

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

COMMODITY FUTURES TRADING)	
COMMISSION)	
Plaintiff,)	
)	11-cv-10949-LPZ-MKM
v.)	
)	Hon. Lawrence P. Zatkoff
ALAN JAMES WATSON, MICHAEL POTTS,)	
and CASH FLOW FINANCIAL, LLC,)	
)	
Defendants,)	
And)	
)	
THE JEDBURGH GROUP,)	
)	
Relief Defendant.)	
)	

ORDER APPROVING OBJECTION PROCEDURE

Phillip S. Stenger, temporary receiver (the “**Receiver**”), by and through his counsel, Stenger & Stenger P.C., having filed his “*Motion to Establish Procedure for Notice and Opportunity to Object to Proposed Investor Claims Procedure*” (the “**Objection Procedure Motion**”), requesting an order setting an objection bar date for interested persons to submit objections to the Receiver’s “*Revised Motion and Memorandum Requesting Approval of the Proposed Investor Claims Procedure*” (the “**Claims Procedure Motion**”), and the Court having considered the Objection Procedure Motion, finds and orders as follows:

BACKGROUND

1. On March 11, 2011, by Order of this Court (the “**Receivership Order**”), Phillip S. Stenger was appointed temporary receiver for assets of Defendants Alan James Watson

(“**Watson**”), Michael Potts (“**Potts**”) and Cash Flow Financial, LLC (“**CFF**”), and the assets of any affiliates or subsidiaries of any defendant, with the full powers of an equity receiver.

2. The Receiver filed the Claims Procedure Motion requesting approval of the proposed investor claims procedure (the “**Proposed Investor Claims Procedure**”). The Receiver recommends that notice of the proposed adoption of the Proposed Investor Claims Procedure be given to interested parties; that an objection period be established during which those interested parties would be given an opportunity to file objections, comments and recommendations concerning the Proposed Investor Claims Procedure; that the Court set an objection bar date for all interested persons to submit their objections to the Receiver’s Proposed Investor Claims Procedure; and that following such objection period, the Court shall enter an order approving the proposed claims procedure or if appropriate upon motion by the Receiver schedule a hearing to consider any objections that may have been filed.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

3. The Court adopts the Receiver’s recommendation that, before adoption of the Proposed Investor Claims Procedure: (i) interested parties should be given notice; (ii) an objection period should be established during which those interested parties are given an opportunity to file objections, comments and recommendations concerning the Proposed Investor Claims Procedure; and (iii) an objection bar date should be set forty-five (45) days following the entry of this Order on which any objections, comments and/or recommendations concerning the Proposed Investor Claims Procedure can be filed.

4. The Court finds that reasonable notice and opportunity to be heard on the adoption of the Proposed Investor Claims Procedure is provided by the provisions set forth below.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

- A) **Objection Bar Date.** Forty-five (45) days after entry of this Order [July 26, 2013] is set as the Objection Bar Date for any properly filed Claims Procedure Objections (as defined below).
- B) **Publication, Mailing and Website Posting.** The Receiver shall:
- 1) Publish once in the national edition of *USA Today* a notice substantially similar to that set forth in **Exhibit B** to the Objection Procedure Motion (the “**Notice**”), such publication to occur not less than twenty-one (21) days prior to the Objection Bar Date, as defined above;
 - 2) Mail by United States First Class Mail to those investors known to the Receiver, a copy of this Order, a copy of a letter from the Receiver summarizing the Proposed Investor Claims Procedure substantially similar to that set forth in **Exhibit C** to the Objection Procedure Motion (“**Summarizing Letter**”), and a copy of the Proposed Investor Claims Procedure; and
 - 3) Post a copy of this Order, the Notice, the Summarizing Letter, the Objection Procedure Motion, and the Claims Procedure Motion and all attached Exhibits on the Receiver’s website (**www.cffreceiver.com**).
 - 4) In light of the publication in the national edition of *USA Today*, the failure of any interested party to receive such materials by mail, or the inability of interested parties to access the Receiver’s website

from time to time, shall not affect the validity of the Proposed Investor Claims Procedure, as may be finally amended and adopted by this Court.

- C) **Availability through Court Clerk.** A copy of this Order, the Claims Procedure Motion, the Notice and the Objection Procedure Motion shall also be filed by the Receiver with the Clerk of the Court for the United States District Court for the Eastern District of Michigan, Southern Division (the “**Court Clerk**”). The Court Clerk is hereby directed to make such documents available for inspection at the Court Clerk’s office, 231 West Lafayette Blvd, Room 564, Detroit, MI 48226, during normal business hours to any interested party who wishes to examine the same. The Court Clerk is further directed to provide a copy of such documents to any person requesting the same at such person’s cost, subject to the Court Clerk’s normal practices, procedures, and requirements concerning copying of documents.
- D) **Right to Object.** Interested parties are hereby given the opportunity to file written objections, comments, or recommendations concerning the Proposed Investor Claims Procedure (“**Claims Procedure Objections**”); provided that, to be considered by this Court, such Claims Procedure Objections must be sent to the Court Clerk by written submission only, to the Court Clerk’s office at United States District Court for the Eastern District of Michigan, Southern Division, 231 West Lafayette Blvd, Room 564, Detroit, MI 48226, with a copy to the Receiver (including any

attachments thereto) c/o Stenger & Stenger, P.C., 2618 East Paris Ave., SE, Grand Rapids, Michigan 49546-2425 or by e-mail at cffreceiver@stengerlaw.com so as to be received by both the Court Clerk and the Receiver **on or before the Objection Bar Date**. Any Claims Procedure Objections not received by both the Court Clerk and the Receiver by the Objection Bar Date shall conclusively be deemed waived.

- E) **Expiration of Objection Bar Date.** Following the expiration of the Objection Bar Date, the Court shall:
- 1) **If no objections are filed:** The court shall adopt the Proposed Investor Claims Procedure as the final Investor Claims Procedure, subject to such revisions as this Court deems appropriate; or
 - 2) **If objections are filed:** Consider such objections and upon motion of the Receiver, determine whether and when a hearing regarding any timely filed objections should be set.
- F) **Amendments.** The Court reserves the right, without further notice to interested parties, to: (i) amend this Order from time to time as it sees fit and believes to be in the best interests of the Receivership; and (ii) amend the Proposed Investor Claims Procedure as it sees fit and believes to be in the best interest of the Receivership.
- G) **Costs of Publication.** The Court hereby authorizes the Receiver to pay the costs of publication of the Notice as provided herein.

Dated: June 12, 2013

s/Lawrence P. Zatkoff
Honorable Lawrence P. Zatkoff
United States District Court Judge
Eastern District of Michigan, Southern Division