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IN THE UNITED STATES DISTRICT COURT

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FOR THE DISTRICT OF ARIZONA

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Wells Fargo Bank, National Association,)

No. CV-09-587-PHX-MHM

Plaintiff,

ORDER

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vs.

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The Magellan Owners Association, a.k.a.,)

The Magellan Ship Owners Association, et)

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al.,

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Defendant.

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Currently pending before the Court is a Joint Motion for the Disbursement of

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interplead funds submitted by fifty-six (56) Claimants/Defendants Unit Buyers. (Doc.332).

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After the Joint Motion was filed, three additional Unit Buyer Claimant/Defendants joined in

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the Motion each amending the list of claims to include their individual claims. (Docs. 335,

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339, 342). On September 14, 2010, the Claimant/Defendants filed a joint notice that they had

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no objection to the joinder to the motion by the Claimants/Defendants. (Doc. 344) The sole

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remaining Claimant/Defendant who has appeared in this litigation but who has not joined in

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the Motion for Disbursement is the The Magellan Owners Association, a.k.a., The Magellan

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Ship Owners Association (“Magellan”). On July 21, 2010, the Court held a hearing on a

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Motion to Withdraw as Counsel of Record, (Doc. 308), filed by Magellan’s Attorneys. (Doc.

1 321). Pursuant to the Court’s June 29, 2010 Order, personally appearing at the July 21, 2010
2 hearing was Mr. Randall B. Jackson, who appeared as Magellan’s “corporate representative
3 or an otherwise appropriate agent.” (See Doc. 312). At the July 21, 2010 hearing, the Court
4 granted Magellan’s Attorneys’ Motion to Withdraw, (Doc. 321), and specifically warned Mr.
5 Jackson that Magellan, as a business association, could not appear in a pro se capacity, and
6 therefore could not take part in the litigation as the case moved forward should they fail to
7 secure appropriate legal representation. The Court also warned Mr. Jackson that failure to
8 secure counsel would mean that Magellan would not be able to present arguments to the
9 Court regarding the disbursement of interplead funds. Moreover, the Court warned Mr.
10 Jackson that without appropriate representation Magellan might also be subject to a default
11 judgment, in the event that any Unit Buyer Claimant/Defendants assert crossclaims against
12 Magellan. Magellan has currently failed to secure appropriate legal representation, and has
13 failed to file a Response to the Unit Buyer’s Joint Motion for Disbursement, which remains
14 unopposed. After reviewing the pleadings relevant to the issue of disbursement and
15 determining oral argument unnecessary, the Court issues the following Order.

16 **I. PROCEDURAL HISTORY & FACTUAL BACKGROUND**

17 This statutory interpleader action under 28 U.S.C. § 1335 was filed by the now
18 dismissed Plaintiff Wells Fargo Bank, N.A.(“Wells Fargo”). As previously indicated,
19 “[i]nterpleader is a procedural device used to resolve conflicting claims to money or
20 property. It enables a person or entity in possession of a tangible res or fund of money (the
21 stakeholder) to join in a single suit two or more claimants’ asserting mutually exclusive
22 claims to that stake.” Nevada v Pioneer Cos., 245 F Supp. 2d 1120, 1125 (D Nev. 2003)
23 (quoting 4 James Wm. Moore, et al., Moore's Federal Practice § 22.02[1] (3d ed 2002)). An
24 interpleader action avoids the problem of multiple, conflicting claims to a single fund by
25 forcing all “claimants” to a limited amount of money to resolve their potentially adverse
26 claims all at once, before the same judge. See, e.g., State Farm Fire & Casualty Co. v.
27 Tashire, 386 U.S. 523, (1967). An interpleader action usually involves two distinct stages.

