

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

| | | |
|------------------------------|---|---------------------------------|
| UNITED STATES SECURITIES AND |) | |
| EXCHANGE COMMISSION, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | CAUSE NO. 1:05-cv-01102-DFH-TAB |
| |) | |
| ALANAR, INC., et al., |) | |
| |) | |
| Defendants, |) | |
| |) | |
| and |) | |
| |) | |
| CHURCHMEN’S INVESTMENT |) | |
| CORPORATION, et al., |) | |
| |) | |
| Relief Defendants. |) | |

TRADE CREDITOR CLAIMS PROCEDURE

I. DEFINITIONS

As used herein, the following words shall have the following meanings:

- (i) **“Alanar Business Entities”** shall include: (a) those entities utilized by Defendant, Alanar, Inc. (**“Alanar”**) and the **“Reeves”** (as defined herein) in connection with the bond offerings conducted by Alanar and the Reeves (the **“Bond Issues”**); (b) forty-two (42) entities utilized by Alanar and the Reeves in the sale of units in bond funds (the **“Bond Funds”**), including: (1) Defendants, Churchmen’s Income Bond Fund 1, LLC, Churchmen’s Income Bond Fund 2, LLC, Churchmen’s Income Bond Fund 3, LLC, Churchmen’s Income Bond Fund 4, LLC, Churchmen’s Income Bond Fund 6, LLC, Churchmen’s Income Bond Fund 7,

LLC, Churchmen's Income Bond Fund 8, LLC, Churchmen's Income Bond Fund 11, LLC, Churchmen's Income Bond Fund 13, LLC, Churchmen's Income Bond Fund 14, LLC, Churchmen's Income Bond Fund 15, LLC, Churchmen's Growth Bond Fund 1, LLC, Churchmen's Growth Bond Fund 3, LLC, Churchmen's Growth Bond Fund 4, LLC, Churchmen's Growth Bond Fund 6, LLC, Churchmen's Growth Bond Fund 7, LLC, Churchmen's Growth Bond Fund 10, LLC, Churchmen's Growth Bond Fund 11, LLC, Churchmen's Growth Bond Fund 12, LLC, Churchmen's Aggressive Income Bond Fund 1, LLC, Churchmen's Aggressive Income Bond Fund 2, LLC, Churchmen's Aggressive Income Bond Fund 3, LLC, Churchmen's Aggressive Income Bond Fund 4, LLC and Regent Capital, LLC; (2) Non-Defendants, Churchmen's Income Bond Fund 5, LLC, Churchmen's Income Bond Fund 9, LLC, Churchmen's Income Bond Fund 10, LLC, Churchmen's Income Bond Fund 12, LLC, Churchmen's Income Bond Fund 16, LLC, Churchmen's Income Bond Fund 17, LLC, Churchmen's Growth Bond Fund 2, LLC, Churchmen's Growth Bond Fund 5, LLC, Churchmen's Growth Bond Fund 8, LLC, Churchmen's Growth Bond Fund 9, LLC, Churchmen's Growth Bond Fund 13, LLC, Churchmen's Growth Bond Fund 14, LLC, Churchmen's Growth Bond Fund 15, LLC, Churchmen's Aggressive Growth Bond Fund 1 LLC, Churchmen's Aggressive Growth Bond Fund 2, LLC, Churchmen's Aggressive Growth Bond Fund 3, LLC, Churchmen's Aggressive Income Bond Fund 5, LLC, Churchmen's Aggressive Income Bond Fund 6, LLC; (c) three (3) entities used by Alanar as paying agents, Defendants, Guardian Services, LLC, First Financial Services of Sullivan County, Inc., and

The Liberty Group, Inc. (collectively, the “**Paying Agents**”); (d) Relief Defendants, Churchmen’s Investment Corp., Churchmen’s Capital Group, Inc. AIC Aviation, Inc., The Citadel Corporation of Sullivan County, Northstar Mortgage Funding, Inc. and Northstar Development Corp.; and (e) Non-Defendant, the Reeves Family Limited Partnership.

