

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO
Judge Robert E. Blackburn**

10-cv-02794-REB-KLM

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

UNIVERSAL CONSULTING RESOURCES LLC, and
RICHARD DALTON,

Defendants,

and

MARIE DALTON,

Relief Defendant.

**ORDER GRANTING MOTION FOR EXPEDITED STATUS CONFERENCE
RE: 927 COLE STREET PROPERTY**

Blackburn, J.

This matter is before me on the **Plaintiff's Motion for an Expedited Status Conference Regarding the Status of the 927 Cole Street, Golden, Colorado, Property** [#97]¹ filed January 26, 2012. The motion is granted on the terms stated in this order.

On December 1, 2011, I entered an order [#89] granting the plaintiff's motion for default judgment against relief defendant, Marie Dalton. Accordingly, on December 7, 2011, **Default Judgment** [#93] entered against relief defendant, Marie Dalton. Both the

¹ "[#97]" is an example of the convention I use to identify the docket number assigned to a specific paper by the court's electronic case filing and management system (CM/ECF). I use this convention throughout this order.

order [#89] and the **Default Judgment** [#93] contain provisions requiring the appointment of a receiver to sell real property owned by Marie Dalton, which property is located at 927 Cole Street, Golden, Colorado (the Cole Street Property). Concurrent with the above-captioned case, an in rem civil forfeiture action concerning the Cole Street Property is pending in this court. ***United States v. 927 Cole Street, Golden, Colorado, et al.***, Civil Action No. 11-cv-02106- PAB-CBS (D. Colo.). In addition, a criminal case is pending against Richard Dalton and Marie Dalton. ***United States v. Richard Dalton and Marie Dalton***, Criminal Case No. 11-mj-01126–BNB (D. Colo.) All three cases concern allegations that the Richard Dalton ran a scheme that fraudulently raised over 17 million dollars from 130 investors in 13 states. In the case at bar, Marie Dalton is named as a relief defendant only. In the in rem case and in the criminal case, Marie Dalton is alleged to have operated the fraudulent scheme with Richard Dalton.

With regard to the Cole Street Property, the **Default Judgment** [#93] in this case provides at paragraph seven (7):

That on the joint recommendation of the Securities and Exchange Commission and the Office of the United States Attorney for the District of Colorado, a receiver **SHALL BE APPOINTED** to sell the property owned by Marie Dalton located at 927 Cole Street in Golden, Jefferson County, Colorado;

In paragraph eight (8), the **Default Judgment** provides also for disposition of the proceeds of the sale, once a sale is completed. *Default Judgment* [#93], pp. 3-4.

In December, 2011, the United States determined that the Cole Street Property had been abandoned and was in danger of deterioration due to adverse weather conditions. A judge in the in rem action granted the United States a writ of entry for the property. Pursuant to that writ, the Internal Revenue Service secured the property. On January 25, 2012, the court in the in rem action held a post-seizure hearing and status

conference. At the hearing, Marie Dalton was represented by appointed counsel. The minutes of the hearing state that an agreement has been reached with Marie Dalton and that corresponding asset forfeiture paperwork would be filed by the parties. **United States v. 927 Cole Street, Golden, Colorado, et al.**, Civil Action No. 11-cv-02106-PAB-CBS (D. Colo.), Minutes [#34] filed January 25, 2012.

In its present motion, the SEC asks, in effect, that the provisions of the **Default Judgment** [#93] be amended to permit the Cole Street Property to be sold by the Internal Revenue Service rather than by a receiver. The SEC represents that a sale by the Internal Revenue Service might reduce transaction costs related to the sale of the property.

I agree with the SEC's suggestion. The in rem proceeding, **United States v. 927 Cole Street, Golden, Colorado, et al.**, Civil Action No. 11-cv-02106- PAB-CBS (D. Colo.), is a proceeding designed specifically to deal with asset forfeiture and sale of a forfeited asset. Ms. Dalton is represented by counsel in that proceeding, but is not represented by counsel in this case. The record in the in rem proceeding shows that Ms. Dalton has agreed to a forfeiture of the Cole Street Property. As a result, the in rem proceeding is the most efficient means by which issues concerning the sale of the Cole Street Property can be resolved.

THEREFORE, IT IS ORDERED as follows:

1. That the **Plaintiff's Motion for an Expedited Status Conference Regarding the Status of the 927 Cole Street, Golden, Colorado, Property** [#97] filed January 26, 2012, is **GRANTED** on the terms stated in this order;
2. That an **Amended Default Judgment SHALL BE ISSUED** in this case;
3. That the terms of the **Amended Default Judgment** shall be identical to the

terms of the extant **Default Judgment** [#93], except that paragraph seven (7) of the **Default Judgment** [#93] shall be deleted and replaced with the language specified below;

4. That hereafter paragraph seven (7) of the **Amended Default Judgment** shall read as follows:

That the property owned by Marie Dalton located at 927 Cole Street in Golden, Jefferson County, Colorado, **SHALL BE SOLD** as directed by the court in ***United States v. 927 Cole Street, Golden, Colorado, et al.***, Civil Action No. 11-cv-02106- PAB-CBS (D. Colo.);

5. That once an **Amended Default Judgment** is filed in this case the original **Default Judgment** [#93] **SHALL BE** supplanted and superseded by the **Amended Default Judgment**;

6. That otherwise, the **Plaintiff's Motion for an Expedited Status Conference Regarding the Status of the 927 Cole Street, Golden, Colorado, Property** [#97] filed January 26, 2012, is **DENIED**.

Dated February 22, 2012, at Denver, Colorado.

BY THE COURT:



Robert E. Blackburn
United States District Judge