1 See Mid-American Indem. Co. v. McMahan, 666 F. Supp. 926, 928 (S.D. Miss. 1987).
2 During the first stage, the court determines whether the plaintiff/stakeholder has the right to
3 compel the adverse claimants to interplead and litigate their claims to the fund in one
4 proceeding. Id. At this point, the court determines whether the prerequisites to statutory
5 interpleader have been met. If the court decides that interpleader is available, it may issue an
6 order discharging the stakeholder and directing the claimants to interplead. See Wright &
7 Miller, Federal Practice and Procedure: Civil 3d § 1704, at 624-627 (3d ed. 2001). The court
8 may also make any other order that is appropriate and convenient for the resolution of the
9 competing claims. Id. During the second stage, the court will adjudicate the defendants'
10 adverse claims to the interplead funds. New York Ins. Co. v. Connecticut Dev. Auth., 700
11 F.2d 91, 95 (2d Cir. 1983). The second stage generally proceeds like any other civil action
12 and it is ultimately resolved when the district court enters judgment in favor of a defendant
13 who is lawfully entitled to the interplead funds. See Diamond Shamrock Oil & Gas Corp. v.
14 Comm'r of Revenues, 422 F.2d 532, 534 (8th Cir. 1970).

15 The Court has already completed the first stage of the interpleader. The Court has
16 accepted jurisdiction over Plaintiff Wells Fargo's Complaint and has declared interpleader
17 an acceptable mechanism for resolving competing claims to the more than \$11 million in
18 disputed funds. After Wells Fargo deposited the disputed funds with the Court, which was
19 accompanied by a statement of its accounting practices related to the disputed funds, the
20 Court discharged Wells Fargo from the litigation as a disinterested stakeholder, and
21 dismissed with prejudice all counterclaims that had been filed against it related to its
22 handling of the disputed funds. After discharge, Wells Fargo moved the Court for an award
23 of attorneys' fees, which the Court denied on August 23, 2010. (Doc. 336). On Jul 21, 2010,
24 the Court set a schedule for the second stage of the interpleader, along with a time line for
25 the Unit Buyers to assert crossclaims against Magellan. On August 16, 2010, the Unit Buyers
26 filed a Joint Motion for Disbursement, which was eventually joined by all
27 Claimant/Defendants who have appeared in this litigation, with the exception of Magellan.

1 Because Magellan has not responded in opposition or filed its own Motion for Disbursement,
2 and because the time for filing such a document has lapsed, the Court is prepared to rule on
3 the Unit Buyer’s pending Motion.

4 The Unit Buyer Claimant/Defendants are individual purchasers of certain fractional
5 ownership interests in a proposed luxury residential cruise ship. Claimant/Defendant
6 Magellan was the promoter and developer of the ship. Magellan prepared, and each of the
7 Unit Buyers signed, a form purchase and sale agreement conveying the individual fractional
8 ownership interests. The Purchase Agreements varied only in two material respects: (1) the
9 amount of the purchase price and advanced association fees paid by each Unit Buyer; and
10 (2) the deadline for Magellan to meet its performance obligations in building the ship (either
11 2 or 3 years from the date of the agreement).

12 Under the Purchase Agreements, Unit Buyers were required to pay an agreed
13 percentage of the “Purchase Price” and “Estimated First Year’s Annual Cooperative
14 Assessment”—known as the “Initial Deposit” amount. Magellan was required to deposit the
15 Initial Deposit with the “Escrow Agent”, Wells Fargo. The Purchase Agreements then
16 allowed Wells Fargo to release 10% of the overall Purchase Price, the “Release Amount”,
17 to Magellan for Magellan to pay certain expenses. Wells Fargo retained the balance of the
18 Initial Deposits in escrow. Generally, Purchase Agreements signed prior to the summer of
19 2007 contained performance deadlines of 3 years. Purchase Agreements signed during or
20 after the summer of 2007 contained a 2 year performance deadline. In all cases, under plain
21 language of the documents, Magellan’s performance deadline has long since passed.

22 The Purchase Agreements required Magellan to meet three performance criteria by
23 the performance deadline stated in the Purchase Agreements: (1) enter into a construction
24 contract for the building of the ship; (2) deliver a financial guaranty for payment of the
25 construction to the ship builder; and (3) post an irrevocable letter of credit with the ship
26 builder. If Magellan failed to timely perform, the Unit Buyers could terminate their Purchase
27 Agreements and were “entitled to the immediate return of the Initial Deposit (including the
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1 Release Amount) and any other amounts paid by [Unit Buyers] to [Magellan]...” The Unit
2 Buyers contend that Magellan breached its performance obligations, and that the Unit Buyers
3 have accordingly terminated their Purchase Contracts. Unit Buyers therefore argue that they
4 are entitled to the immediate return of their Initial Deposit amounts, plus all interest accrued
5 thereon.

