

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MINNESOTA**

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UNITED STATES OF AMERICA,

Plaintiff,

v.

Civil No. 08-SC-5348 (ADM/JSM)

THOMAS J. PETTERS; PETTERS  
COMPANY, INC., PCI; PETTERS GROUP  
WORLDWIDE, LLC; DEANNA COLEMAN  
aka DEANNA MUNSON; ROBERT WHITE;  
JAMES WEHMHOFF; LARRY REYNOLDS  
dba NATIONWIDE INTERNATIONAL  
RESOURCES aka NIR; MICHAEL CATAIN  
dba ENCHANTED FAMILY BUYING  
COMPANY; FRANK E. VENNES JR. dba  
METRO GEM FINANCE, METRO GEM  
INC., GRACE OFFERINGS OF FLORIDA,  
LLC, METRO PROPERTY FINANCING,  
LLC, 38 E. ROBINSON, LLC, 55 E. PINE,  
LLC, ORLANDO RENTAL POOL, LLC, 100  
PINE STREET PROPERTY, LLC, ORANGE  
STREET TOWER, LLC, CORNERSTONE  
RENTAL POOL, LLC, 2 SOUTH ORANGE  
AVENUE, LLC, HOPE COMMONS, LLC,  
METRO GOLD, INC;

Defendants.

and

ACORN CAPITAL GROUP, LLC

Applicant Intervenors.

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**ACORN CAPITAL GROUP, LLC'S RESPONSE  
TO THE RECEIVER'S MOTION TO APPROVE  
PAYMENTS TO PRESERVE ASSETS**

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Acorn Capital Group, LLC ("Acorn") submits this Response in support of the Receiver's Motion Approve Payments to Preserve Assets (the "Motion"). The Receiver's

Motion properly seeks to preserve assets in which the Receiver believes he has equity by seeking permission to pay secured creditors. The Receiver's request should be granted because unless those secured creditors are paid they have constitutionally protected property interests which they would be entitled to enforce.

The Receiver has moved to, among other things, have the Court approve certain mortgage payments on personal residences owned by certain of the individual defendants in this action. The Receiver justifies this request by noting that these payments are "necessary expenses to preserve those assets I believe have equity and which I intend to sell at a later time." Affidavit of Receiver, ¶ 5. Implicit in that statement is an acknowledgement by the Receiver that if he fails to make those mortgage payments, the mortgage holders will have cause for relief from the stay imposed by this Court's prior orders, resulting in the possible loss of equity in those assets. This acknowledgement of the mortgage holder's constitutionally protected property interest is appropriate. *See In re Townley*, 256 B.R. 697, 700 (Bankr. D.N.J. 2000) ("The right of a secured creditor to the value of its collateral is a property right protected by the Fifth Amendment."); *In re Briggs Transp. Co.*, 780 F.2d 1339, 1342 (8th Cir. 1985) (protecting secured creditor's Fifth Amendment property rights); *In re Holly's, Inc.*, 140 B.R. 643, 686 (Bankr. W.D. Mich. 1992) (same).

For the foregoing reasons, Acorn respectfully requests the Court grant the Receiver's Motion. After granting the Receiver's Motion, Acorn simply requests that the Receiver and the Court be consistent in the manner in which they treat secured creditors.

Dated: December 12, 2008

WINTHROP & WEINSTINE, P.A.

By: /s/ Daniel C. Beck  
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