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8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO

11 SECURITIES AND EXCHANGE  
COMMISSION,

12 Plaintiff,

13 vs.

14 ALEXANDER JAMES TRABULSE,

15 Defendant.

16 and

17 FAHEY FUND, L.P., FAHEY  
18 FINANCIAL GROUP, INC.,  
INTERNATIONAL TRADE & DATA, and  
19 ITD TRADING,

20 Relief Defendants.  
21  
22

Case No. C 07-4975 (WHA)

**NOTICE OF MOTION TO APPROVE (I)  
EMPLOYMENT OF PANAMA  
COUNSEL AND PAYMENT OF  
RETAINER, (II) EMPLOYMENT OF  
PANAMA REAL ESTATE BROKER  
AND PAYMENT OF SALES  
COMMISSION, (III) SALE OF  
PANAMA PROPERTY FREE AND  
CLEAR, AND (IV) OTHER RELATED  
RELIEF**

Date: April 8, 2010

Time: 8:00 a.m.

Place: Courtroom 9, 19<sup>th</sup> Floor  
United States District Court  
Northern District of California-  
San Francisco Division  
450 Golden Gate Avenue  
San Francisco, CA 94102

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24 PLEASE TAKE NOTICE THAT Michael A. Grassmueck, the Court-appointed  
25 corporate monitor (the "Monitor") with regard to the Fahey Fund, L.P.; Fahey Financial  
26 Group, Inc.; International Trade & Data; and ITD Trading, and any subsidiaries and  
27 affiliated funds, (collectively, the "Relief Defendants") and Alexander James Trabulse  
28

1 ("Trabulse"), has submitted the Motion to Approve (I) Employment of Panama Counsel  
2 and Payment of Retainer, (II) Employment of Panama Real Estate Broker and Payment of  
3 Sales Commission, (III) Sale of Panama Property Free and Clear, and (IV) Other Related  
4 Relief (the "Motion").

5 On December 17, 2007, this Court entered an Order Appointing Monitor And Other  
6 Ancillary Relief ("Monitor Order"), which authorized the appointment of Michael A.  
7 Grassmueck, as corporate monitor with regard to the Relief Defendants and Trabulse.  
8 Pursuant to the Monitor Order, the Monitor was empowered and directed to, among other  
9 things, conduct such investigation as would be necessary to locate and account for the  
10 Relief Defendants' assets, and review the overall operation of the Relief Defendants in  
11 accordance with the Monitor Order.

12 On February 13, 2008, the Court entered an Order implementing certain  
13 recommendations of the Monitor, and which also incorporated the terms of the Monitor  
14 Order (the "Modified Order"). The Modified Order authorized the Monitor to, among  
15 other things, employ professionals, as necessary, and assist in the sale and liquidation of  
16 the Relief Defendants' assets.

17 In connection with his duties under the Modified Order, the Monitor identified  
18 certain real property (the "Property"), identified as Lot # 15, located in the Republic of  
19 Panama ("Panama") which the Monitor recommends liquidating. The Property is located  
20 in Panamonte Estates, in the Province of Chiriqui, Panama. One of the Relief Defendants,  
21 AMI CA, Inc., a Panamanian corporation, ("AMICA"), currently holds title to the  
22 Property. AMICA is an entity owned by Defendant Alexander James Trabulse  
23 ("Trabulse"). In respect to the Property, Defendant Trabulse owns certain ownership stock  
24 shares ("Shares") associated with the Property, which Shares must be transferred along  
25 with the Property in order to complete the sale and transfer of the Property.

26 The Monitor has determined that to sell the Property, through AMICA, AMICA's  
27 corporate status must be reviewed, and if there are any issues concerning the corporate  
28 standing of AMICA to exercise its powers as a valid corporate entity in Panama, the

1 Monitor must take action to resolve such issues. In addition, the Monitor has determined  
2 that local counsel in Panama and a real estate broker are required in order to do the work  
3 necessary in Panama in order to sell the AMICA Shares and the Property. It is estimated  
4 that a sale of the Property and the Shares will generate a net return to the estate in the  
5 range of \$80,000 to \$120,000 (U.S. Dollars).

6 The Monitor has determined that to sell the Shares and the Property, the following  
7 tasks must be accomplished: (i) ascertain the current legal status of AMICA; (ii) satisfy  
8 any outstanding account balance with AMICA's and Trabulse's former counsel,  
9 Panamanian counsel, Rainelda Mata Kelly (this payment is required in order to obtain  
10 AMICA's legal files); (iii) nominate a new board of directors and legal representatives for  
11 AMICA (as necessary); (iv) satisfy corporate renewal fees and penalties; and (v) obtain all  
12 corporate documents showing good standing of AMICA in Panama (collectively, the  
13 "AMICA Rehabilitation Tasks").

14 The Monitor proposes the employment of Panamanian counsel, Luis Watts, Esq., of  
15 Watts Law, ("Watts Law") located in David, Province of Chiriqui, Panama, to assist the  
16 Monitor in completion of the AMICA Rehabilitation Tasks. That is, in order to complete  
17 the AMICA Rehabilitation Tasks, the Monitor has determined that a lawyer who is  
18 licensed to practice law in Panama is necessary. Based on the Monitor's discussion with  
19 Watts Law, the Monitor anticipates the cost to perform the AMICA Rehabilitation Tasks  
20 (including the cost for counsel in Panama) and payment of account balance to former  
21 counsel for Trabulse will be \$10,000 to \$15,000. The Monitor seeks authority to pay a  
22 retainer to Watts Law of \$10,000, and to pay an additional \$5,000 to cover fees and costs,  
23 as noted above. Any unused portion of the retainer shall be refundable to the estate. Watts  
24 Law has agreed to bill the estate at the hourly rate of \$200.00 for the AMICA  
25 Rehabilitation Tasks.

