

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS**

FEDERAL TRADE COMMISSION,
STATE OF KANSAS,
STATE OF MINNESOTA, and
STATE OF NORTH CAROLINA,

Plaintiffs,

v.

AFFILIATE STRATEGIES, INC., et al.,

Defendants.

Case No. 5:09-CV-04104-JAR-KGS

PERMANENT RECEIVER'S FIRST PLAN OF LIQUIDATION

The following First Plan of Liquidation is APPROVED this 25th day of October,
2009.

S/ Julie A. Robinson

HONORABLE JULIE A. ROBINSON
United States District Judge

ARTICLE I –DEFINITIONS

All capitalized terms shall have the meanings as stated below:

- Section 1.01: "COURT" refers to the United States District Court for the District of Kansas.
- Section 1.02: "EMPLOYEE BENEFIT PLANS" refers to any and all retirement and/or health savings account plans administered by the Receivership Defendants and/or the Related Companies.
- Section 1.03: "RECEIVER" refers to Larry E. Cook, CFE CPP, Permanent Receiver, appointed pursuant to the September 1, 2009 Stipulated Preliminary Injunction Order With Asset Freeze, Appointment of Receiver, and Other Equitable Relief.
- Section 1.04: "RECEIVERSHIP DEFENDANTS" refers to Affiliate Strategies, Inc., Landmark Publishing Group, LLC d/b/a G.F. Institute and Grant Funding Institute, Grant Writers Institute, LLC, Answer Customers, LLC, and Apex Holdings International, LLC.
- Section 1.05: "RELATED COMPANIES" refers to Associated Order Processors, LLC and Midway Management Staffing, LLC.

ARTICLE II—LOTS OF PERSONAL PROPERTY TO BE SOLD

- Section 2.01: LOT 1: Office Equipment at the Affiliate Strategies, Inc. office location, 11644 W. 75th Street in Shawnee, Kansas. A description of the LOT 1 personal property is attached hereto as **Exhibit A**.
- Section 2.02: LOT 2: Computer Servers and related equipment located at NetStandard (third party computer server hosting site) described as follows: (i) HP ProReliant DL380G5 (five server configuration); (ii) HP ProReliant ML350; (iii) Three HP ProReliant DL380s; (iv) Synology Network Storage Device; and (v) ProCurve Switch 3500Y.
- Section 2.03: LOT 3: Office Equipment at Custom Accounting Services offices, 116 South Pearl, Paola, Kansas and 302 Wea, Paola, Kansas. A description of the LOT 3 personal property is attached hereto as **Exhibit B**.
- Section 2.04: LOT 4: Office Equipment at the Answer Customers office location, 400 South Main Street, Canandaigua, NY. A description of the LOT 4 personal property is attached hereto as **Exhibit C**.

Section 2.05: LOT 5: 2003 Saturn L200 owned by Affiliate Strategies, Inc.

Section 2.06: LOT 6: 2005 Yamaha “jetski” owned by Affiliate Strategies, Inc.

Section 2.07: LOT 7: Touchstar VOIP telephone system with three computer servers owned by Affiliate Strategies, Inc.

ARTICLE III – METHOD OF SALE

Section 3.01: Bids on Lots: The Receiver has and will continue to accept sealed bids for Lots 1, 2, 3, 5, 6, & 7 through 5 p.m. CDT October 21, 2009. The Receiver has not yet received a written bid for Lots 2 and 4. The Receiver will continue to seek bids on Lot 4 and if no bids are received on Lot 4 by 5 p.m. CDT October 21, 2009, the Receiver will seek to liquidate Lot 4 by alternate method which may include auction or abandonment if the liquidation of Lot will cost more than the value of those Lots.

Section 3.02: Sale of Lots: The Receiver shall sell each Lot to the highest bidder for each Lot. Such sale shall be “as is, where is” with no warranty as to condition of the personal property in each Lot. In the event no bid is received for any Lot or Lots, the Receiver may liquidate such Lot or Lots by auction or other method the Receiver reasonably deems appropriate. The Receiver may abandon such Lot or Lots if the liquidation of such Lot or Lots will cost more than the value of such Lot or Lots.

Section 3.03: Failure of Highest Bidder to Complete Purchase: In the event the highest bidder fails to complete the purchase of any Lot, the Receiver shall, at his discretion, sell to the next highest bidder, seek additional bids for such Lot, attempt to sell such Lot at auction, or abandon such Lot.

Section 3.04: The provisions of 28 U.S.C. § 2004 addressing sale of personal property shall not apply to this First Plan of Liquidation.

ARTICLE IV – TERMINATION OF EMPLOYEE BENEFIT PLANS

Section 4.01: The Receiver may terminate any and all Employee Benefit Plans and permit the former employees of the Receivership Defendants or Related Companies to transfer or “cash out” their 401(k) retirement plans, health savings accounts, or similar benefit plans.

ARTICLE V – RETENTION OF JURISDICTION

Section 5.01: CONTINUING JURISDICTION. The Court shall continue to have and retain exclusive jurisdiction over all matters related to this First Plan of Liquidation.