6 By way of background, Wells Fargo and Magellan entered into an Escrow Agreement,
7 whereby Wells Fargo acted as the Escrow Agent for the Initial Deposits paid by each Unit
8 Buyer. The Escrow Agreement was incorporated into the Purchase Agreements by reference.
9 Under the Escrow Agreement, Wells Fargo was required to keep an accounting of each of
10 the Unit Buyer’s Initial Deposits, the Release Amounts thereafter transferred to Magellan,
11 and the interest earned on the remaining escrowed funds. Unit Buyers therefore allege that
12 Wells Fargo was further required to disburse the balance of each of the Unit Buyer’s funds
13 back to them if Magellan failed to meet its performance deadline.

14 Wells Fargo deposited the escrowed funds with the Court on January 8, 2010. By
15 Order of the Court, Wells Fargo filed its accounting of the escrow funds under seal. After
16 numerous objections were filed by a number of the Unit Buyers, Wells Fargo filed an
17 amended accounting under seal on February 24, 2010. The amended accounting identified
18 each of the Unit Buyer’s: (1) individual payment of the Initial Deposit amount (separately
19 accounting for the purchase price and association dues deposits); (2) payment of the Release
20 Amount to Magellan; and (3) individual interest earned on the balance of the Initial Deposits
21 from the payment date until the date of deposit with the Court. (See Doc. 279). After Wells
22 Fargo filed the amended accounting, the Court ordered that Magellan and the Unit Buyers
23 file any further objections concerning the deposit and amended accounting by April 30, 2010.
24 With an accurate amended accounting, the objecting Unit Buyers withdrew their previous
25 objections, and thereby eliminated all objections to depositing the interplead funds.
26 Thereafter the Court entered an Order accepting the deposit and accounting.

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1 **II. ANALYSIS**

2 The Unit Buyers' individual claims to the interpleaded funds are set forth in Exhibit
3 3 to their Joint Motion for Disbursement (and in the amended exhibits submitted with the
4 subsequent joinders to the Motion). The Accounting sets forth both the "Claimants Total
5 Claim Amount" and their individual pro-rata "Percentage of Claim" to the interpleaded
6 funds. Unit Buyers affirm that the amount and percentages stated in the Accounting are true
7 and accurate with respect to each of their claims. As such, Unit Buyers have requested that
8 the Court enter an Order directing the Clerk of the Court to disburse the amount of funds
9 corresponding with the Percentage of Claim (so to include interest earned while on deposit
10 with the Court) to each and every Unit Buyer in accordance with the payee schedule
11 provided in the Accounting. The Court has reviewed the Unit Buyers' Accounting, and
12 agrees that disbursement according to this proposed payment schedule is the most equitable
13 and practical manner of resolving this dispute, and that disbursement in the manner provided
14 by the Joint Motion will result in the disputed funds being returned to the rightful owners,
15 who are the Unit Buyer Claimant/Defendants.

16 The only issue that remains is the status of the non-appearing Unit Buyers. Nine (9)
17 named Unit-Buyer Defendants, the remaining potential stakeholders, have failed to appear
18 in this matter. (See Doc. 332, Exhib. 5 though two of the listed Unit Buyers have since
19 appeared and joined the motion). Each of the non-appearing Unit-Buyers has apparently
20 either been served or waived service in this matter. In general, where a stakeholder is served
21 with process but then fails to appear and make claim to interpleaded funds, the stakeholder
22 waives his rights to the funds making them available for equitable redistribution to the other
23 stakeholders. Nationwide Mut. Fire Ins. Co. v. Eason, 736 F.2d 130, 133 n. 4 (4th Cir.
24 1984)("[I]f all but one named interpleader defendant defaulted, the remaining defendant
25 would be entitled to the fund"); New York Life Ins. Co. v. Connecticut Dev. Auth., 700 F.2d
26 91, 95 & n. 6 (2d Cir. 1983)(default of interpleader defendants expedited conclusion of
27 interpleader action by obviating need for judicial determination of answering defendant's
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1 entitlement to stake); Sun Life Assur. Co. of Canada, (U.S.) v. Conroy, 431 F. Supp. 2d 220,
2 226 (D.R.I. 2006)(“A named interpleader defendant who fails to answer the interpleader
3 complaint and assert a claim to the res forfeits any claim of entitlement that might have been
4 asserted defendants have a right to seek the default of another defendant for failure to appear
5 and plead.”).

