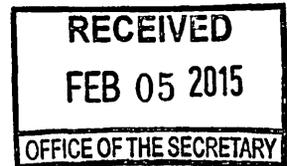


Robert K. Jamieson
Direct Dial: [REDACTED]



January 30, 2015

Via E-Mail and U.S Mail

Judge Jason S. Patil
Administrative Law Judge
Securities and Exchange Commission
100 F Street, NE, Mail Stop 2557
Washington, D.C. 20549-2557

Re: *In re: Dennis J. Malouf*
SEC Administrative Proceeding No. 3-15918

Dear Judge Patil:

Since your January 9, 2015 Order regarding the payment of the remaining \$2,475 due to UASNM Mr. Malouf has been attempting to locate funds to be able to pay the outstanding fees. As you now know, Mr. Malouf's financial situation is dire and he is without sufficient personal funds to be able to make the payment to UASNM.

However, as you are also aware, there is currently a sum of money owed to Mr. Malouf for his interest in UASNM that is being held in escrow. Respondent's Exhibit 479 ("Joint Motion to Enforce Settlement Agreement and Disburse Funds From Escrow Account") indicates that as of June 30, 2014, the amount held in escrow was \$247,627.83. The disposition of these funds is currently being disputed in New Mexico state court. In light of his current financial situation, Mr. Malouf offered to pay UASNM the fees due by waiving his claim to \$2,475 in the escrow account, and authorizing UASNM to withdraw those funds. *See* Exhibit A, January 9, 2015 Email From Allan Wainwright. A similar proposal was initially made by Mr. Boone, counsel for UASNM, on November 10, 2014. *See* Exhibit B, Email from Jim Boone.

Despite Mr. Malouf's good faith offer to pay UASNM's fees using the money held in escrow, counsel for UASNM rejected the offer and claimed that ". . . there are no funds available from the account . . ." *See* Exhibit C, January 9, 2015 Emails from Jim Boone. The basis for Mr. Boone's assertion is that the Joint Motion to Enforce (Ex. 479) indicates that the amount of claims asserted by UASNM against the escrow account currently exceeds the amount of funds in the account. *Id.*

Judge Jason S. Patil
January 30, 2015
Page 2

Given the disputed nature of the escrowed funds, and Mr. Boone's November 2014 proposal, there is no reason why the \$2,475 owed by Mr. Malouf cannot be deducted. The balance of the escrow account appears to exceed \$247,000.

There has not yet been any determination by the court as to whether any of the claims asserted by UASNM against the escrow account are valid or will be granted, and several claimed amounts are dubious. For example, \$50,000 is based upon an "anticipated Department of Labor Fine." It is unknown what this fine is related to, why Mr. Malouf would be obligated to compensate UASNM for it, or how UASNM has been able to anticipate the specific amount of the fine. UASNM also seeks \$80,000 in "Consultant" fees. These fees were only estimated at the time Ex. 479 was created, and there is no evidence that the estimate is accurate or that UASNM has actually incurred any "consultant" fees, and if so what the amount of those fees is.

You will also recall that UASNM has a history of inflating and exaggerating amounts it claims to be owed, such as the \$125,000 it initially claimed it would incur to produce documents in response to Mr. Malouf's subpoena in this matter, which UASNM later reduced to \$65,000 (and you then reduced to \$14,479.21). Regardless, the disposition of the escrowed funds is currently in dispute, none of UASNM's claims against the funds have been approved, and funds are available for UASNM to withdraw and satisfy the outstanding fees with Mr. Malouf's approval.

We believe Mr. Malouf has made a good faith and reasonable attempt to pay UASNM the fees it is owed. Therefore, we respectfully request that you find that Mr. Malouf has complied with your Order of January 9, 2015.

Sincerely yours,



Robert K. Jamieson

RKJ/nac

cc: Stephen McKenna, Esq.
Dugan Bliss, Esq.
James Boone, Esq.

