costs and expenses of sale, including a 6% real estate sales commission, it is estimated that the net proceeds of sale received by the Receiver will be approximately \$210,000.

11. The Receiver proposes that the net proceeds of sale be held by the Receiver for the benefit of bondholders and the Receivership pending further order of this Court.

WHEREFORE, the Receiver respectfully requests that:

i) The Court approve the sale of the condominium owned by the Reeves Family Limited Partnership and located at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida to Doreen L. Hargreaves pursuant to the terms of the Purchase Agreement attached hereto as Exhibit A for the gross sum of \$230,000;

ii) Upon receipt of all sums due and owing under the purchase agreement, as assigned, attached hereto as Exhibit A, less costs, fees and expenses of sale, that the Receiver is authorized to execute and deliver all appropriate documents to effectuate the sale of the condominium located at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida to the purchaser; and

iii) The net proceeds from the sale of the condominium located at 344 North Seaport Boulevard, Unit 104, Cape Canaveral, Florida be held by the Receiver pending further order of this Court.

Respectfully submitted,

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

**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 17th day of November 2006, addressed to:

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