- (ii) “**ATCC**” shall mean a Trade Creditor’s Adjusted Trade Creditor Claim which shall be calculated for non-“**Issuers**” (as defined herein) by subtracting all payments made to a “**Trade Creditor**” (as defined herein) on account of goods or services provided to an Alanar Business Entity from the dollar amount of goods or services provided to an Alanar Business Entity **before the date of the Court’s Order appointing the Receiver (December 20, 2005)**. An Issuer’s Adjusted Trade Creditor Claim shall be calculated by subtracting all payables from all receivables for each of the Issuer’s Bond Issues. Trade Creditors who have zero or negative ATCCs will not be entitled to participate in a Receivership Estate distribution. In calculating ATCCs for any Trade Creditors with multiple claims, the Receiver shall net positive and negative ATCCs to arrive at one combined ATCCs for each Trade Creditor.
- (iii) “**Claims Bar Date**” shall mean the date established by the “**Trade Creditor Claims Procedure Adoption Order**” (as defined herein) by which a Trade Creditor must file a “**Proof of Claim Form**” (as defined herein) with the Receiver as prescribed in the Trade Creditor Claims Procedure Adoption Order to avoid their “**Trade Creditor Claim**” (as defined herein) being barred. The Claims Bar Date shall be seventy-five (75) days following the date of entry of the Trade

Creditor Claims Procedure Adoption Order, or August 26, 2009. Unless waived by the Receiver in his sole discretion for good cause shown, any Trade Creditor that does not file a properly completed and documented Proof of Claim Form with the Receiver on or before the Claims Bar Date shall be forever barred from asserting a Trade Creditor Claim, unless the Trade Creditor is a “**Governmental Authority**” (as defined herein) whose Trade Creditor Claim is still valid under applicable law despite the provisions of the “**Trade Creditor Claims Procedure**” (as defined herein). Trade Creditors shall bear the burden of ensuring that Proof of Claim Forms and any accompanying documentation have been properly and timely received by the Receiver, as evidenced by a letter of confirmation from the Receiver.

- (iv) “*Claims Determination Date*” shall mean the date by which the Receiver must reach his determination concerning the validity and amount of each “**Trade Creditor Claim**” (as defined herein). Under the Proposed Trade Creditor Claims Procedure, the Claims Determination Date shall be sixty (60) days following the Claims Bar Date, or October 26, 2009, unless such date is extended by the Receiver with prior Court approval. For any Proof of Claim Form permitted to be filed after the Claims Bar Date, the Claims Determination Date shall be sixty (60) days after the filing of the belated Proof of Claim Form.
- (v) “*Claims Packet*” shall mean the materials directed by the Trade Creditor Claims Procedure Adoption Order to be provided to Trade Creditors known to the Receiver or so requesting, including copies of: (a) the “**Proof of Claim Form**” (as

defined herein); (b) this Trade Creditor Claims Procedure; and (c) a “**Summarizing Letter**” (as defined herein).

- (vi) “**Court**” shall mean the United States District Court for the Southern District of Indiana, Indianapolis Division.
- (vii) “**Court Clerk**” shall mean the Clerk of the United States District Court for the Southern District of Indiana, Indianapolis Division.
- (viii) “**Determination Notice**” shall mean the notice sent by the Receiver stating the Receiver’s determination concerning the validity and amount of a Trade Creditor Claim.
- (ix) “**Final Determination Notice**” shall mean the notice sent by the Receiver stating the Receiver’s final determination concerning a “**Trade Creditor Claimant’s**” (as defined herein) “**Request for Redetermination**” (as defined herein) (the “**Final Determination**”).
- (x) “**Governmental Authorities**” shall mean federal, state, and local regulatory authorities, including, without limitation, taxing, workmen’s compensation, and unemployment authorities.
- (xi) “**Proof of Claim Form**” shall mean the form to be completed by Trade Creditors and filed with the Receiver before the Claims Bar Date to be utilized by the Receiver in making a determination regarding the validity and amount of a Trade Creditor Claim. A representative copy of the Proof of Claim Form is attached as **Exhibit 1** to the “Motion to Adopt Trade Creditor Claims Procedure” previously filed with the Court by the Receiver.

