

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
Charlottesville Division**

SECURITIES AND EXCHANGE)	CIVIL ACTION NO. 3:01CV00116
COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	
)	
TERRY L. DOWDELL, <i>et al.</i>)	
)	
Defendants.)	JUDGE JAMES H. MICHAEL, JR.
_____)	

**RECEIVER’S AMENDED MOTION TO SELL
CERTAIN REAL AND PERSONAL PROPERTY**

NOW COMES Roy M. Terry, Jr., and the law firm of DuretteBradshaw PLC (collectively “Receiver”), receiver for Terry L. Dowdell (“Dowdell”), and respectfully requests that the Court enter an Order authorizing the sale of certain parcel of real property formerly occupied by Adam Dowdell (Terry Dowdell’s son) and Wendetta Dowdell (also known as Wendy Dowdell) (Terry Dowdell’s daughter-in-law), and certain personal property, and in support thereof, represents to the Court as follows:

I. BACKGROUND

1. By General Warranty Deed, dated February 20, 2001, W.W. Whitlock Agency, Inc., a Virginia Corporation, transferred to Adam F. Dowdell and Wendetta P. Dowdell, husband and wife, as tenants by the entirety with the common law right of survivorship, certain real property commonly referred to as 21 Deerview Road, Keswick, Virginia, and more particularly described as:

All that certain lot or parcel of land, with all improvements thereon and all appurtenances thereunto belonging, lying and being in the Green Springs District, Louisa County, Virginia, shown and described as Lot 68, Phase II, containing 1.692 acres, more or less, on a certain plat of survey made by James H. Bell, Jr., P.C., Professional Land Surveyor, dated June, 1995, of Green Spring Estates, also known as “Keswick Glen”, recorded in the Clerk’s Office of the Circuit Court of Louisa County, Virginia, in Plat Book 8, page 1068-1070

as recorded in the Clerk’s Office of the Circuit Court of Louisa County, Virginia, in Deed Book 669, Page 186, on March 2, 2001 (the “Property”).

2. By Promissory Note (“Dowdell Note”), dated March 2, 2001, Adam F. Dowdell and Wendetta P. Dowdell promised to pay Terry L. Dowdell and Mary E. Dowdell the sum of Two Hundred Fifty Two Thousand Dollars (\$252,000.00 USD).

3. The Dowdell Note was secured by an interest in the Property granted by a Deferred Purchase Money Deed of Trust, dated March 2, 2001, by and between Adam F. Dowdell and Wendetta P. Dowdell, Grantor, and Larry J. McElwain, the Trustee, as recorded in the Clerk’s Office of the Circuit Court of Louisa County, Virginia, in Deed Book 670, Page 387, on March 14, 2001.

4. On November 19, 2001, the Securities and Exchange Commission (“SEC”) filed its *Complaint* against the Defendants and Relief Defendants in this action.

5. On or about March 20, 2002, the directors of Authorized Auto Service, Inc. (“Authorized Auto”), including Adam Dowdell and Wendy Dowdell, resolved to borrow funds from Branch Banking and Trust Company of Virginia (“BB&T”) and loan them to Authorized Auto.

6. By credit line note (“BB&T Note”), dated April 19, 2002, Adam F. Dowdell and Wendetta P. Dowdell promised to pay BB&T principal in an amount not to exceed One Hundred Thousand Dollars (\$100,000.00 USD).

7. The BB&T Note was secured by an interest in the Property granted by a Credit Line Deed of Trust (“BB&T Deed of Trust”), dated April 19, 2002, by and between Adam F. Dowdell and Wendetta P. Dowdell, Grantee, and BB&T-VA Collateral Service Corporation, the Trustee, as recorded in the Clerk’s Office of the Circuit Court of Louisa County, Virginia, in Deed Book 722, Page 330, on May 3, 2002.

8. By Deed of Subordination, dated April 19, 2002, the lien of the Dowdell Deed of Trust was subordinated to the lien of the BB&T Deed of Trust, as recorded in the Clerk’s Office of the Circuit Court of Louisa County, Virginia, in Deed Book 722, Page 327, on May 3, 2002.