EXHIBIT A

Robert Jamieson

From: Allan [REDACTED]
Sent: Friday, January 09, 2015 4:43 PM
To: Neiterman, Jessica; Burton Wiand; Robert Jamieson; Peter King; Jim Boone; 'Bill Chappell Jr'
Cc: Shields, Kathy Moore; McKenna, Stephen C.; Bliss, Dugan; Pinkston, Marla J.; Kasper, Gregory
Subject: RE: Malouf 3-15918

Dennis Malouf authorizes UASNM to collect payment for the remaining \$2,475 owed under Judge Patil's December 19, 2014 Order by withdrawing funds in that amount (\$2,475) from the escrow account containing funds owed to Mr. Malouf, and the disposition of which are currently being disputed in the New Mexico state court proceeding (D-202-CV-2011-05595) conditioned upon that the authorization is not an admission of any sort and cannot be used as evidence in any proceedings involving Malouf. Mr. Malouf also does not authorize the withdrawal of any funds exceeding \$2,475 from the escrow account and reserves all rights and claims with respect to the funds in the account.

LAW OFFICES OF
ALLAN L. WAINWRIGHT, P.A.
Allan L. Wainwright

From: Neiterman, Jessica [REDACTED]
Sent: Friday, January 09, 2015 9:57 AM
To: [REDACTED]; [REDACTED]; Peter King [REDACTED]; Jim Boone; 'Bill Chappell Jr'; Allan
Cc: Neiterman, Jessica; Shields, Kathy Moore; McKenna, Stephen C.; Bliss, Dugan; Pinkston, Marla J.; Kasper, Gregory
Subject: Malouf 3-15918

Counsel for Malouf and UASNM:

Has there been any update on whether the remaining \$2,475 owed to UASNM has been paid yet?

Jess Neiterman
Attorney-Advisor
Office of Administrative Law Judges
U.S. Securities & Exchange Commission
100 F Street NE
Washington, D.C. 20549-2557
(202) 551-5817

EXHIBIT B

Robert Jamieson

From: Jim Boone [REDACTED]
Sent: Monday, November 10, 2014 6:44 PM
To: Robert Jamieson
Cc: 'Bill Chappell'; 'Erin Dingman'
Subject: RE: SEC v. Malouf

FOR SETTLEMENT PURPOSES ONLY AND NOT ADMISSIBLE FOR ANY PURPOSE

Mr. Jamieson,

Thank you for your e-mail. As you know we have requested the ALJ to remove the artificial cap since the September 22, 2014, order, contains no such cap. Obviously, having said that, I haven't asked our client whether it is willing to take an almost \$50,000 hit on responding to the subpoena and the various orders that were needed.

Let me ask you to think about this instead (and I do not have our client's consent for this so I cannot make this a formal offer of settlement): consider whether your client would be willing to waive any claim to the escrow fund which is now in litigation in the state court here in exchange for no fees/costs being sought by UASNM in the SEC case. The benefit to our clients I think would be to stop the fees from being expended in both matters (SEC subpoena and state court matters) as well as saving your client from having to come out of pocket in this case concerning the subpoena to UASNM. He also has already received all the documents.

While I'm sure you're spending all of your time getting ready for next week's hearing, please let me know something by the end of the day tomorrow if you think this is a possible area of compromise. Thank you.

Jim Boone

From: Robert Jamieson [mailto:[REDACTED]]
Sent: Monday, November 10, 2014 3:59 PM
To: Jim Boone
Cc: 'Bill Chappell'; 'Erin Dingman'; [REDACTED] Peter King
Subject: RE: SEC v. Malouf

Good afternoon, Mr. Boone,

We would be happy to negotiate in good faith regarding a mutually agreeable resolution to the dispute over the costs of subpoena compliance.

