

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT NORTH CAROLINA  
STATESVILLE DIVISION

|                                     |   |                    |
|-------------------------------------|---|--------------------|
| SECURITIES AND EXCHANGE COMMISSION, | ) |                    |
|                                     | ) |                    |
| Plaintiff,                          | ) |                    |
|                                     | ) |                    |
| v.                                  | ) | Case No.:          |
|                                     | ) | 08-CV-00136-RLV-CH |
| BILTMORE FINANCIAL GROUP, INC. and  | ) |                    |
| J.V. HUFFMAN, JR.,                  | ) |                    |
|                                     | ) |                    |
| Defendants.                         | ) |                    |
|                                     | ) |                    |

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**FINAL REPORT AND ACCOUNTING OF RECEIVER, APPLCIATION TO DISBURSE FUNDS OF THE ESTATE AND APPLICATION TO ABANDON AND DISCHARGE RECEIVER**

William Walt Pettit, ("Receiver") by and through counsel, hereby submits his Final Report and Accounting of Receiver, Application to Disburse Funds of the Estate and Application to Abandon and Discharge Receiver. In support thereof, the Receiver respectfully shows as follows:

1. The Receiver was appointed as Receiver for Biltmore Financial Group, Inc. and J.V. Huffman, Jr. (collectively the "Receivership Defendants") pursuant to an order dated November 12, 2008.
2. In accordance with his appointment, the Receiver filed his Preliminary Report on December 28, 2008; his Second Interim Report on March 31, 2009; his Third Interim Report on June 30, 2009; his Fourth Interim Report on August 31, 2012; and his Fifth Interim Report on April 14, 2013.
3. The Receiver administered all the assets of the Receivership Defendants known to the Receiver, the time for filing claims has expired, the Court has entered an Order disallowing certain claims and the case is ready for closing.
4. The Receiver proposes to abandon all assets not fully administered, including any uncollected accounts of the Receivership Defendants and to destroy any records of the Receivership Defendants not claimed by the Receivership Defendants or any governmental organizations sixty (60) days after this Court enters an Order approving the Receiver's Final Report.
5. On October 5, 2012, the Court entered the granting the

Receiver's Motion to Establish Procedure to File and Allow Claims, which established a procedure for claimants to file a Proof of Claim with the Receiver.

6. The Receiver filed a Motion to Approve All Non-Objectionable Claims and Resolve Objectionable Claims on December 28, 2012. The remaining objectionable claims were reviewed and resolved. All claims have been resolved and no objectionable claims exist.

7. The Receiver has collected all funds of the Receivership Defendants and instituted such actions as he believed were warranted to recover funds. The Receiver has collected a total of \$3,258,150.11, as set forth in the Receivership Accounting, attached hereto, referenced as "Exhibit 1," and the same is incorporated herein by reference.

8. The Receiver has expended certain funds for the administration of the estates and paid certain professional fees as approved by the Court. The Receiver has expended a total of \$765,110.85, as evidenced by Expenses set forth in the Receivership Accounting (Exhibit 1).

9. The Receiver reports \$2,493,037.16 in funds of the estate remain in the Receiver's account available for disbursement.

10. To the extent the Receiver captures any additional funds through currently pending litigation; those funds shall be added to the funds available for disbursement.

11. All claims have been resolved.

12. The Receiver objects to any late filed claims, specifically including those filed after the date of filing of this Final Report. Any late filed claim shall be expressly barred.

WHEREFORE, the Receiver prays that an Order be entered by this Court:

1. Approving and confirming the Receiver's Final Report and Accounting of Receiver, Application to Disburse Funds of the Estate and Application to Abandon and Discharge Receiver;

2. Ordering the final distribution of funds of the Receivership Estate based upon a pro rata share of all approved claims divided by the remaining amount of funds available for distribution;

3. Relieving the Receiver of all liability for any and all taxes alleged in any manner to be due by the Receiver;

4. Discharging the Receiver upon payment of all amounts as directed by said Order and upon filing of a Certification by the accountant for the estate that all funds have been properly accounted for and disbursed by the Receiver;

5. Authorizing the Receiver to abandon any books and records and any property of the Receivership Defendants identified in this action and not otherwise liquidated for the estate as requested herein;

6. Sustaining the Receiver's objection to late filed claims, filed after the filing of this Final Report, as barred; and

7. Ordering such other and further relief as the Court may deem necessary and proper.

This the 15th day of November, 2013.

HUTCHENS, SENTER, KELLAM & PETTIT, P.A.  
Attorneys for the Receiver

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RECEIVERSHIP ACCOUNTING

Deposit Ledger:

| SOURCE  | AMOUNT                |
|---|-----------------------|
| Rents from Real Property                      | \$9,900.00            |
| Proceeds from the sale of Panther Tickets     | \$7,424.00            |
| Miscellaneous Funds                           | \$361,368.26          |
| Proceeds from Sale of Cars/Boats              | \$1,288,314.12        |
| Proceeds from Sale of Real Property           | \$836,096.90          |
| Proceeds from Sale of Personal Property       | \$253,460.79          |
| Recovery from Clawback Litigation/Settlements | \$501,585.94          |
| <b>Total Deposits</b>                         | <b>\$3,258,150.01</b> |

Total paid expenses of the Receivership to date: \$765,110.85

**GRAND TOTAL AVAILABLE FOR DISBURSEMENT: \$2,493,039.16**