- (xii) “**Reeves**” shall refer to Defendants, Vaughn A. Reeves, Sr., Vaughn A. Reeves, Jr., Jonathan Christopher Reeves and Joshua Craig Reeves.
- (xiii) “**Request for Adjudication**” shall mean a Trade Creditor Claimant’s request to the Court Clerk seeking an adjudication of the Receiver’s Final Determination.
- (xiv) “**Request for Redetermination**” shall mean a Trade Creditor Claimant’s request, accompanied by any necessary supporting documentation, filed by the Trade Creditor Claimant with the Receiver requesting that the Receiver redetermine the validity or amount of the Trade Creditor Claim.
- (xv) “**Summarizing Letter**” shall mean a letter from the Receiver summarizing the Trade Creditor Claims Procedure and notifying Trade Creditors of their right to file the Proof of Claim Form in a form approved by the Court. A representative copy of the Summarizing Letter is attached as **Exhibit 2** to the “Motion to Adopt Trade Creditor Claims Procedure” previously filed with the Court by the Receiver.
- (xvi) “**Trade Creditor**” shall mean: (a) those natural persons and entities that have provided goods or services to or otherwise have non-investment claims against the Alanar Business Entities; (b) those Governmental Authorities with non-investment claims against the Alanar Business Entities; and (c) those entities which issued bonds in the Bond Issues (“**Issuers**”).
- (xvii) “**Trade Creditor Claimant**” shall mean a Trade Creditor or purported Trade Creditor that has timely filed an appropriate Proof of Claim Form as prescribed in the Trade Creditor Claims Procedure. Classification of a Trade Creditor as a Trade Creditor Claimant does not involve any determination of the validity,

amount, or priority of a Trade Creditor Claim or the entities potentially liable therefore.

(xviii) “*Trade Creditor Claims*” shall mean those claims of Trade Creditor Claimants.

(xix) “*Trade Creditor Claims Procedure*” shall mean the Proposed Trade Creditor Claims Procedure adopted by the Court, as amended or modified by the Court from time to time.

(xx) “*Trade Creditor Claims Procedure Adoption Order*” shall mean this Court’s Order adopting the Proposed Trade Creditor Claims Procedure and providing for implementation thereof, entered by this Court as of the date set forth therein.

II. THE TRADE CREDITOR CLAIMS PROCEDURE

The following, including the definitions set forth above, is hereby established as the Trade Creditor Claims Procedure:

- (i) The Receiver shall mail or cause to be mailed the Claims Packet to all Trade Creditors known to the Receiver by United States First Class Mail no later than July 13, 2009.
- (ii) Within ten (10) days following the entry of the Trade Creditor Claims Procedure Adoption Order, the Receiver shall also post a copy of this Trade Creditor Claims Procedure and the Trade Creditor Claims Procedure Adoption Order, including all Exhibits, on the Receiver’s Alanar website, www.alanarinfo.com.
- (iii) Within thirty (30) days following entry of the Trade Creditor Claims Procedure Adoption Order, the Receiver shall publish once in the national edition of *USA Today* or *The Wall Street Journal* a Claims Procedure Notice in a form prescribed the Court. The Claims Procedure Notice shall indicate that a claimant may obtain

a Claims Packet by so requesting from the Receiver in writing, and that the Proof of Claim Form and all supporting documentation must be filed with and received by the Receiver on or before the Claims Bar Date, or else such claim shall be permanently barred. The Receiver shall promptly provide the Claims Packet to any purported Trade Creditor who makes such a request.

