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11 Attorneys for Michael A. Grassmueck, as Receiver
12

13 UNITED STATES DISTRICT COURT

14 WESTERN DISTRICT OF WASHINGTON, TACOMA DIVISION

15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 v.

18 MCS PROGRAMS, I.L.C, a Washington
Limited Liability Company, also doing business
19 as Mutual Consolidated Savings; UNITED
SAVINGS CENTER, INC., a Washington
20 corporation, also doing business as Mutual
Consolidated Savings; USC PROGRAMS,
21 I.L.C, a Washington Limited Liability
Company, also doing business as Mutual
22 Consolidated Savings; PAUL MORRIS
THOMPSON, individually and as an officer of
23 MCS Programs, I.L.C, United Savings Center,
Inc., and USC Programs, I.L.C; and MIRANDA
24 CAVENDER, individually and as a manager of
MCS Programs, I.L.C, United Savings Center,
25 Inc., and USC Programs, I.L.C.

26 Defendants.
27
28

Case No. C09 5380 RJB

DECLARATION OF MICHAEL A.
GRASSMUECK IN SUPPORT OF MOTION
TO ABANDON REAL PROPERTY AND FOR
OTHER RELATED RELIEF

1 I, Michael A. Grassmueck, declare:

2 1. I am the duly appointed receiver (the "Receiver") for MCS Programs, L.L.C.
3 United Savings Center, Inc., USC Programs, L.L.C. and their subsidiaries and affiliates and any
4 entities controlled by them (collectively referred to as the "Receivership Defendants").

5 2. I submit this declaration (the "Declaration") in support of the motion ("Motion")
6 for an order authorizing the receivership estate ("Receivership Estate") to abandon the real
7 property and improvements located at 1215 Earnest S. Brazill Street, Unit 33, Tacoma,
8 Washington 98405. I have personal knowledge of the facts stated in this Declaration as to
9 which I could and would personally and competently testify if called upon to do so.

10 3. On July 10, 2009, a Stipulated Preliminary Injunction and Order for Other
11 Equitable Relief was entered ("Receiver Order"), which authorized the issuance of a
12 preliminary injunction for the freeze of the Receivership Defendants' assets and for my
13 appointment as permanent receiver in this action, with the full powers and duties of a federal
14 equity receiver. The Receiver Order provided that I was granted full access and authority over
15 all of the Receivership Defendants' business premises, including the Property 1215 Earnest S.
16 Brazill Street, Unit 33, Tacoma Washington 98405 (the "Property"). The Receiver Order at
17 Section IX.D further provided that I, as receiver, had the power to investigate, conserve, hold,
18 and manage all receivership assets, and perform all acts necessary or advisable to preserve the
19 value of those assets in an effort to prevent any irreparable loss, damage or injury to consumers
20 or to creditors of the Receivership Defendants.

21 4. On July 19, 2010, a Stipulated Final Judgment and Order for Permanent Injunction
22 was entered against the Receivership Defendants ("Final Judgment"). The Final Judgment
23 provided for, among other things, entry of a money judgment for \$22,508,306 against the
24 Receivership Defendants, jointly and severally, the release of certain Receivership Defendants'
25 property to the Receivership Estate for liquidation, and sale of the Receivership Defendants'
26 property for the benefit of the defrauded consumers. The Final Judgment provides that the effect
27 and enforceability of the Money Award is suspended in full and in part as to some of the
28 individual defendants, subject to certain contingencies set forth in the Final Judgment.

1 5. The Final Judgment at Section VII further expanded my powers to include the
2 winding-down of the Receivership Defendants' businesses, the liquidation of the Receivership
3 Defendants' assets, and at Section VII.E, the disposal of records of the Receivership Defendants
4 no later than six months after the Court's approval of the Receivership Estate's Liquidation
5 Report.

6 6. Pursuant to the Motion, I request Court approval to abandon the real property
7 and improvements located at and commonly known as 1215 Earnest S. Brazill Street, Unit 33,
8 Tacoma Washington 98405. The legal description of the Property is attached hereto as
9 Exhibit A.

10 7. The Property is encumbered by a mortgage in favor of Bank of America in
11 excess of \$150,000.

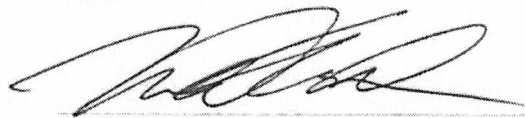
12 8. I have attempted to market and sell the Property. I did receive one offer to
13 purchase the Property, however, that purchase did not close, and I have not received any further
14 offers for the Property.

15 9. I have determined that there is no equity, value or benefit in holding the Property
16 for the Receivership Estate.

17 10. I wish to avoid any expense of continued maintenance of the Property as well as
18 the potential liability associated with holding vacant property.

19 11. I have weighed whether retaining the Property would be beneficial to the
20 Receivership Estate and I have determined that the Property does not provide any value to the
21 Receivership Estate. Moreover, I believe that the continued maintenance of the Property would
22 be financially burdensome.

23 I declare under penalty of perjury under the laws of the United States of America that
24 the foregoing is true and correct. Executed this 22nd day of September, 2011, at Portland,
25 Oregon.



MICHAEL A. GRASSMUECK

Exhibit "A"

CHICAGO TITLE INSURANCE COMPANY
A.L.T.A. COMMITMENT
SCHEDULE A
(Continued)

Order No.: 4351727
Your No.: THOMPSON/TBD

LEGAL DESCRIPTION EXHIBIT
(Paragraph 4 of Schedule A continuation)

THE SOUTHERLY 10 FEET OF THE EASTERLY 60 FEET OF LOT 10 AND THE EASTERLY
60 FEET OF LOTS 11 AND 12, BLOCK 1125, THOMPSON'S ADDITION TO TACOMA,
W.T., ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE
111, RECORDS OF PIERCE COUNTY AUDITOR.

SITUATE IN THE CITY OF TACOMA, COUNTY OF PIERCE, STATE OF WASHINGTON.