26 By the Motion, the Monitor also seeks authority to employ a Panamanian real estate  
27 broker, Boquete Legacy Real Estate, ("Broker"), to sell the Property and the Shares  
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1 (collectively, the "Assets"). The Broker's commission shall be 6% of any gross sales price  
2 for the sale of the Assets.

3 The Monitor proposes to sell the Assets at a public auction, subject to overbids.  
4 The Assets shall be transferred on an "AS IS," "WHERE IS," and "WITH ALL FAULTS"  
5 basis, and the Monitor will make no representations or warranties as to condition or fitness  
6 of use with regard to the Assets. The Monitor will expressly disclaim all express and  
7 implied warranties with respect to the Assets, including, without limitation, the warranties  
8 of merchantability and fitness for a particular purpose. The Assets shall also be sold free  
9 and clear of any liens, claims or encumbrances with all liens, claims or encumbrances, if  
10 any, attaching to the net proceeds of the sale with the same force and in the same priority  
11 as currently exists.

12 Since the Assets are located in Panama, complying with the public sale  
13 requirements set forth in 28 U.S.C. §§ 2001(a) and 2002 (as applicable to real property)  
14 and 28 U.S.C. § 2004 (as applicable to personal property) will be difficult. However, as  
15 detailed below, the proposed sale procedures will meet the public sale requirements. The  
16 auction sale process ("Auction Sale Procedures") will be as follows:

17 (i) **Teleconference Auction Held at Monitor's Counsel's Office and**  
18 **Broker Office.** The Monitor will conduct a public sale of the Assets ("Auction")  
19 by teleconference at the Monitor's counsel's office in San Francisco, California  
20 ("Monitor's Counsel's Office") and with bidders appearing at the Broker's office in  
21 Panama ("Broker Office"). Any interested overbidders in the United States and in  
22 Panama who wish to bid may participate telephonically or in person at the Auction.  
23 Monitor's Counsel's Office is located in the Federal District in which the Monitor  
24 was appointed.

25 (ii) **Publication of Notice of Teleconference Auction.** The Monitor will  
26 publish notice of the date, time, and, location of the auction of the Assets, in a  
27 newspaper of general circulation in the San Francisco Bay Area and in Province of  
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1 Chiriqui, Panama. This notice will be published once a week for at least four weeks  
2 prior to any scheduled public sale date.

3 (iii) **Assets Sold to Highest Bidder at Teleconference Auction.** The  
4 Assets will be sold to the bidder making the highest or best offer at the Auction.

5 (iv) **Proof of Funds and Requirements Necessary for Qualified**  
6 **Overbidders.** In order to participate at the Auction, each bidder must present the  
7 Monitor or Broker with \$5,000 cash or cash equivalent at least 24 hours in advance  
8 of the Auction. The high bidder at Auction will be required to make a cash deposit  
9 equal to 25% of the winning bid, to the Monitor, and will have 3 business days  
10 following the Auction to pay to the Monitor the remainder of the winning bid. The  
11 high bidder at Auction shall also execute the purchase agreement as needed to  
12 finalize the sale of the Assets to the high bidder, and the Monitor and Broker will be  
13 authorized to take whatever actions necessary to finalize the purchase agreement,  
14 and transfer title to the Assets to the high bidder.

15 (v) **Back-Up High Bidder May Become Winning Bidder.** If the winning  
16 bidder fails to pay the remainder of the purchase price within 3 business days  
17 following the Auction, the Monitor will be authorized to sell to the next highest  
18 bidder, who will also then have 3 business days to pay the remainder of its winning  
19 bid. If the Monitor is unable to close the sale to any bidder following the Auction,  
20 the Monitor reserves the right to reschedule a further auction date and time for the  
21 Assets, and conduct such auction pursuant to the Auction Sale Procedures.

22 (vi) **Overbid Minimum Increments and Minimum Sale Price.** Overbids  
23 will be accepted for all Assets sold at the Auction at increments to be determined by  
24 the Monitor and Broker at the time of Auction for the Assets. If no acceptable bid  
25 is received, the Monitor may cancel the Auction.

26 Therefore, by the Motion, the Monitor requests that this Court enter an order  
27 authorizing the estate to: (i) employ Watts Law and approve payment of counsel's retainer  
28 for the AMICA Rehabilitation Tasks; (ii) employ the Broker and payment of Broker



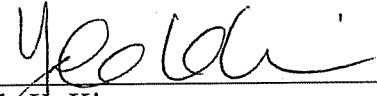
1 commission for sale of Assets; (iii) sell the Assets subject to a public sale, free and clear of  
2 liens, with liens attaching to proceeds; (iv) transfer the Assets on an "AS IS," "WHERE  
3 IS," and "WITH ALL FAULTS" basis; and (v) conduct the Auction pursuant to the  
4 Auction Sale Procedures.

5 PLEASE TAKE FURTHER NOTICE that the Motion will be served concurrently  
6 with this Notice, and otherwise copies of the Motion can also be obtained from or viewed  
7 at the Clerk of the Court, U.S. District Court, Northern District of California, San  
8 Francisco Division, 450 Golden Gate Avenue, San Francisco, CA 94102, or by contacting  
9 counsel to the Monitor at the above-referenced address.

10 PLEASE TAKE FURTHER NOTICE any objecting party may file a response not  
11 later than twenty-one (21) days prior to the hearing date, pursuant to Local Rule 7-3.  
12 Failure to file a response may be deemed as a waiver of any opposition to the Motion.

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14 Dated: March 2, 2010

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17 By:   
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