6 Although the non-appearing Unit-Buyers are in default, the Joint Unit Buyers have
7 requested that the Court establish an additional process for which the non-appearing
8 Unit-Buyers are given further notice of their obligation to appear and make a claim to the
9 interpleaded funds. Such a process will provide the non-appearing Unit-Buyers with a second
10 round of notice of their rights and obligations in this matter and will adequately inform them
11 of the consequences of failing to appear and make claim to the interpleaded funds. Should
12 any non-appearing Unit-Buyer fail to timely appear and make claim to the interpleaded funds
13 through this additional court process, the Joint Moving Unit Buyers request that the Court
14 Order any residual funds be distributed on an adjusted pro-rata basis (after eliminating the
15 allocable percentage attributable to the defaulting non-appearing Unit-Buyer) to the
16 Unit-Buyers who have appeared. The Unit Buyers ask that they be permitted to submit a
17 second joint request for distribution of the forfeited funds and an amended distribution
18 schedule to the Court in a manner similar in form and nature to Exhibit 3.

19 The Unit Buyers jointly request that the Court adopt the following schedule for
20 handling the claims of the non-appearing Unit Buyers:

- 21 • The non-appearing Unit-Buyers must, no later than November 15, 2010: (1)
22 enter an appearance in this case; (2) file a claim for Disbursement of Funds
23 requesting the Court to disburse the interpleaded funds allocable to them; and
24 (3) submit sworn or verified proof of an entitlement to receive a return of the
25 monies deposited with Wells Fargo.
- 26 • Any non-appearing Unit-Buyer who fails to timely enter an appearance and
27 make a claim for disbursement shall be in default for having failed to plead or
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1 otherwise defend pursuant to Rule 55 of the Federal Rules of Civil Procedure,
2 and thereby waive their right to receive any portion of the interpleaded funds.
3 • The law firm of Alvarez & Gilbert, PLLC (who represents a number of Unit
4 Buyers already) shall be directed to mail, electronically or by postal channels,
5 the instant Court Order, together with the Notice of Claim Bar, which has been
6 attached as Exhibit 4 to the Joint Motion for Distribution. These notices will
7 be sent to the non-appearing Unit-Buyers within one (1) day of the entry of the
8 Court's Order at the contact address(es) provided in the non-appearing
9 Unit-Buyer's respective Waivers or Affidavits of Service, which are set forth
10 in Exhibit 5.

11 With several minor revisions, the Court will accept the Joint Unit Buyers' proposed
12 process and schedule for the handling of the claims of the non-appearing Parties. The Court
13 notes that the proposed process and schedule sets forth a fair process for the non-appearing
14 Unit Buyers to be provided with additional notice before their claims to the interplead funds
15 are to be extinguished.

16 **Accordingly**

17 **IT IS HEREBY ORDERED** granting the unopposed Joint Motion for the
18 Disbursement of Interplead Funds. (Doc. 332).

19 **IT IS FURTHER ORDERED** directing the Clerk of the Court to disburse the
20 interpleaded funds held in the Court's Registry to the Unit-Buyer Defendants listed on
21 Exhibit A attached hereto as follows:

22 The Clerk shall first determine the amount allocable to each Unit Buyer by
23 multiplying (i) the total amount of funds held in the Court Registry, including any
24 accrued interest, by (ii) the percentage allocable to each Unit-Buyer as shown in the
25 column entitled "Percentage of Funds" on Exhibit A. The Clerk shall then prepare
26 checks in the amount allocable to each Unit-Buyer by making the check payable to
27 the specified Payee shown on the Column entitled "Payee" and shall mail same to
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1 each such Payee at the address shown in the Column entitled “Address” on Exhibit
2 A. The Clerk is ordered to make this disbursement of funds as soon as possible.