9. On June 4, 2002, the SEC filed its *Joint Motion for Order Directing Appointment of Receiver over Defendants Terry L. Dowdell, Dowdell, Dutcher & Associates, Emerged Market Securities, DE-LLC and Related Entities*.

10. By Order entered July 12, 2002, the Court appointed Roy M. Terry, Jr. and the law firm of DuretteBradshaw PLC as Receiver over defendants Terry L. Dowdell, Dutcher & Associates, Inc., and Emerged Market Securities, DE-LLC.

11. By *Consent and Stipulation of Terry L. Dowdell, Dowdell, Dutcher & Associates and Emerged Market Securities, DE-LLC to Order of Permanent Injunction* (“*Terry’s Consent*”) signed by Dowdell on June 3, 2002, and filed with the Court on June 4, 2002, Dowdell did “voluntarily consent to disgorge all other assets owned and/or controlled by Dowdell, including any assets owned and/or controlled by any entity owned or controlled by Dowdell.” (*Terry’s Consent*, at ¶ 59.)

12. By *Permanent Injunction Order* entered June 4, 2002, Dowdell was ordered to disgorge all investor funds and/or ill-gotten gains received as a result of the conduct alleged in the SEC’s *First Amended Complaint* plus prejudgment interest on those amounts, (*Permanent Injunction Order* § IV), and the *Consent* was incorporated into the Order with the same force and effect as if fully set out therein, (*Id.* § VI).

13. By *Consent and Stipulation of Mary Dowdell to Final Judgment* filed May 28, 2003, Mary Dowdell agreed to disgorge her gains from conduct alleged in the *First Amended Complaint*, including interest in the Dowdell Note the Property, and execute

documents as necessary to effectuate the transfer of all title ownership rights or beneficial interest she has in such property. (*Mary's Consent*, at ¶ B(9)(i) (interest in Dowdell Note)).

14. By Order entitled *Final Judgment against Mary Dowdell* entered June 4, 2002, Mary Dowdell was ordered to disgorge all investor funds and/or ill-gotten gains received as a result of the conduct alleged in the SEC's *First Amended Complaint* plus prejudgment interest on those amounts (including the aforementioned interest in the Property and Dowdell Note), and the *Consent* was incorporated into the Order with the same force and effect as if fully set out therein.

15. By *Final Judgment Against Relief Defendants Adam Dowdell and Wendy Dowdell* entered June 4, 2004, the Court ordered, adjudged and decreed that:

1. As satisfaction of the portion of the Final Judgment concerning the property located at 21 Deerview Road, Adam and Wendy Dowdell shall transfer to the Receiver, within fourteen days of entry of this order, all title, ownership rights or beneficial interests they have in the real estate property, and all improvements, located at 21 Deerview Road, Keswick, Virginia;
2. As satisfaction of their disgorgement obligations relating to their receipt of ill-gotten gains in the amount of \$53,000.00, and prejudgment interest thereon, Adam and Wendy Dowdell shall, within five (5) days after entry of this Order, transfer all ownership interest and physical possession of the Receiver, at the location or locations designated by the Receiver:
 - a. 1969 Chevrolet Camaro, V.I.N. No. 124379N648644;
 - b. 1999, Cadillac Deville, V.I.N. No. 1GKD54Y9XU773372;

- c. Mitsubishi wide-screen TV, Make and Model No. WS-55807. serial no. 133188;
 - d. Sony surround sound 5 speaker system, serial no. 8879005;
 - e. 10 piece dining room set located at 21 Deerview Road, Keswick, Va.;
 - f. Colt .223CAL. AR 15 Rifle with hard case, serial no. 033723; and
 - g. Kenmore 25CUFT Frost Free Refrigerator, serial no. 58551.
3. The Receiver shall undertake to liquidate all of the asset listed above and apply the net proceeds from such liquidation to the corpus of the receivership.

(Final Judgment against Relief Defendants Adam Dowdell and Wendy Dowdell, ¶¶ I(1)-(3), at 2-3)(footnote omitted).

II. JURISDICTION

16. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Securities and Exchange Act [15 U.S.C. § 78aa], and 28 U.S.C. § 1331 (federal question jurisdiction) and 28 U.S.C. § 1367 (supplemental jurisdiction).

