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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

MANAGEMENT SOLUTIONS, INC., a
Texas Corporation; WENDELL A.
JACOBSON; ALLEN R. JACOBSON,

Defendants.

**MEMORANDUM IN SUPPORT OF
MOTION FOR SECOND ORDER
AUTHORIZING RECEIVER TO
TERMINATE CERTAIN INDIVIDUALS
AS EMPLOYEES AND FOR EXPEDITED
RULING**

Civil Action No. 2:11-cv-01165
Judge Bruce S. Jenkins

John A. Beckstead, as receiver for Defendants Management Solutions, Inc. (“MSI”),
Wendell A. Jacobson, Allen R. Jacobson and others (the “Receiver”), submits this Memorandum
in Support of Motion for Order Authorizing Receiver to Terminate Certain Individuals as
Employees and for Expedited Ruling.

In its order establishing this receivership issued on December 15, 2011, this Court appointed the Receiver “for the purposes of marshaling and preserving all assets of MSI, together with any related entities owned, controlled, and/or under common control by or through MSI, including . . . Parkwood Management Company, LLC and Starwood Management Company (collectively “MSI”). Order at 1-2 [Docket entry # 4]. This Court also ordered the Receiver “[t]o take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property” and “[t]o take such other action as may be approved.” Order at 4 [Docket entry # 4].

In its order further establishing this receivership on December 20, 2011, this Court ordered the Receiver to “not terminate the employment status of any employee without either the stipulation of the parties hereto or the approval of the Court.” Order at 2 [Docket entry # 15]. The Receiver hereby seeks the Court’s approval for the termination of the following individuals as employees of MSI: Melba Jacobson, Casey Coutts, Scott Daley, Brandon Jacobson, and Laney Soper.

All of these individuals to be terminated are related to Defendant Wendell Jacobson by blood or marriage: Melba Jacobson is his wife, Casey Coutts is his daughter, Scott Daley is his son-in-law, Brandon Jacobson is his son, and Laney Soper is his daughter. None of these individuals to be terminated provide services or perform work for MSI. They are paid as employees as relatives of Defendant Wendell Jacobson for two reasons: (1) to be improperly enriched at the expense of MSI’s investors, and (2) to qualify for MSI’s employee health insurance program. Melba Jacobson is being paid \$11,111 per month, Brandon Jacobson is

being paid \$5,000 per month, and Casey Coutts, Scott Daley, and Laney Soper are being paid \$1,000 each per month. All of these individuals and their families are insured under MSI's employee health insurance program.

The Receiver requests an expedited ruling so that these employees can be informed of their termination immediately.

Based on the foregoing, the Receiver respectfully requests that the Court approve the termination of Melba Jacobson, Casey Coutts, Scott Daley, Brandon Jacobson, and Laney Soper.

DATED January 11, 2012.

HOLLAND & HART LLP

/s/ Romaine C. Marshall

Romaine C. Marshall

Attorneys for John A. Beckstead as Receiver

CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of January, 2012, I caused a true and correct copy of the foregoing to be served in the following manner upon the addressee(s) listed below:

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