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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 OF RECEIVER'S MOTION
FOR APPROVAL OF SETTLEMENT**

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

Hearing Date: Friday, May 7, 2010
Hearing Time: 9:00 a.m.
Response Due: Wednesday, May 5, 2010, by noon
Location: Pierce County Superior Court
Judge Cuthbertson, Department 21
930 Tacoma Avenue South, Tacoma, WA 98402

PLEASE TAKE NOTICE that William L. Beecher, in and only in his capacity as
Receiver in the above-captioned Receivership proceeding, has filed a Motion with this Court
seeking entry of an Order approving a settlement of the claims asserted by the Receiver against

1 Defendant Glaser, Weil, Fink, Jacobs, Howard & Shapiro, LLP (“Glaser Weil”) in Beecher v.
2 Glaser Weil, et al., Pierce County Superior Court Case No. 09-2-14145-8, for a payment to the
3 Receiver of the amount of \$127,500 within 10 days of the entry of an Order approving the
4 settlement.

5 The Receiver has concluded that the settlement is in the best interests of creditors and
6 other interested parties for the following reason. In Beecher v. Glaser Weil, et al., the Receiver
7 made two claims: (1) that in representing both MCube Petroleum, Inc. (“MCube”) and the
8 Rusnak family, Glaser Weil had engaged in a prohibited conflict of interest; and (2) that Glaser
9 Weil had liability to MCube arising from MCube’s fundraising activities in late-2006 and early-
10 2007. The former claim involved a claim that Glaser Weil should be compelled to disgorge fees
11 totaling \$255,000 paid to it by or on behalf of MCube. The latter claim involved significantly
12 larger damage claims the amount of which was never fully determined.

13 With respect to Claim 1, the extent to which a lawyer can be compelled to disgorge fees
14 arising from an engagement involving a prohibited conflict of interest is subject to the discretion
15 of the trial court. Based on the facts and circumstances, the settlement falls in the middle of the
16 range of possible outcomes were the matter to be taken to trial. With respect to Claim 2, despite
17 extensive investigations, evidence of culpable involvement by Glaser Weil in these fundraising
18 activities was lacking. With respect to both claims, it was apparent that litigating the claims to
19 conclusion would be a protracted and expensive process.

20 The settlement was accomplished with the assistance of a third party Mediator. While
21 communications in Mediation are privileged and confidential, the fact that the settlement was
22 accomplished through this mechanism means that in reaching the settlement, the Receiver did
23 have the input of an independent third-party.

24 Further information, including copies of the Motion documentation can be obtained from
25 the undersigned or the Clerk of the Court.
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1 IF YOU OPPOSE the Motion, you must file your written Response with the Clerk of the
2 Court, serve two copies on the Judge's chambers and deliver copies to the undersigned NOT
3 LATER THAN NOON THE RESPONSE DATE, which is *noon, Wednesday, May 5, 2010*.

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

7 DATED this 27th day of April, 2010.

8 **BRAIN LAW FIRM PLLC**

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11 By: 

Paul E. Brain, WSBA #13438

1119 Pacific Avenue, Suite 1200

Tacoma, WA 98402

Tel: 253-327-1019

Email: pbrain@paulbrainlaw.com

Counsel for William L. Beecher, Receiver