3 **IT IS FURTHER ORDERED** directing the Clerk of the Court, in addition to the
4 regular mailings, within one (1) day of the entry of the instant Order, specifically mail to the
5 following non-appearing Unit Buyers a copy of the instant Court Order, together with the
6 Notice of Claim Bar Date and Order, which has been simultaneously lodged on the Court’s
7 docket, to the following individuals at their last known mailing addresses, which are set forth
8 in Exhibit 5 to docket number 332:¹

- 9 • Daniel & Victoria Allen, 176 Jeffer Court, Wyckoff, NJ 07481
- 10 • Julian & Phoebe Chen, 365 S. Atlantic Blvd #D, Monterey Park, CA 91754
- 11 • Lena Humber Trust, 10 Moncada Way, San Rafael, CA 94901
- 12 • Robert Johnston, 313 La Peninsula Blvd, Naples, FL 34113
- 13 • Patricia & Fredric Schoen, 116 Huntersfield Rd, Delmar, NY 12054
- 14 • Robert & Maureena Schreurs, 6097 Blackburn Rd, Chilliwack, British Columbia,
15 Canada
- 16 • Esther Shelden, 5625 Crescent Park W. #409, Playa Vista, CA 90094
- 17 • Mark Shumate, 221 16th St. #2, Atlanta, GA 30363

18 **IT IS FURTHER ORDERED** directing the law firm Alvarez & Gilbert, PLLC to
19 electronically mail a copy of the instant Court Order, together with the Notice of Claim Bar
20 Order, at the electronic contact address(es) provided in the non-appearing Unit-Buyer’s
21 respective Waivers or Affidavits of Service, which are set forth in Exhibit 5 to docket
22 number 332. The electronic mail must be accomplished in both PDF and Microsoft Word form
23 and must be sent within one (1) day of the entry of the instant Order

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25 _____
26 ¹According to Exhibit 5 of the Joint Motion for Disbursement, there is no mailing
27 address available for Unit Buyer Lori Patrizia Weltert, only a electronic mailing address. (See
28 Doc. 332, Exhib. 5).

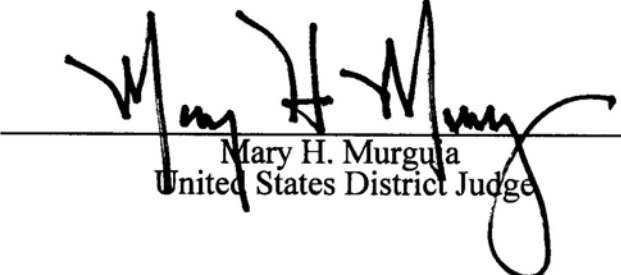
1 **IT IS FURTHER ORDERED** that if any Unit Buyers who have been served or
2 accepted service in this matter but have failed to submit a claim for disbursement of the
3 interpleaded funds by **November 15, 2010** the residual funds held by the Clerk after the
4 disbursements above ordered are made, shall be distributed to the Unit Buyers who have
5 appeared and filed a claim for disbursement of funds on an adjusted pro rata basis (after
6 eliminating the allocable percentage attributable to any defaulting Unit Buyers) following
7 the entry of this Order.

8 **IT IS FURTHER ORDERED** that to facilitate this secondary disbursement process,
9 the Unit-Buyer Defendants are directed to submit a second joint request for distribution of
10 forfeited funds with an amended distribution schedule to the Court similar in form and nature
11 to Exhibit 3 in their Motion identifying each moving Unit-Buyer, the percentage of the total
12 funds to be distributed to each moving Unit-Buyer, the designated Payee and address to
13 which each disbursement is to be sent.

14 **IT IS FURTHER ORDERED** that this secondary disbursement schedule shall be
15 filed on or before November 30, 2010.

16 DATED this 20th day of September, 2010.

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Mary H. Murgula
United States District Judge

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EXHIBIT A:

CLAIMANT	APPEARANCE DKT. #	PAYEE	ADDRESS	TOTAL CLAIM AMOUNT	PERCENTAGE OF FUND
Acanitt Ltd (Freiha)	102	Snell & Wilmer LLP Trust Account	1 Arizona Ctr, 400 E Van Buren, Phoenix, AZ 85004-2202	\$1,249,883.35	11.3139%
Amaral, Walt & Janet	99	Ridenour Hienton & Lewis PLLC Trust Account	Ridenour Hienton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$253,788.53	2.2973%
Andree, Frank & Lapalme, C	338	Gallagher & Kennedy, P.A. Trust Account	Gallagher & Kennedy, P.A., 2575 East Camelback Road, Phoenix, AZ 85016	\$73,705.61	0.6672%
Arnold, Thomas	137	Thomas R. Arnold	464 Prospect Street La Jolla, CA. 92037	\$254,216.53	2.3012%
Baker, David Living Trust	230	David G. Baker, Trustee	239 Brannan Street, Unit 3A, San Francisco CA 94107-4071	\$158,145.67	1.4315%