III. RELIEF REQUESTED

17. The Receiver seeks authority to sell the Receivership's interest in the real property described above by public auction in accordance with 28 U.S.C. § 2001(a), to auction the personal property in accordance with 28 U.S.C. § 2004, and to give notice of

such sale(s) in accordance with 28 U.S.C. §§ 2002 and 2004, respectively, as provided by the proposed Order attached hereto as Exhibit B.

18. The Receiver seeks authority to retain the services of an auctioneer upon the terms and conditions set forth in the proposed *Sales Agent/Auctioneer Agreement for the Sale of Real and Personal Property* attached hereto as Exhibit A.

WHEREFORE, the Receiver respectfully prays that the Court enter an order: (i) approving the auction of certain real property pursuant to the terms and conditions of the proposed Order, Exhibit B, or upon such other terms and conditions as the Court may approve; (ii) approving the auction of certain personal property pursuant to the terms and conditions of the proposed Order, Exhibit B, or upon such other terms and conditions as the Court may approve; (iii) authorizing the Receiver to employ an auctioneer; and (iv) awarding the Receiver such other and further relief as may be just and proper.

Respectfully submitted, this the 28th day of June, 2004.

Roy M. Terry, Jr. and DuretteBradshaw PLC
Receiver
By Counsel

/s/ Douglas Scott

Douglas Scott, VSB No. 28211

John C. Smith, VSB No. 44556

DuretteBradshaw PLC

600 E. Main St., 20th Floor

Richmond, Virginia 23219

☎ 804.775.6900

📠 804.775.6911

**SALES AGENT/AUCTIONEER AGREEMENT
FOR THE SALE OF REAL AND PERSONAL PROPERTY**

THIS AGREEMENT, made to be effective as of the date set forth below, by and between Roy M. Terry, Jr. and the law firm of DuretteBradshaw, PLC, Receiver (“Receiver”), with principal offices located at 600 East Main Street, 20th Floor, Richmond, Virginia 23219, and Motley’s Auctions, Inc., 4402 West Broad Street, Richmond, Virginia 23230, VAAL #16, (“Motleys”), and, pursuant to this Agreement, the parties agree as follows:

Section One – Statement of Employment

Receiver employs Motleys to sell at public auction; (i) the real property located at 21 Deerview Road, Keswick, Virginia 22947, Tax Map #: 34-12-68 (the “Premises”), and (ii) the personal property scheduled on Exhibit A attached hereto, *provided, however*, that Motleys employment by the Receiver is expressly conditioned upon the approval of such employment by the United States District Court for the Western District of Virginia, Charlottesville Division (the “Court”). The terms of this Agreement are expressly conditioned upon the prior approval of the Agreement by the Court.

Section Two – Place of Sale

The real estate sale shall be held on the Premises in Keswick, Virginia. The personal property sale shall be held at such place, or places, as Motleys in its discretion determines.

Section Three – Time of Sale

The auctions shall be conducted at such time[s] following approval of Motleys employment by the Court as the parties may agree.

Section Four – Duties and Obligations of Motleys

Pursuant to this Agreement, Motleys shall carry out the following duties and obligations:

(a) Advertising. Motleys shall prepare a brochure on the Premises and shall accomplish distribution of copies of such brochure in a manner calculated to advise persons who might reasonably be interested in such property and in the sale thereof. Motleys shall cause the auction sale of the Premises to be advertised in selected newspapers, including those in the Charlottesville, Virginia area, at least once a week for four weeks prior to the auction. Motleys shall cause a sign or signs to be erected on the Premises announcing the sale.

(b) Reserve. Motleys shall conduct the auction for the Premises with such reserve as the Receiver may determine.

(c) Use of Best Effort. Motleys shall conduct the auction sale to the best of its ability. However, Motleys does not guarantee a sale and Motleys is not responsible in the event Receiver and/or any buyer at the auction sale fail to live up to their respective agreements concerning the Premises, or in the event of non-delivery of the Premises by Receiver to any such buyer.