- (iv) On or before the Claims Bar Date, any Trade Creditor seeking to assert a Trade Creditor Claim must file a properly completed Proof of Claim Form with the Receiver together with all supporting documentation. The Claims Bar Date shall be August 26, 2009. Unless waived by the Receiver in his sole discretion for good cause shown, any Trade Creditor or purported Trade Creditor that does not file a properly completed and documented Proof of Claim Form with the Receiver on or before the Claims Bar Date shall be forever barred from asserting a claim against the Alanar Business Entities, the Receiver, or the Receivership Estate, provided that Trade Creditor Claims of Governmental Authorities that would retain validity under applicable law shall not be affected by failure to timely file a Proof of Claim Form. Any purportedly filed Proof of Claim Form that is not properly documented, does not conform with the provisions of this Trade Creditor Claims Procedure, or does not reasonably comply with the instructions for completion of the Proof of Claim Form may be rejected by the Receiver and shall be treated as if no Proof of Claim Form was timely filed. Trade Creditors shall bear the burden of ensuring that Proof of Claim Forms and any accompanying documentation have been properly and timely received by the Receiver, as evidenced by a letter of confirmation from the Receiver. The burden of notifying

the Receiver of a Trade Creditor's current address and other contact information shall be upon the Trade Creditor.

- (v) The Receiver shall review each of Proof of Claim Form to determine the validity and proper amount of the Trade Creditor Claim, together with any additional conclusions of the Receiver on other issues relevant to the Proof of Claim Form. Each Trade Creditor Claimant shall have the burden of proof to establish the validity and amount of its Trade Creditor Claim and the entity or entities that are legally responsible for the payment thereof; and the Receiver shall have the right to request, and the Trade Creditor shall be obligated to provide, any additional information and/or documentation deemed relevant by the Receiver. The Receiver shall also have the right to refer any Trade Creditor Claim to the Court for determination.
- (vi) On or before the Claims Determination Date, the Receiver shall mail by United States First Class Mail a Determination Notice to each Trade Creditor that has timely filed a properly completed Proof of Claim Form. The Claims Determination Date shall be October 26, 2009, unless such date is extended by the Receiver with prior Court approval. For any Proof of Claim Form permitted to be filed after the Claims Bar Date, the Claims Determination Date shall be sixty (60) days after the filing of the belated Proof of Claim Form.
- (vii) For each Trade Creditor Claim the Receiver determines to be valid, the Receiver will calculate an ATCC, which shall be calculated for non-Issuers by subtracting all payments made to a Trade Creditor on account of goods or services provided to an Alanar Business Entity from the dollar amount of goods or services

provided to an Alanar Business Entity. An Issuer's ATCC shall be calculated by subtracting all payables from all receivables for each of the Issuer's Bond Issues.

- (viii) Any Trade Creditor Claimant who disagrees with the Receiver's determination of the validity of their Trade Creditor Claim or the calculation of their ATCC as set forth in the relevant Determination Notice may file a Request for Redetermination with the Receiver by mailing the Receiver a request clearly detailing the basis for the Trade Creditor Claimant's disagreement with the Receiver's determination of the validity of their Trade Creditor Claim or the calculation of their ATCC, together with the ATCC claimed by the Trade Creditor Claimant and all supporting documentation. Any Request for Redetermination must be filed with the Receiver no later than thirty (30) days after the date the Determination Notice was mailed to the Trade Creditor Claimant. Unless waived by the Receiver in his sole discretion for good cause shown, any disagreeing Trade Creditor Claimant or purported Trade Creditor Claimant that does not timely file a properly completed and documented Request for Redetermination with the Receiver shall be forever barred from disputing the Receiver's determination of the validity of their Trade Creditor Claim or the ATCC shown in the Determination Notice. Trade Creditor Claimants shall bear the burden of ensuring that Requests for Redetermination and any accompanying documentation have been properly and timely received by the Receiver, as evidenced by a letter of confirmation from the Receiver.
- (ix) The Receiver shall review each Request for Redetermination to determine the validity of such Request. Each Trade Creditor Claimant filing a Request for Redetermination shall have the burden of proof to establish the validity of his

Request; and the Receiver shall have the right to request, and the Trade Creditor Claimant shall be obligated to provide, any additional information and/or documentation deemed relevant by the Receiver in order to make the Receiver's Final Determination. The Receiver shall mail by United States First Class Mail a Final Determination Notice to each Trade Creditor Claimant filing a Request for Redetermination, setting forth the Receiver's conclusions concerning such Request for Redetermination. The Receiver shall also have the right to refer the Request for Redetermination of any Trade Creditor Claimant to the Court for adjudication.