BAL Investment Group	57	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$28,372.16	0.2568%
Benedetto, Joseph (ALCAN)	210	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$351,503.66	3.1818%
Boese, Joerg	341	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$161,824.93	1.4648%
Brown, Carol & Walker, Danna	135	Ridenour Hienton & Lewis PLLC Trust Account	Ridenour Hienton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$25,572.90	0.2315%
Cinca, Daniel Dragos	151	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$129,466.27	1.1719%

Cooper, Marc & Ruth	75	Marc and Ruth Cooper	625 East Dilido Drive, Miami Beach, FL 33139	\$42,718.00	0.3867%
Coviello Family Living Trust	179	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$260,296.24	2.3562%
Cramer, Lorraine, Trustee	167	Gallagher & Kennedy, P.A. Trust Account	Gallagher & Kennedy, P.A., 2575 East Camelback Road, Phoenix, AZ 85016	\$358,231.45	3.2427%
Fahmy, Diao & Odette	265	Gallagher & Kennedy, P.A. Trust Account	Gallagher & Kennedy, P.A., 2575 East Camelback Road, Phoenix, AZ 85016	\$30,310.76	0.2744%
Farid, Amany & Dr. Rafla, Atef	266	Gallagher & Kennedy, P.A. Trust Account	Gallagher & Kennedy, P.A., 2575 East Camelback Road, Phoenix, AZ 85016	\$69,799.93	0.6318%

Feldman, Benjamin	212	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$81,225.71	0.7353%
Fulco, Frank & Kathleen	112	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$91,359.15	0.8270%
Gopin, Michael	163	Ridenour Hienton & Lewis PLLC Trust Account	Ridenour Hienton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$52,129.01	0.4719%
Grainger, Michael & Donna	182	Cohen Kennedy Dowd & Quigley Trust Account	2425 E. Camelback Rd., Suite 1100 Phoenix, AZ 85016	\$53,123.75	0.4809%
Haglund, James & Patty	89	Osborn Maledon, P.A. Trust Account	2929 N. Central Avenue, Suite 2100 Phoenix, Arizona 85012	\$109,047.95	0.9871%

Harborage (Ed Teraskiewicz)	90	Harborage Leasing Corp.	c/o Morella & Associates, 706 Rochester Road, Pittsburgh, PA 15237	\$74,323.08	0.6728%
Iacino, Edward & Roberta	178	Edward & Roberta Iacino	c/o Preeo Silverman Green & Egle PC, 1401 17th St, Ste 800, Denver, CO 80202	\$47,782.51	0.4325%
Jaynes, Cecil Family Trust	328	Harper Law PLC Trust Account	Harper Law PLC, 1 N. Central Ave., Suite 1130, Phoenix, Arizona 85004	\$103,857.96	0.9401%
Karu, Stuart	210	Cohen Kennedy Dowd & Quigley Trust Account	2425 E. Camelback Rd., Suite 1100 Phoenix, AZ 85016	\$203,311.96	1.8404%
Kelly, Anthony & Louise	186	Ridenour Hienton & Lewis PLLC Trust Account	Ridenour Hienton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$263,629.30	2.3864%
Kornievsky, George & Carol	157	George M. Kornievsky and Carol A. Kornievsky, Trustees	6 Longshore, Irvine, CA 92614	\$269,542.98	2.4399%

Levey, Mark	297	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$52,067.47	0.4713%
Lubell, Paul	80	Paul Lubell	c/o Florence M. Bruemmer, 42104 N. Venture Court, Ste. A122, Anthem, AZ 85086	\$143,768.62	1.3014%
Mason, Donald & Tomie	207	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$172,289.33	1.5596%
McMahan, John	211	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$199,389.15	1.8049%
Menard, Linda	138	Ridenour Hienton & Lewis PLLC Trust Account	Ridenour Hienton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$234,393.12	2.1217%

