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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

In Re:
MCUBE PETROLEUM, INC., a Washington
corporation;
BASILAM PETROLEUM, LLC, a
Washington limited liability company;
DISKI PETROLEUM, LLC, a Washington
limited liability company;
HALMAHERA - REMBANG, LLC, a
Washington limited liability company;
LARAMIE PETROLEUM, INC., a
Washington corporation; and
ORNA INTERNATIONAL, LTD, a British
Virgin Islands company.

Case No. 09-2-08315-6

**NOTICE TO CREDITORS AND
INTERESTED PARTIES OF HEARING
ON RECEIVER'S MOTION TO
APPROVE SETTLEMENTS**

TO: THE CLERK OF THE COURT
AND TO: THE HONORABLE FRANK E. CUTHBERTSON
AND TO: ALL PARTIES-IN-INTEREST

Hearing Date: Friday, December 3, 2010
Hearing Time: 9:00 a.m.
Response Due: Tuesday, November 30, 2010
Location: Pierce County Superior Court
Judge Cuthbertson, Department 21
930 Tacoma Avenue South, Tacoma, WA 98402

PLEASE TAKE NOTICE that William L. Beecher, in his capacity as Receiver for the
entities identified in the above-captioned Receivership proceeding (the "Receiver"), has filed a
Motion with the Court seeking entry of an Order approving a settlement with the following four

1 defendants in the adjunct proceeding, Beecher v. Aboulhosn, et al., Pierce County Superior
2 Court Case No. 10-2-07692-7:

- 3 1. Capital Growth Fund Inc. Pension and Profit Sharing Trust ("Trust"). The Trust
4 Defendant invested \$50,000.00 in Basilam Petroleum LLC and received total
5 payments of \$61,763.01, for a profit of \$11,763.01. The Receiver has agreed to
6 settle all claims against the Trust Defendant for a payment of \$11,763.00.
- 7 2. David and Rebecca Dorey. The Dorey Defendants invested \$50,000.00 in
8 Diski Petroleum LLC and received total payments of \$99,616.18, for a profit of
9 \$49,616.18. The Receiver has agreed to settle all claims against the Doreys in
10 return for a payment of \$49,616.18.
- 11 4. Michael and Angela Self. The Self Defendants invested \$200,000.00 in
12 Basilam Petroleum LLC and received total payments of \$247,052.04, for a net
13 profit of \$47,052.04. The Receiver has agreed to settle all claims against the Self
14 Defendants in return for a payment of \$46,122.00.
- 15 5. Roy and Jane Doe Davis. The Davis Defendants invested \$25,000.00 in
16 Diski Petroleum LLC and received total payments of \$49,808.11, for a profit of
17 \$49,808.11. The Davis Defendants further invested \$25,000 in the Halmahera -
18 Rembang LLC. The Receiver has agreed to settle all claims against the Davis
19 Defendants in return for a payment of \$12,500.00 and the allowance of a general
20 creditor claim against the Receivership Estate in the amount of \$25,000.00.

21 The total amount of these settlements is \$120,001.18. In addition to the approval of
22 these settlements, the Receiver is seeking approval for the payment of professional
23 compensation arising from these settlements as follows: (1) \$24,000.23 to the Brain Law Firm
24 PLLC, (2) \$12,000.12 to the Anderson Law Firm PLLC; and (3) \$3,600.04 to the Receiver. Net
25 proceeds to the Receivership Estate from these settlements will be \$80,400.79. The Settlement
26 Agreements are Exhibits 1 through 4 to the Declaration of Paul E. Brain filed in support of the
27 Motion for Approval of Settlements.

28 All payments made in conjunction with a "Ponzi" scheme are presumptively fraudulent
conveyances. With respect to a "good faith" recipient of payments from a Ponzi scheme, the
Receiver is entitled to recover only "profits." Profits are calculated under the following formula:

Amounts transferred by the Ponzi scheme perpetrator to the investor are netted
against the initial amounts invested by that individual. If the net is positive, the
receiver has established liability, and the court then determines the actual amount
of liability, which may or may not be equal to the net gain, depending on factors
such as whether transfers were made within the limitations period or whether the
investor lacked good faith. If the net is negative, the good faith investor is not

1 liable because payments received in amounts less than the *initial investment*,
2 being payments against the good faith losing investor's as-yet unsatisfied
3 restitution claim against the Ponzi scheme perpetrator, are not avoidable within
4 the meaning of UFTA.

5 Donell v. Kowell, 533 F.2d 762 at 771 (*Emphasis added*). In addition to profits, the Receiver is
6 entitled to recover pre-judgment interest.

7 In the case of Settlements 1, 2 and 3, the gross settlement amount represents the entire
8 amount of profit the Receiver would be entitled to recover if the matter were to go to trial and
9 the Receiver were to prevail on all issues. The Receiver has agreed to waive only the pre-
10 judgment interest component.

11 In the case of Settlement No. 4, the Davis Defendants, the settlement amount was based
12 on the financial capacity of the Davis Defendants to respond to a Judgment. The Receiver was
13 provided with financial information by the Davis Defendants relating to their capacity to pay
14 which the Receiver believes justifies the settlement amount.

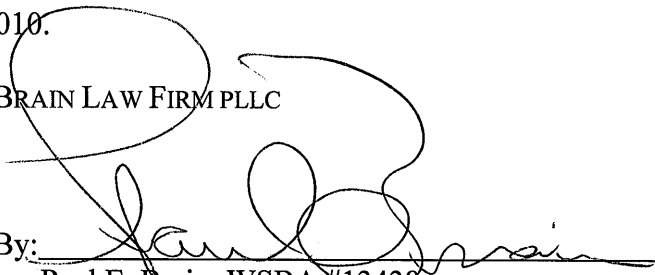
15 Any party desiring information as to the details of the proposed settlement may request
16 same from the Clerk of the Court or from the undersigned counsel.

17 IF YOU OPPOSE the Motion, you must file your written response with the Clerk of the
18 Court, serve two copies on the Judge's chambers and deliver copies to the undersigned NOT
19 LATER THAN THE RESPONSE DATE, which is **November 30, 2010**.

20 IF NO RESPONSE IS TIMELY FILED AND SERVED, the Court may, in its discretion,
21 GRANT THE MOTION PRIOR TO THE HEARING, WITHOUT FURTHER NOTICE, and
22 strike the hearing.

23 DATED this 27th day of October, 2010.

24 BRAIN LAW FIRM PLLC

25 By: 
26 Paul E. Brain, WSBA #13438

27 Counsel for Plaintiff William L. Beecher, Receiver
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