

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

COADUM ADVISORS, INC. :
MANSELL CAPITAL PARTNERS III, LLC :
JAMES A. JEFFERY :
THOMAS E. REPKE :
COADUM CAPITAL FUND 1, LLC :
COADUM CAPITAL FUND II, LP :
COADUM CAPITAL FUND III, LP and :
MANSELL ACQUISITION COMPANY, LP, :

Defendants. :

CIVIL ACTION FILE
NO.

1:08-CV-00011-ODE

**MOTION TO APPROVE CLAIM FORM AND
ESTABLISH A BAR DATE FOR FILING CLAIMS**

Pat Huddleston II, Receiver in this action, files this Motion to Approve Claim Form and Establish a Bar Date for Filing Claims (the “Motion”) and shows as follows:

BACKGROUND

1. The U.S. Securities and Exchange Commission (“SEC”) commenced this action on January 3, 2008 by filing a “Complaint for Injunctive and Other Relief” (“Complaint”) against Coadum Advisors, Inc. (“Coadum”), Mansell Capital

Partners III, LLC (“MCP3”), James A. Jeffery (“Jeffery”), Thomas E. Repke (“Repke”), Coadum Capital Fund 1, LLC (“Coadum 1”), Coadum Capital Fund II, LP (“Coadum 2”), Coadum Capital Fund III, LP (“Coadum 3”), and Mansell Acquisition Company, LP (“MAC”) (collectively the “Defendants”). In the Complaint, the SEC alleged that Defendants Repke and Jeffery, through Coadum and MCP3, fraudulently raised approximately \$30 million from investors who purchased interests in Coadum 1, Coadum 2, Coadum 3, and MAC.

2. On January 3, 2008, this Court entered its “Order to Show Cause, Temporary Restraining Order, Order Appointing Receiver, Order Freezing Assets, Order Prohibiting Destruction of Documents and Order Expediting Discovery” (“TRO Order”). Pursuant to the terms of the TRO Order, Pat Huddleston II of The Huddleston Law Firm was appointed as Receiver.

3. On January 23, 2008, the defendants consented to the entry of a permanent injunction, leaving the issues of disgorgement and civil penalties for later determination. On January 25, 2008 this Court entered an “Order of Permanent Injunction Against Defendants Coadum, MCP3, Jeffery, Repke, Coadum 1, Coadum 2, Coadum 3 and MAC, and Other Relief” (“Permanent Injunction Order”), continuing the appointment of the Receiver with the duties, obligations and powers set forth in the TRO Order.

4. The TRO Order freezes the assets of the Defendants and directs the Receiver to marshal their assets. Pursuant to the TRO Order, approximately \$2.4 million is being held by the Receiver in an interest-bearing Receivership account at the Bank of North Georgia. The Receiver is pursuing return of more than \$18 million in investor funds transferred overseas to Malta and to Switzerland. The Receiver is pursuing return and liquidation of additional assets as detailed in Receiver's First Interim Report, filed on February 29, 2008, and in the Receiver's Second Interim Report filed contemporaneously with this Motion.

NEED FOR CLAIMS PROCESS

5. The TRO Order further charges the Receiver with determining the amount raised by each of the Defendants. Toward that end, the Receiver has received voluminous records from the Defendants and third parties. Although those records have helped the Receiver, they do not definitively establish the amounts invested by each investor.

6. There are likely several classes of investors and creditors. Some received distributions while others did not. Some received distributions that exceeded the amount of their principal investment. Some invested more than once and possibly in more than one of the Defendants' offerings. Some invested, but their payment did not reach the Defendants until after the Freeze Order. The Defendants

commingled the funds of the various offerings to an extent that makes it impossible to identify funds attributable to any particular investor. The Receiver therefore needs a claims process in order to complete the tasks assigned.

7. Accordingly, the Receiver asks permission to send the Proof of Claim Form, attached hereto as Exhibit "A," to all potential claimants and to require that each claimant return the form no later than July 11, 2008. The Receiver will file a certificate identifying the persons upon whom he serves the form and the date of service.

8. If in the future the Receiver identifies additional potential claimants, the Receiver requests authority to send them the attached Proof of Claim Form and, in the interest of time, require them to return the form by the later of July 11, 2008 or within fifteen (15) days of mailing. The Receiver will advise the Court when the claims process is complete.

9. It is important that investors timely file their claims and that late-filed claims be disallowed. The Claim Form and the proposed deadline are not unduly burdensome and are common in matters of this type. Without a deadline, the administration of the Receivership will be delayed and those claimants who timely file their forms will be prejudiced. Further, by requiring production of documents and other information supporting the amounts claimed, the Receiver will

discourage the filing of inflated claims and reduce the time required to verify the claims.

10. This Court would, of course, retain the authority to consider any requests from potential claimants to file claims after the Bar Date. Further, to the extent the Receiver seeks to disallow or reject any claim, the claimant may file an objection.

CONCLUSION

The Receiver respectfully asks that this Court grant this Motion, approve the Proof of Claim Form attached hereto as Exhibit "A," and authorize the Receiver to serve it by first class mail upon all currently known potential claimants, that the Court require that all such potential claimants return the Proof of Claim Form no later than July 11, 2008, that the Receiver be authorized to send the Proof of Claim Form to investors and potential claimants identified in the future with the requirement that such persons return the form to the Receiver by the later of July 11, 2008 or fifteen (15) days after mailing of the form, and that the Court grant such other and further relief as may be deemed just and proper.

Respectfully submitted this 25th day of April, 2008.

/s/ Pat Huddleston II
Pat Huddleston II
Georgia Bar No. 373984
Receiver

THE HUDDLESTON LAW FIRM

707 Whitlock Avenue,

Building B, Suite 21

Marietta, Georgia 30064

(770) 919-8003

(770) 874-0888 – facsimile

ph2@huddlestonfirm.com

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CERTIFICATE OF SERVICE

This certifies that I have this day served a copy of the foregoing *Motion to Approve Claim Form and Establish a Bar Date for Filing Claims* via the CM/ECF electronic filing system upon the following:

Michael Bishop, Esq.
Smiley Bishop & Porter, LLP
1050 Crown Pointe Parkway, Ste. 1250
Atlanta, GA 30338

Robert S. Wolf, Esq.
Gersten Savage LLP
600 Lexington Avenue , 9th Floor
New York, NY 10022

W. Bruce Maloy, Esq.
Maloy & Jenkins
75 Fourteenth Street, N.W.
2500 The Grand
Atlanta, GA 30309

Jerry Gruenbaum, Esq.
SEC Attorneys, LLC
Bank of America Building
980 Post Road East , 2nd Floor
Westport, CT 06880

Jennifer D. Odom, Esq.
William Scott Sorrels, Esq.
Powell Goldstein LLP
Suite 1400
One Atlantic Center, 14th Floor
1201 West Peachtree St., N.W.
Atlanta, GA 30309-3488

William P. Hicks, Esq.
Securities & Exchange
Commission
3475 Lenox Road, N.E.
Suite 1000
Atlanta, GA 30326-1232

Edward G. Sullivan, Esq.
Securities & Exchange Commission
3475 Lenox Road, N.E.
Suite 1000
Atlanta, GA 30326-1232

This 25th day of April, 2008.

/s/ Pat Huddleston II
Pat Huddleston II
Georgia Bar No. 373984
Receiver

THE HUDDLESTON LAW FIRM
707 Whitlock Avenue
Building B, Suite 21
Marietta, Georgia 30064
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(770) 874-0888 – facsimile
ph2@huddlestonfirm.com