(d) Insurance. Receiver shall provide an all-risk insurance policy covering the Premises throughout the course of this Agreement. In case of loss, the proceeds of such insurance shall be paid to Motleys to the extent of its compensation as governed by Section Six, paragraph (b), labeled Withdrawn Property, plus other expenses due Motleys, with the balance shall be paid to Receiver.

(e) Accounting. At the completion of the auction sale, Motleys shall furnish Receiver with a list of all property sold and the applicable sales price(s) thereof. After deducting the commission and any expenses, Motleys shall pay the Receiver the net amount due for the sale of the Premises.

(f) Title Dispute. In the event that Motleys receives a non-frivolous notice or other claim to the Premises, or a claim is made to the sale proceeds in conflict with those

of the Receiver, Motleys may withhold a sufficient portion of the proceeds to cover the conflicting claims until the Court finally resolves such claim or claims.

(g) Title Documents. Under the terms of this Agreement, Receiver shall prepare, or cause to be prepared, in a form acceptable to Motleys, any and all documents required to transfer title to the Premises and the personal property including, but not necessarily limited to, a quit claim deed for the real property and bills of sale for the personalty. All bills of sale will reflect that the sale of each and every item of personalty is on an “as is”, “where is” basis without warranties of any type including title.

Section Five – Cooperation by Receiver

Receiver shall cooperate with, and further the interests of, Motleys in discharging its duties under this Agreement, and as required by any applicable statute or regulation, and shall refrain from acts that would interfere with Motleys’s discharge of its duties under this Agreement, or as required by statute or regulation.

Section Six – Compensation of Motleys

(a) Compensation for Sale of Assets.

Auction of Real Estate. A TEN PERCENT (10%) buyer’s premium shall be charged to the high bidder for the Premises, calculated on the amount of the high bid. This buyer’s premium will be added to the amount of the high bid to become the final purchase price of the Premises. The high bidder will pay the full purchase price of the Premises to the Receiver at settlement, including the addition of the ten percent (10%) buyer's premium. From the sale proceeds, the Receiver shall pay the amount of the ten percent (10%) buyer’s premium to Motleys as a sales commission; however, Motley’s agrees to pay to the Receiver ten percent (10%) of the buyer’s premium (*i.e.*, 1% of the sales price) within 72-hours of settlement.

Personal Property Auction: The purchaser will pay the Motleys a ten percent (10%) Buyers Premium for all items purchased. The Receiver will pay Motleys a ten percent (10%) commission for all items sold.

Broker Participation at Real Estate Auction. If the Premises sells at the auction, and there is no cooperating broker commission paid, Motley's will pay to the Receiver an additional TWO PERCENT (2%) of the high bid within 72-hours of settlement.

Withdrawn Property. The Receiver agrees to pay Motleys seven percent (7%) of the fair market value of the Premises as agreed by the parties to this Agreement if the Premises are voluntarily withdrawn from the auction by the Receiver after Motleys has placed the sale advertising.

(b) Sale Cancellation. If the sale is canceled for any reason beyond the control of Motleys, including court order, the Receiver agrees to pay Motleys its advertising and cancellation notice expenses plus a fee of ten percent (10%) of the fair market value of the Premises, as agreed by the parties to this Agreement, if the sale is canceled after Motleys has placed the sale advertising.

(c) Sale Postponement. If the sale is postponed for any reason beyond the control of Motleys, Motleys shall be reimbursed by Receiver for all expenses incurred including auction postponement notices. Motleys will have the right to conduct the subsequent sale of the Premises. In the event the sale is postponed for 180 days or greater, the sale shall be considered as canceled and be subject to the provisions of ¶ 6(c), above.

Section Seven – Expenses

Receiver shall be liable for the following expenses. Motleys may deduct the expenses from any proceeds of the sale held by Motleys and shall verify such expenses pursuant to the accounting requirements of ¶ 4 (e), above.

(a) The Receiver will be responsible for advertising expenses not to exceed \$3,000.00 for the Auction.

(b) The Receiver will be responsible for any extraordinary expenses. These expenses are for additional services requested of the Motleys by the Receiver. Motleys will obtain written approval from the Receiver for these expenses prior to the expenditure of the funds.

