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Attorneys for Michael A. Grassmueck, Receiver

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON

FEDERAL TRADE COMMISSION,
Plaintiff,

v.

MERCHANT PROCESSING, INC.;
VEQUITY FINANCIAL GROUP, INC.;
DIRECT MERCHANT PROCESSING,
INC.; PPI SERVICES INC.; AARON LEE
RIAN; and KARELY MCCARTHY, AKA
KARLY SPEELMAN,

Defendants.

No. CV07-0533 BR

NOTICE OF RECEIVER'S INTENT TO
SELL BAD BOY RACING, LLC, RIAN
RACING, LLC, AND BAD BOY
ENTERPRISES, INC., dba ATLANTIC
HOUND ASSETS AND MOTION FOR
AUTHORITY TO SELL ASSETS FREE
AND CLEAR OF LIENS

YOU ARE HEREBY NOTIFIED that Michael A. Grassmueck, the receiver appointed by the Court in the above-captioned case (the "Receiver") intends to: (I) sell the assets of Bad Boy Racing, LLC ("BBR"), Bad Boy Enterprises, Inc., dba Atlantic Hound ("BBE"), Bad Boy Investments, LLC ("BBI") and Rian Racing, Inc. ("Rian") free and clear of all liens, claims, interests and encumbrances; (II) moves the Court for authority to sell such assets while relieving the Receiver from certain of the provisions of 28 U.S.C. §§ 2001-2002; and (III) moves the Court for such other and further relief as is just and proper. The Receiver proposes the sale of the following property of BBR, BBE, BBI and Rian (the "Property"):

(a) The following vehicles:

(i) 1994 Dodge Ram in Daytona, Florida, VIN No. 1B7HC16X9RS621551;

(ii) 1994 Ford F250 in Daytona, Florida, VIN No. 1FTHF25HIRNB72114;

1- NOTICE OF RECEIVER'S INTENT TO SELL ASSETS
OF BAD BOY RACING, LLC, ET.AL.

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(iii) 1999 GMC Sierra in Derby Lane, Florida, VIN No. 1GTGC24XF015151

(iv) 1997 Ford Pickup in Flagler, Florida, VIN No. 1FTHX25H9VEA25014;

(v) 2000 Ford F150 in Jacksonville, Florida, VIN No. 1FTRF17W6YNB07963;

(vi) 2003 Dodge ¾ ton pickup in Keota, Oklahoma, VIN No. 3D7KA26D93G728787;

(vii) 1996 Ford ¾ ton pickup in Keota, Oklahoma, VIN No. 1FTEF15Y6TNA20561;

(viii) Scorpion 1400 65 HP Tractor with Disc Tractor and Brush Hog in Keota, Oklahoma; and

(ix) 2002 GMC Truck in Mardi Gras, Florida, VIN No. 1GTEC14V32Z341156.

(b) The real property commonly known as 40332 South County Rd.4545, Keota, Oklahoma 74941, with the legal description attached hereto as Exhibit A (the "Real Property") and all improvements located thereon, including but not limited to, three (3) dog runs, multiple dog houses and puppy houses;

(c) The mobile home located on the Real Property;

(d) All track maintenance tractors, lawnmowers, supplies and equipment owned by Seller as receiver for BBE, BBR, BBI and Rian;

(e) All dogs owned by Seller as receiver for BBE, BBR, BBI and Rian (the "Dogs"); and

(f) All Kennel Bookings owned by Seller as receiver for BBE, BBR, BBI and Rian at Derby Lane, Flagler, Mardi Gras, Daytona Beach and Jacksonville, Florida.

The Receiver proposes to sell the Property for \$150,000 to Robert Hume of Keota, Oklahoma (the "Buyer"). The Buyer has no relation to the Receiver or BBR, BBE, BBI or Rian. The allocation of the purchase price shall be \$100,000 to the purchase of the Real Property and \$50,000 to the personal property. A copy of the Agreement for Sale and Purchase of Assets may be obtained by contacting the undersigned.

There is a mortgage on the Real Property in favor of Wells Fargo Bank, N.A. in the approximate sum of \$71,800, which mortgage will be paid from the proceeds of the proposed

2- NOTICE OF RECEIVER'S INTENT TO SELL
ASSETS OF BAD BOY RACING, ET.AL.

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sale. Total sales costs are estimated to be \$1,500. The Receiver knows of no other liens against the Property.

The terms of the proposed sale are: (1) the Buyer paid \$10,000 in earnest money to the Receiver; (2) the balance of the purchase price (\$140,000) is to be paid in cash at closing; and (3) all revenues and expenses shall be prorated between the Receiver and the Buyer as of the date the transaction closes.

Any person who wishes to submit an overbid for the sale of the Property must submit a bid to the Receiver no later than November 17, 2008. Any overbid must exceed the above offer by at least \$1,000 (and be on the same or more favorable terms to the receivership estate). Should the Receiver receive a qualifying overbid on or before November 17, 2008, the Receiver will notify the parties of the date and time at which he will hold an auction of the Property and allow bidding in excess of any written offer to purchase the Property.

Unless Receiver receives objections by November 17, 2008, Receiver will submit an order to the court without further notice or hearing approving the proposed sale of the Property. If any party has an objection to the sale, he/she shall deliver to the undersigned a written objection on or before November 17, 2008.

On October 24, 2008, I served copies of the above notice by first class mail on the parties listed on Exhibit A hereto.

By: 

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EXHIBIT A – SERVICE LIST

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