

Amy F. Sorenson (8947)  
Jared C. Fields (10115)  
SNELL & WILMER L.L.P.  
15 West South Temple  
Suite 1200  
Salt Lake City, Utah 84101  
Telephone: 801.257.1900  
Facsimile: 801.257.1800  
Email: asorenson@swlaw.com  
jfields@swlaw.com

*Attorneys for Intervenor Fannie Mae*

**IN THE UNITED STATES DISTRICT COURT**

**FOR THE DISTRICT OF UTAH**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

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

Defendants.

**FANNIE MAE'S RESPONSE TO  
RECEIVER'S MOTION TO DISCLAIM  
AND ABANDON ENCINITO  
APARTMENTS**

Case No. 2:11-cv-1165

Honorable Bruce S. Jenkins

The Receiver has filed a Motion to abandon the Encinito Apartments in Hondo, Texas. Fannie Mae is a first-priority secured lender on the property and an intervenor in this action. (Doc. 929 at 8 n. 11.) The property at issue is a multifamily apartment complex with more than 100 units. The Receiver has been making monthly payments, but missed two payments early in the Receivership and has not made up those payments. (Doc. 888 at 12 n. 3.) Fannie Mae does not oppose the Receiver's abandonment, but requests that the Court's Order provide a reasonable time to allow a smooth transition in the management of the Property. Fannie Mae anticipates that it will likely need to seek appointment of a receiver under Texas state law to manage the property and to collect rents from the tenants. The Receiver's counsel has expressed the Receiver's willingness to work with Fannie Mae to ensure a smooth transition.

Fannie Mae requests that the Court's Order reflect the need to transition the property by allowing a period of 30 days from the date of the Order before the abandonment is effective. Fannie Mae also requests that the Court give Fannie Mae leave from the Order Appointing Receiver, Freezing Assets and Other Relief (Doc. 4, as amended) to pursue applicable state law remedies including, but not limited to, appointment of a receiver, during that 30-day period.

Fannie Mae further notes that its lack of opposition to the instant Motion does not constitute an admission or taking of any position with respect to the apparent dispute over ownership of the interest in the holding entity, Hondo Encinito Apartments, LLC, identified in the Complaint in Intervention filed by Brian Blain, First Branch, LLC, Encinito Properties Ltd., and Visionary Management, Inc. (Doc. 605.).

DATED this 6th day of March, 2013.

SNELL & WILMER L.L.P.

/s/ Jared C. Fields

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Jared C. Fields

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