Section Eight – Authority of Motleys

Motleys shall have full authority to conduct the sale and to do whatever it deems necessary or appropriate to effect an advantageous sale of the assets. Motleys agrees not to use any illegal, immoral, or unethical methods to effect an advantageous sale of the Premises. Motleys further agrees to conduct the auction in conformity with the requirements of any Orders of the Court.

Section Nine – Risk of Loss

Omitted.

Section Ten – Duties of Receiver

(a) Representations and Warranties. The Receiver represents and warrants (i) that it has the right to cause the Premises to be sold at public auction; and (ii) that the Premises are, and shall remain during the sale, insured.

(b) Misrepresentation. In the event of a material misrepresentation by Receiver to a buyer with respect to the Premises, Motleys reserves the right to withhold proceeds from the sale for the item in dispute and to deposit those sale proceeds with the Court, which will resolve any dispute between Motleys, the Receiver and the Buyer.

Section Eleven – Confidentiality

It is expressly understood that this Agreement is not confidential.

Section Twelve – Limitation of Liability

(a) Limitation on Liability for Property Damage. Motleys and its employees, agents, contractors, and representatives shall not be liable for any loss of, or damage to,

the Premises regardless of cause, provided however, that Motleys and its employees, agents, contractors, and representatives shall be liable for injury or damage to the Premises caused by their intentional acts or gross negligence.

(b) Motleys Not Responsible Or Liable For Injury Or Death. Motleys, its employees, agents, contractors, and representatives shall not be liable for any injury, loss, damage, and/or death that might occur to any person from any cause occurring at the Auction site, at any time through the completion of the Auction and the clean-up of the Auction Site, provided however, that Motleys and its employees, agents, contractors, and representatives shall be liable for injury or damage to any person occurring at the Auction site, at any time through the completion of the Auction and the clean-up of the Auction Site, caused by their intentional acts or gross negligence.

Section Thirteen – Choice of Law

This Agreement, and all suits and special proceedings hereunder, shall be construed in accordance with, and under and pursuant to the laws of, the Commonwealth of Virginia, without consideration of Virginia's choice of law rules. The exclusive forum for any action, special proceeding, or any other proceeding that may be brought arising out of, in connection with, or by reason of this Agreement, shall be the United States District Court for the Western District of Virginia, Charlottesville Division.

Section Fourteen – No Waiver

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any other term and condition of the Agreement, which shall continue and remain in full force and effect as if no forbearance or waiver had occurred.

Section Fifteen – Effect of Partial Invalidity

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event any provision of this Agreement

is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the removal of the invalid provision.

Section Sixteen – Miscellaneous

When the context in which words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural, and vice versa, and words in the masculine gender shall include the feminine and neuter genders, and vice versa. Each party hereto has had equal opportunity to negotiate and seek legal advice regarding the terms hereof and no provision alleged to be ambiguous shall be construed for or against any party based on the identity of the draftsman of that provision. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart. Any alteration, modification or amendment of this Agreement shall be void unless such waiver, alteration, modification or amendment is in writing and signed by the respective parties hereto. Assignments of rights hereunder without the prior written consent of both parties shall be void.

Section Seventeen – Entire Agreement

This agreement constitutes the entire agreement between the parties, and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding on either party except to the extent incorporated in this agreement.

This, the ____ day of _____, 2004.

Motleys Auctions, Inc.

By: Mark Motley, CAI, AARE
4402 W. Broad Street
Richmond, VA 23230
Phone: (804) 355-2100

Fax: (804) 359-6954

Roy M. Terry, Jr. and the law firm of DuretteBradshaw, PLC
Receiver
By Counsel

Douglas Scott, VSB No. 28211
John C. Smith, VSB No. 44556
DuretteBradshaw PC
600 E. Main St., 20th Floor
Richmond, Virginia 23219
☎ 804.775.6900
📠 804.775.6911

