

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

SECURITIES AND EXCHANGE :
COMMISSION, :

Plaintiff, :

v. :

CIVIL ACTION NO.
1:08-CV-3097-BBM

JONATHAN W. MIKULA, :
JOHN B. CRADDOCK, :
JW&P CONSULTING, LLC, and :
NATIONS WARRANTY GROUP, :
INC., :

Defendants. :

**RECEIVER’S MOTION TO APPROVE CLAIM FORM
AND ESTABLISH BAR DATE FOR FILING CLAIMS**

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

BACKGROUND

1. On 2 October 2008, the U.S. Securities and Exchange Commission (“SEC”) filed an application for a temporary restraining order and other equitable relief (“Order”), alleging that Jonathan W. Mikula (“Mikula”), John B. Craddock (“Craddock”), JW&P Consulting, LLC, (“JW&P”) and Nations Warranty Group,

Inc. (“Nations Warranty”) fraudulently raised approximately \$2.8 million from investors through sales of unregistered securities in the form of promissory notes.

2. On the same day, this Court granted that application and entered an Order freezing assets, prohibiting the destruction of documents, and granting other relief (“Freeze Order”).

3. In the 2 October 2008 Order the Court appointed Pat Huddleston II, of The Huddleston Law Firm, as Receiver.

4. On 9 October 2008, the defendants consented to the entry of preliminary injunctions, continuing the asset freeze and the receivership as to the named defendants and carving out of the receivership certain businesses that Mikula and Craddock operated from the same business premises as JW&P and Nations Warranty, and carving out of the asset freeze certain amounts for attorney’s fees and living expenses.

5. The Order empowers the Receiver to manage Nations Warranty’s business operations. Since his appointment the Receiver has made significant progress in reforming the business model at Nations Warranty. Changes include reducing the number of salespersons through merit-based evaluations, eliminating highly paid executive positions, lowering non-compensation costs, and renegotiating vendor contracts. The Receiver believes that these changes will result in a profitable

business by the end of the first quarter of 2009. The Receiver will use profits from the business to return funds to investors, while searching for a buyer for the business. The Receiver is also pursuing promising claims against third parties. The Receiver continues to search for receivership assets wherever they may be found.

NEED FOR CLAIMS PROCESS

6. The 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 individual amounts invested.

7. There are likely several classes of investors and creditors. Some had their promissory notes paid in full; others did not. Some investors were actively involved in the marketing of the promissory notes. Some investors rolled over their initial investment without introducing any new capital. The defendants commingled the funds with general funds to such an extent that it is impossible to identify funds attributable to any particular investor. The Receiver therefore needs a claims process to complete the tasks assigned.

8. Accordingly, the Receiver asks permission to send the Proof of Claim Form attached hereto as Exhibit "A," to all potential claimants and to require each

claimant to return the form no later than 15 February 2009. The Receiver will file a certificate identifying the persons upon whom he serves the form and the date of service.

9. If 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 15 February 2009 or within fifteen (15) days of mailing. The Receiver will advise the Court when the claims process is complete.

10. It is important that the investors timely file their claims and that late-filed claims be disallowed. The Claim Form and the proposed deadline are not unduly burdensome. 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.

11. 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 the 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 15 February 2009, 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 15 February 2009 or fifteen (15) days after the mailing of the form, and that the Court grant such other and further relief as may be deemed just and proper.

Respectfully submitted this 5th day of December, 2008.

/s/ Pat Huddleston II
Georgia Bar No. 373984

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	:	
Defendants.	:	

CERTIFICATE OF SERVICE

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

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This 5th day of December, 2008.

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