

The Honorable Frank E. Cuthbertson
Hearing Date: April 22, 2011
Hearing Time: 9:00 a.m.
Without Oral Argument

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, April 22, 2011
Hearing Time: 9:00 a.m.
Response Due: Tuesday, April 19, 2011
Location: Pierce County Superior Court
Judge Cuthbertson, Department 21
930 Tacoma Avenue South, Tacoma, WA 98402

1 PLEASE TAKE NOTICE that William L. Beecher, in his capacity as Receiver for the
2 entities identified in the above-captioned Receivership proceeding (the "Receiver"), will be
3 filing a Motion with the Court seeking entry of an Order approving the settlements with the
4 following defendants in the adjunct proceeding: Beecher v. Aboulhosn, et al., Pierce County
5 Superior Court Case No. 10-2-07692-7.

6 1. Samuel Wong and Tracy Vo, together with their marital community. The amount
7 of profit received by the Wong Defendants is in dispute. The Wong Defendants
8 acknowledge receiving a profit of \$707,000 on an investment in Diski Petroleum
9 LLC. The Receiver estimates the profit to be slightly in excess of \$800,000. The
10 Wong Defendants have agreed to settle the claims of the Receiver for payments
11 to the Receivership Estate totaling \$500,000; \$400,000 to be paid within 10 days
12 of approval of this settlement by the Court and \$100,000 to be paid not later than
13 August 31, 2011.

14 2. Scott Spencer. Mr. Spencer received a total profit of \$49,616.19 on an
15 investment in Diski Petroleum LLC. Mr. Spencer has agreed to settle the claims
16 of the Receiver for payment to the Receivership Estate of \$20,000 to be paid
17 within 10 days of approval of this settlement by the Court.

18 All payments made in conjunction with a "Ponzi" scheme are presumptively fraudulent
19 conveyances. With respect to a "good faith" recipient of payments from a Ponzi scheme, the
20 Receiver is entitled to recover only "profits."

21 The Receiver has developed no information which would allow recovery of any amounts
22 from the Settling Defendants in excess of the "profits" each received from their Diski Petroleum
23 LLC investments. These settlements take into consideration the cost and risk of continuing
24 litigation. In the case of the Wong Defendants, they are residents of New York, a factor which
25 would significantly increase the cost of enforcing any Judgment obtained against them. These
26 costs would not be collectible against the Wong Defendants.

27 The controlling factor in each case was the capacity of the Settling Defendants to satisfy
28 a Judgment in the event the matters were to proceed to trial. In this regard, the Receiver was
provided with and reviewed financial information regarding the Settling Defendants
substantiating that the amount agreed to be paid in settlement was appropriate in light of all the
settlement factors. The Receiver considers the settlement amounts to be fair and reasonable.

1 The total amount of these settlements is \$520,000. In addition to the approval of these
2 settlements, the Receiver is seeking approval for the payment of professional compensation
3 arising from these settlements as follows: (1) \$130,400 to the Brain Law Firm PLLC;
4 (2) \$25,600 to the Anderson Law Firm PLLC; and (3) \$15,600 to the Receiver. Net proceeds to
5 the Receivership Estate from these settlements will be \$348,400.

6 The professional fees are based on fee agreements already approved by the Court. Total
7 professional compensation, including the contingent component of the compensation to the
8 Receiver, is based on a total contingent fee of 33%. This is a standard rate for this market area.

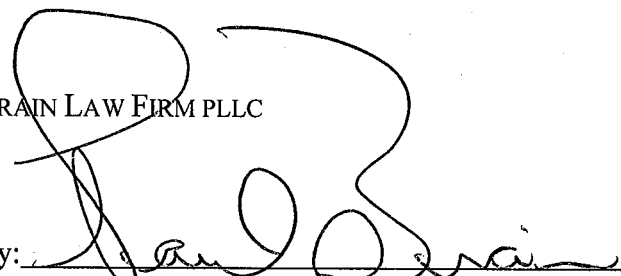
9 Any party desiring information as to the details of the proposed settlements may request
10 same from the Clerk of the Court or from the undersigned counsel.

11 IF YOU OPPOSE the Motion, you must file your written response with the Clerk of the
12 Court, serve two copies on the Judge's chambers and deliver copies to the undersigned
13 NOT LATER THAN THE RESPONSE DATE, which is **April 19, 2011**.

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

17 DATED this 17th day of March, 2011.

18 BRAIN LAW FIRM PLLC

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21 By: 
Paul E. Brain, WSBA #13438

22 Counsel William L. Beecher, Receiver
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