Miller, Charles & Rita	81	Charles E. Miller, Sr. and Rita S.Miller Revocable Trust	6820 Manasota Key Road, Englewood Florida 34223	\$256,624.22	2.3230%
Miller, David	185	Cohen Kennedy Dowd & Quigley Trust Account	2425 E. Camelback Rd., Suite 1100 Phoenix, AZ 85016	\$953,145.77	8.6279%
O'Hara, Gary & Janice	73	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$37,358.59	0.3382%
Ouano, Ruperto	228	Ridenour Hienton & Lewis PLLC Trust Account	Ridenour Hienton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$25,698.81	0.2326%
Polik, Dean & Gwenn	196	Garvey Schubert Barer Trust Account	Garvey Schubert Barer Attn: David R. West 1191 Second Ave., 18th Floor, Seattle, WA 98101	\$38,925.60	0.3524%

Polskin, Howard & Philippa	84	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$162,633.47	1.4722%
Prata Investments	65	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$144,606.20	1.3090%
Radeka, Richard & Sharon	76	Richard Radeka and Sharon Radeka	Richard and Sharon Radeka c/o H. David Hanes, 508 W. Vandament, Suite 300, Yukon, OK 73099	\$41,085.01	0.3719%
Riker, Donald & Leigh	277	Sacks Tierney P.A. Trust Account	Sacks Tierney P.A. 4250 North Drinkwater Blvd., 4th Floor, Scottsdale, AZ 85251	\$32,799.93	0.2969%
Riley, Richard A & Carol	88	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$195,433.05	1.7691%

Root, Tracy	329	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$158,275.04	1.4327%
Ross, Robert & Winnie	191	John Kao Law Office Clients' Funds Account	John Kao Law Office The Mills Tower, 220 Montgomery Street, Suite 1611, San Francisco, California 94104	\$81,522.58	0.7379%
Roudels, Jon	24	Jonathan Roudels	3945 NW 39 Ct, Gainesville Fl 32606	\$27,693.79	0.2507%
Sangiaco, Maria F	186	Ridenour Hinton & Lewis PLLC Trust Account	Ridenour Hinton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$58,928.83	0.5334%
SATA Holdings	58	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$28,424.86	0.2573%

Shafron, Martin & Margaret	119	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$313,251.21	2.8355%
Shia, Daniel & Jonathan, H Yuan	141	Harper Law PLC Trust Account	Harper Law PLC, 1 N. Central Ave., Suite 1130, Phoenix, Arizona 85004	\$71,780.14	0.6498%
Sitgraves, Darcy & Brazier, J	167	Gallagher & Kennedy, P.A. Trust Account	Gallagher & Kennedy, P.A., 2575 East Camelback Road, Phoenix, AZ 85016	\$81,451.18	0.7373%
Spevakow, Robert & Darlene	144	Ridenour Hienton & Lewis PLLC Trust Account	Ridenour Hienton & Lewis, PLLC 201 N. Central, Suite 3300, Phoenix, AZ 85004	\$159,372.80	1.4426%
Stiff, Robert & Susan	79	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$44,251.03	0.4006%

Thomas, William	85	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$28,288.11	0.2561%
Trotter, John	267	Gallagher & Kennedy, P.A. Trust Account	Gallagher & Kennedy, P.A., 2575 East Camelback Road, Phoenix, AZ 85016	\$23,627.69	0.2139%
Vitacura, Inc (Jorge Inclan)	111	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$288,204.96	2.6088%
Wassef, Ezzat Dr.	264	Gallagher & Kennedy, P.A. Trust Account	Gallagher & Kennedy, P.A., 2575 East Camelback Road, Phoenix, AZ 85016	\$71,042.91	0.6431%
Weis, Timothy & Tracy, Trustees	189	Polsinelli Shughart Client Trust Account	Polsinelli Shughart PC, 3636 N. Central Avenue, Suite 1200, Phoenix AZ 85012	\$777,916.67	7.0417%

Wolfe, Mitchel & Sharyne	110	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$194,528.43	1.7609%
Wong, Steve & Cheung, Rose	220	Burch & Cracchiolo, PA Trust Account	Burch & Cracchiolo, PA, 702 E. Osborn Rd., Suite 200, Phoenix, AZ 85014	\$43,528.18	0.3940%
Wright, Irvin	280	Alvarez & Gilbert, PLLC Trust Account	Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd. Scottsdale, AZ 85260	\$155,007.76	1.4031%