- (x) Any Trade Creditor Claimant that is dissatisfied with the Receiver's Final Determination of their Request for Redetermination, as reflected in the relevant Final Determination Notice, may request adjudication of the Receiver's Final Determination by the Court by filing a written Request for Adjudication with the Court Clerk, with a copy to the Receiver. Such written Request for Adjudication must be mailed by the requesting Trade Creditor Claimant in sufficient time that it is received by the Court Clerk and the Receiver no later than thirty (30) days after the date on which the Final Determination Notice was mailed to the Trade Creditor Claimant by the Receiver. The burden of ensuring such timely receipt shall be upon the Trade Creditor Claimant. The Request for Adjudication shall clearly explain the Trade Creditor Claimant's disagreement with the Receiver's Final Determination as reflected in the Final Determination Notice and shall include copies of all relevant documentation, which shall also be provided to the Receiver. Failure to properly and timely request adjudication of a Receiver's

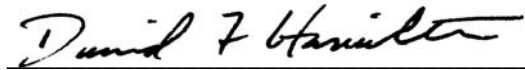
Final Determination as reflected in the relevant Final Determination Notice shall permanently waive the Trade Creditor Claimant's right to object to or contest the Receiver's Final Determination. The Receiver shall have the right, in his sole discretion, to file with the Court Clerk a written response to such Request for Adjudication within thirty (30) days of receipt of the Request, with copies to the Trade Creditor Claimant.

- (xi) A Trade Creditor Claimant who has timely filed a Request for Adjudication shall have the right to reasonable discovery from the Receiver (if necessary) for the proper preparation and presentation of their Trade Creditor Claim, so long as such discovery and its manner of conduct would not interfere with or unduly burden the administration of the Receivership Estate. If the Receiver and the Trade Creditor Claimant cannot agree concerning the reasonableness and appropriateness of such discovery request(s) and/or the response(s) to such request(s), the request(s) for discovery shall be referred to the Court. A revised written Request for Adjudication, with supporting documentation, may be filed with the Court Clerk by the Trade Creditor Claimant, with copies to the Receiver, within fifteen (15) days after the date such discovery materials are delivered to the Trade Creditor Claimant by the Receiver.
- (xii) In the event that a Trade Creditor Claimant properly and timely files a Request for Adjudication, or the Receiver requests that a Trade Creditor Claim be referred to the Court for determination, such matter shall be referred to a Magistrate Judge or Special Master appointed by the Court. The Magistrate Judge or Special Master shall review the documentation provided by the Trade Creditor Claimant and the

Receiver. At that time, the Magistrate Judge or Special Master may make a final determination of the Claim or may set the matter for hearing, and make a final determination at the conclusion of the hearing. The Trade Creditor Claimant shall have the burden of proof whether the Trade Creditor Claim is before the Magistrate Judge or Special Master based upon a Request for Adjudication or a request by the Receiver that the determination of such Trade Creditor Claim be referred to the Court. The final determination of the Magistrate Judge or Special Master may be appealed to the Court through procedures to be established as needed by Court Order.

- (xiii) No Trade Creditor Claimant who has failed to timely file an appropriate Request for Redetermination or Request for Adjudication shall be permitted to object to the barring or treatment of its Trade Creditor Claim on the basis: (a) that the Receiver failed to mail, or that such Trade Creditor Claimant failed to receive, a copy of the Claims Packet or the relevant Final Determination Notice or (b) that a Request for Redetermination or Request for Adjudication made by the Trade Creditor Claimant was improperly reflected as not having been received by the Receiver or the Court Clerk.
- (xiv) After the Receiver has filed a complete list of the approved Trade Creditor Claims, the Receiver shall make a recommendation to the Court as to the manner, amount, and timing of distribution of funds to Trade Creditor Claimants.
- (xv) The Court reserves the right to amend this Trade Creditor Claims Procedure from time to time.

AS ORDERED BY THIS COURT on the 12th day of _____ June, 2009.

A handwritten signature in cursive script, reading "David F. Hamilton", positioned above a horizontal line.

DAVID F. HAMILTON, CHIEF JUDGE
United States District Court
Southern District of Indiana