

Sherilyn A. Olsen (9418)
Mona L. Burton (5399)
HOLLAND & HART LLP
222 S. Main Street, Ste. 2200
Salt Lake City, UT 84101
Telephone: 801-799-5818
Fax: 801-799-5700
Email: solsens@hollandhart.com
mburton@hollandhart.com

*Attorneys for D. Ray Strong, as Receiver for ISYS Technology, Inc.,
Coded Instruction Security Corporation, and Xi3, Inc.*

**IN THE THIRD JUDICIAL DISTRICT COURT
IN AND FOR SALT LAKE COUNTY, STATE OF UTAH**

ATD VENTURES, LLC, a Utah limited
liability company,

Plaintiff,

v.

ISYS TECHNOLOGIES, INC., a Nevada
corporation; CODED INSTRUCTION
SECURITY CORPORATION, a Nevada
corporation; Xi3, INC., a Nevada corporation;
and JASON A. SULLIVAN, an individual,

Defendants.

**NOTICE OF
AUCTION OF REMAINING ASSETS**

Case No. 150902319

Judge Laura Scott

D. Ray Strong of S3 Advisory, LLC, (“**Strong**”) the Court-Appointed Receiver (the “**Receiver**”) of ISYS Technologies, Inc. (“**ISYS**”), Coded Instruction Security Corporation (“**CISC**”), and Xi3, Inc. (“**Xi3**”) (ISYS, CISC, and Xi3 are collectively the “**Companies**”), by and through his counsel Holland & Hart LLP (“**H&H**”) hereby provides notice of auction of the remaining assets, as follows:

1. On August 18, 2017, the Court entered its Order Authorizing Receiver to Sell Remaining Assets (the “**Sale Order**”). Pursuant to the Sale Order, the Receiver is authorized to sell the estate’s remaining assets (the “**Remaining Assets**”).

2. The Remaining Assets include certain trademarks and causes of action against the Companies’ principals. The causes of action include, but are not limited to, (i) the estate’s claims in the non-dischargeability action against Mr. Roswell, a former principal of the Companies (Adversary Proceeding No. 16-02135, United States Bankruptcy Court, District of Utah) and (ii) the Receiver’s claims against Xi3’s D&O insurance company for the conduct of Mr. Roswell and Mr. Sullivan (the D&O insurance carrier has denied liability under the policy).

3. The Remaining Assets will be sold on an “as, is where is” basis and without representations and warranties of any kind, nature, or description.

4. The Remaining Assets will be sold free and clear of liens, claims, and other encumbrances with any such liens, claims and encumbrances attaching to the sale proceeds after payment of approved receivership costs.

5. The Remaining Assets will be sold at an auction to be held on **Monday, September 25, 2017 at 10:00 a.m.** (the “**Auction**”). The Auction will take place at the offices of Holland & Hart, 222 South Main St., Suite 2200, Salt Lake City, Utah.

6. If you would like to participate in the Auction, you will need to make a written initial bid to purchase all or a portion of the Remaining Assets (the “**Initial Bid**”). The Initial Bid must be submitted to undersigned counsel by no later than **Thursday, September 21, 2017 at 4:00 p.m.** Only parties who submit Initial Bids will be allowed to appear and participate in the Auction.

7. Initial Bids shall include:
 - a. a designation of the assets for which the bid will be made;
 - b. be accompanied by a letter stating that (i) the bidder's offer is irrevocable, (ii) the bidder has the ability to close on the sale transaction within 3 business days of the Auction, and (iii) the bid is not conditioned on bid protections or any expense reimbursement;
 - c. provide for a purchase price;
 - d. be accompanied by an earnest money deposit of no less than 10% of the bid amount;
 - e. not be conditioned upon any contingencies, such as (without limitation) any due diligence investigation, the receipt of financing, or any board of directors, shareholders or other entity approval;
 - f. include evidence of the bidder's financial ability to consummate the purchase; and
 - g. not request or entitle the bidder to any transaction break-up fee, expense reimbursement, or similar type of payment.

8. Each bidder who submits an Initial Bid shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Remaining Assets and to conduct any and all due diligence it deems necessary regarding the Remaining Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or Remaining Assets in making its bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties

whatsoever, whether express, implied, by operation of law or otherwise, regarding the assets, or the completeness of any information provided in connection with the Remaining Assets or the auction process.

9. The Receiver is authorized to (i) determine the highest and best offer at the auction, (ii) sell the assets in one or multiple lots, and (iii) implement auction procedures that he deems reasonable to maximize the value of the Remaining Assets. The Receiver will determine at the Auction whether or not to allow parties to credit bid.

10. A schedule of trademarks and detail regarding the insurance claim and adversary proceeding are available upon request by the undersigned. The information is also available on the website for Statewide Auction Company (<http://www.statewideauctionco.com>).

Dated: August 28, 2017

HOLLAND & HART LLP

/s/ Sherilyn A. Olsen

Sherilyn A. Olsen

Attorneys for D. Ray Strong, Receiver

CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of August, 2017, a true and correct copy of the foregoing **NOTICE OF AUCTION OF REMAINING ASSETS** was served by the method indicated below, to the following:

Troy J. Aramburu
SNELL & WILMER, L.L.P.
15 West South Temple, Suite 1200
Salt Lake City, UT 84101
Attorney for ATD Ventures, LLC *VIA GreenFiling*

Barbara Maw
1413 Center Dr., Suite 250
Park City, UT 84098
Attorneys for Amerisource Funding Inc. *VIA GreenFiling*

Lynn S. Davies
Rafael A. Seminario
RICHARDS BRANDT MILLER NELSON
299 South Main Street, 15th Floor
P. O. Box 2465
Salt Lake City, UT 84110-2465
Attorneys for Newport Enterprises, Inc.
d/b/a D2M Technologies *VIA GreenFiling*

Matthew N. Evans
RAY QUINNEY & NEBEKER P.C.
36 South State Street, Suite 1400
Salt Lake City, UT 84145-0385
mevans@rqn.com
Attorneys for Jason Sullivan *VIA GreenFiling*

Daniel W. Chudleigh
410 Broadway St., Suite 170
Laguna Beach, CA 92651
Attorneys for H.F.L.P., LC *VIA GreenFiling*

All parties listed on the Expanded
Service List updated as of December 8,
2015 and to the following:

VIA U.S. Mail, Postage Prepaid

Jenifer L. Tomchak
Parr Brown Gee & Loveless
101 South 200 East, Suite 700
Salt Lake City, UT 84111

/s/ Christa L. Fries

10146879_1.docx