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EXHIBIT A

1. 1969 Chevrolet Camaro VIN No. 124379N648644
2. 1999 Cadillac DeVille VIN No. 1GKD54Y9XU773372
3. Mitsubishi wide screen television, Model No. WS-55807, s/n 133188
4. Sony receiver and surround sound speaker system, s/n 8879005
5. 10 piece dining room set located at 21 Deerview Road, Keswick Virginia
6. Colt AR-15 Rifle with case, s/n 033723
7. Kenmore 25 Cu Foot Refrigerator, s/n 58551

PROPOSED ADVERTISING AND EXPENSE BUDGET

DATE June 24, 2004

AUCTION Keswick Property

AUCTION DATE TBD

ELECTRONIC MARKETING

	<u>Total</u>
Broadcast email to auction notification listings	\$0.00
Listing on National auctioneers and Virginia Auctioneers website	\$0.00
Listing on motleys.com	\$50.00
Listing on Ebay	\$300.00

Total Electronic Marketing	\$350.00
Percentage of Total Budget	12%

NEWSPAPER ADVERTISING

Charlottesville Daily Progress

circ. 34,303

columns

Inches

Auction Section

Sunday -3 weeks prior

2

2

182.72

Sunday - 2 weeks prior

2

2

182.72

Sunday - 1 week prior

2

2

182.72

TOTAL CHARLOTTESVILLE DAILY PROGRESS

548.16

Richmond Times Dispatch

circ. 230,474

Col

In.

Auction Section

Sunday -3 weeks prior

1

3

183.54

Sunday - 2 weeks prior

1

3

183.54

TOTAL RICHMOND TIMES-DISPATCH

367.08

Virginia Press Assoc. newspapers*

statewide network

Circ/ # pub. 1,370,849/ 98

3 weeks prior

25 words

\$250.00

TOTAL VIRGINIA PRESS NETWORK

\$250.00

Total Newspapers	\$1,165.24
Percentage of Total Budget	42%

DIRECT MAIL

Postcard

Format: 2000

Quantity: 2 color

Color: to be distributed to:

- Distribution: 1).Area property owners
 2).Real estate agents/brokers
 3) Real Estate Buyers
 4) Auto Collectors
 5) Firearm
 Collectors/Dealers

Typesetting, Printing, Tax and Shipping	\$750.00
Postage,	\$360.00
labels, letter shop, and mailing list	\$175.00

Total Direct Mail	\$1,285.00
Percentage of Total Budget	42%

SIGNAGE

Signage, including installation and retrieval	\$85.00
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Total Signage	\$85.00
Percentage of Total Budget	2%

PROMOTIONAL MATERIALS

Information packets	\$65.00
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Total Promotional	\$65.00
Percentage of Total Budget	1%

Miscellaneous

In-house Postage	\$25.00
Telemarketing	\$25.00

Total Miscellaneous	\$50.00
Percentage of Total Budget	1%

TOTAL PROPOSED ADVERTISING AND EXPENSE BUDGET	\$3,000.24
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CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of June, 2004, a true copy of the foregoing Motion was mailed by first class mail, postage fully prepaid, addressed to:

Roy M. Terry, Jr.
DuretteBradshaw, PLC
600 East Main Street, 20th Floor
Richmond, VA 23219
Receiver/Movant

Branch Banking and Trust Company of Virginia
823 East Main Street, 11th Floor
Richmond, VA 23219-3310
Secured Creditor

Steven J. Levine, Esquire
Securities and Exchange Commission
Midwest Regional Office
Suite 900
175 West Jackson Boulevard
Chicago, IL 60604
Plaintiff

/s/ Douglas Scott

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
Charlottesville Division**

SECURITIES AND EXCHANGE COMMISSION,)	CIVIL ACTION NO.: 3:01CV00116
)	
)	
Plaintiff,)	
)	
v.)	<u>ORDER</u>
)	
TERRY L. DOWDELL, et al.)	
)	
Defendants.)	
_____)	JUDGE JAMES H. MICHAEL, JR.