It is clear from Judge Patil's October 28 Order that the maximum amount of reasonable costs that Respondent will be obligated to pay is \$20,000. Further, I advised you in my October 29, 2014 email that Respondent agreed to bear reasonable costs up to \$20,000, pursuant to Judge Patil's Order. Therefore, any good faith negotiation for an alternate resolution must start with an agreement that a resolution can be reached somewhere between \$0 and \$20,000. Please advise whether you are willing to negotiate in good faith within the range established by Judge Patil.

Regards,
Rob Jamieson

EXHIBIT C

Robert Jamieson

From: Jim Boone [REDACTED]
Sent: Friday, January 09, 2015 5:25 PM
To: 'Allan'
Cc: Robert Jamieson; [REDACTED]; 'Bill Chappell Jr'
Subject: RE: Malouf 3-15918

Mr. Wainwright,

You are well familiar with the pleadings in the state court case that have been filed in this regard; perhaps you should review them again. As you are aware, since you responded to it, the Joint Motion to Enforce shows that there are more claims against the account than the funds which remain in it. Your untimely statement that your client consents to his financial obligations to UASNM in his SEC case being withdrawn from the account is baseless.

From: Allan [mailto:[REDACTED]]
Sent: Friday, January 09, 2015 3:03 PM
To: Jim Boone
Cc: Robert Jamieson [REDACTED]
Subject: RE: Malouf 3-15918

It was my understanding that there was still money in the account. Can you please send me a current account statement.

LAW OFFICES OF
ALLAN L. WAINWRIGHT, P.A.
Allan L. Wainwright

From: Jim Boone [REDACTED]
Sent: Friday, January 09, 2015 2:54 PM
To: Allan; 'Neiterman, Jessica'; [REDACTED]; [REDACTED] 'Peter King'; 'Bill Chappell Jr'
Cc: 'Shields, Kathy Moore'; 'McKenna, Stephen C.'; 'Bliss, Dugan'; 'Pinkston, Marla J.'; 'Kasper, Gregory'
Subject: RE: Malouf 3-15918

As Mr. Wainwright well knows, there are no funds available from the account which is the subject of litigation in the state court to satisfy Mr. Malouf's obligations in this SEC case.

Jim Boone

From: Allan [mailto:[REDACTED]]
Sent: Friday, January 09, 2015 2:43 PM
To: Neiterman, Jessica [REDACTED]
Boone; 'Bill Chappell Jr'
Cc: Shields, Kathy Moore; McKenna, Stephen C.; Bliss, Dugan; Pinkston, Marla J.; Kasper, Gregory
Subject: RE: Malouf 3-15918

Dennis Malouf authorizes UASNM to collect payment for the remaining \$2,475 owed under Judge Patil's December 19, 2014 Order by withdrawing funds in that amount (\$2,475) from the escrow account containing funds owed to Mr. Malouf, and the disposition of which are currently being disputed in the New Mexico state court proceeding (D-202-CV-2011-05595) conditioned upon that the authorization is not an admission of any sort and cannot be used as evidence in any proceedings involving Malouf. Mr. Malouf also does not authorize the withdrawal of any funds exceeding \$2,475 from the escrow account and reserves all rights and claims with respect to the funds in the account.

LAW OFFICES OF
ALLAN L. WAINWRIGHT, P.A.
Allan L. Wainwright

From: Neiterman, Jessica [REDACTED]

Sent: Friday, January 09, 2015 9:57 AM

To: [REDACTED] Jim Boone; 'Bill Chappell Jr'; Allan

Cc: Neiterman, Jessica; Shields, Kathy Moore; McKenna, Stephen C.; Bliss, Dugan; Pinkston, Marla J.; Kasper, Gregory

Subject: Malouf 3-15918

Counsel for Malouf and UASNM:

Has there been any update on whether the remaining \$2,475 owed to UASNM has been paid yet?

Jess Neiterman
Attorney-Advisor
Office of Administrative Law Judges
U.S. Securities & Exchange Commission
100 F Street NE
Washington, D.C. 20549-2557
(202) 551-5817