THIS MATTER coming before the Court upon the Motion of Roy M. Terry, Jr. and the law firm of DuretteBradshaw, PLC (“Receiver”), for authority to sell certain real property constituting Receivership Property described in the attached Schedule A (“Real Property”) and certain personal property constituting Receivership Property specified in the Motion (“Personal Property”); and

IT APPEARING, after due and sufficient notice of the Motion to all interested parties, that the best interests of the Receivership Estate will be served by sale of the Real Property and the Personal Property. Accordingly, it is this day

ORDERED ADJUDGED AND DECREED:

1. The Receiver is authorized to sell the Real Property and Personal Property at public auction, for cash, to the highest bidder at the sale, at such reserve as the Receiver, in its sole discretion, deems advisable.

2. Notice of the public auction shall be published once a week for at least four (4) weeks prior to the sale, in at least one newspaper regularly issued and of general circulation in Louisa County, Virginia.

3. The notice shall include the following information and any other information that the Receiver may deem appropriate: the title of this court and cause, the file number of the cause, a description of the Real Property and Personal Property, the time and place of the sale, and the name and address of the auctioneer. The notice shall be subscribed by the Receiver, who shall state its address and telephone number.

4. The auction shall be held on such day or days as the Receiver may specify.

5. The Receiver may specify the rules of the auction, including, but not necessarily limited to: the amount of any deposit; terms of payment (if any), closing date, warranties (if any), acceptable means of payment, penalties for failure to complete the transaction, and shall provide each bidder with a bidder's package containing a copy of this Order and such auction rules as the Receiver promulgates.

6. In the event the successful bidder at the auction fails for any reason to complete the purchase of the real property, such bidder shall forfeit the entire amount of any deposit; provided, however, that the Receiver reserves the right to sue the highest bidder for breach of contract and/or specific performance, in which event the deposit shall be held by the Receiver as a setoff against the Receiver's damages.

7. In the event the highest bidder fails to pay the balance of the purchase price, at the election of the Receiver, the auctioneer shall promptly offer the parcel to the next highest bidder for the amount of the highest bid; if the next highest bidder agrees to

consummate the purchase, such bidder shall pay the Receiver in the same manner as provided with respect to the highest bidder.

8. Motley’s Auctions, Inc. of Richmond, Virginia (“Motleys”), is appointed auctioneer to conduct the sale in accordance with the terms and provisions of this Order. The Court hereby authorizes the Receiver to employ Motleys according to the terms and conditions set forth in the *Sales Agent/Auctioneer Agreement for the Sale of Real and Personal Property* attached to the Motion as Exhibit A. The auctioneer shall promptly deliver to Receiver all funds received by auctioneer in connection with the sale, in the form in which they are delivered to the auctioneer.

9. Receiver shall deposit in Receiver’s bank account all sale proceeds received from the auctioneer.

10. The Property shall be sold free of liens, and the rights of any lien claimant shall be transferred to the proceeds of the sale.

11. The Receiver is hereby authorized to exercise such other powers as may be reasonably implied from this Order in order to complete the auction sale.

ENTERED:

Senior United States District Judge

Date

WE ASK FOR THIS:

/s/ Douglas Scott

Douglas Scott, VSB No. 28211

John C. Smith, VSB No. 44556

DuretteBradshaw PC

600 E. Main St., 20th Floor

Richmond, Virginia 23219

☎ 804.775.6900

For the Receiver

COPY TO:

Steven J. Levine, Esquire

Securities and Exchange Commission

Midwest Regional Office

Suite 900

175 West Jackson Boulevard

Chicago, IL 60604

Plaintiff

SCHEDULE A

All that certain lot or parcel of land, with all improvements thereon and all appurtenances thereunto belonging, lying and being in the Green Springs District, Louisa County, Virginia, shown and described as Lot 68, Phase II, containing 1.692 acres, more or less, on a certain plat of survey made by James H. Bell, Jr., P.C., Professional Land Surveyor, dated June, 1995, of Green Spring Estates, also known as "Keswick Glen", recorded in the Clerk's Office of the Circuit Court of Louisa County, Virginia, in Plat Book 8, page 1068-1070, known and designated as 21 Deerview Road, Keswick, Virginia 22947.

BEING the same property conveyed to Grantors by deed from W. W. Whitlock Agency, Inc., a Virginia Corporation, dated February 20, 2001, recorded in said Clerk's office in Deed Book 669, Page 186, on March 2, 2001.