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12 UNITED STATES DISTRICT COURT  
13 NORTHERN DISTRICT OF CALIFORNIA  
14 SAN FRANCISCO

15 SECURITIES AND EXCHANGE  
16 COMMISSION,

17 Plaintiff,

18 vs.

19 ALEXANDER JAMES TRABULSE,

20 Defendant.

21 and

22 FAHEY FUND, L.P., FAHEY  
23 FINANCIAL GROUP, INC.,  
24 INTERNATIONAL TRADE & DATA, and  
25 ITD TRADING,

26 Relief Defendants.

Case No. C 07-4975 (WHA)

**ORDER ON MOTION TO APPROVE (I)  
EMPLOYMENT OF PANAMA  
COUNSEL AND PAYMENT OF  
RETAINER, (II) EMPLOYMENT OF  
PANAMA REAL ESTATE BROKER  
AND PAYMENT OF SALES  
COMMISSION, (III) SALE OF  
PANAMA PROPERTY FREE AND  
CLEAR, AND (IV) OTHER RELATED  
RELIEF**

Date: April 8, 2010

Time: 8:00 a.m.

Place: Courtroom 9, 19<sup>th</sup> Floor  
United States District Court  
Northern District of California-  
San Francisco Division  
450 Golden Gate Avenue  
San Francisco, CA 94102

1 This Court, having reviewed the Motion to Approve (I) Employment of Panama  
2 Counsel and Payment of Retainer, (II) Employment of Panama Real Estate Broker and  
3 Payment of Sales Commission, (III) Sale of Panama Property Free and Clear, and (IV)  
4 Other Related Relief, filed by the Court-appointed monitor, Michael A. Grassmueck, (the  
5 "Monitor"), and good cause appearing therefore, orders as follows:

- 6 1. The Motion is granted in its entirety.
- 7 2. The Monitor is authorized to employ Watts Law as Panamanian counsel for  
8 the estate, and is authorized to pay a retainer to Watts Law of \$10,000, and to  
9 cover payment of any additional and necessary fees and costs up to the  
10 amount of \$15,000. Any unused portion of the retainer shall be refundable  
11 to the estate.
- 12 3. The Monitor is authorized to employ Panamanian real estate broker Boquete  
13 Legacy Real Estate ("Broker"), and to pay the Broker commission which will  
14 be 6% of any gross sales price for the sale of the estate real property (the  
15 "Property"), identified as Lot # 15, located in the Republic of Panama  
16 ("Panama"), and related shares ("Shares") necessary to complete the sale and  
17 transfer of the Property.
- 18 4. The Monitor is authorized to close the sale of the Property and Shares  
19 (collectively, the "Assets") and take any action necessary to deliver title to  
20 the Assets to the buyer with the highest offer for the Assets.
- 21 5. The Monitor is authorized to sell the Assets on an "AS IS," "WHERE IS,"  
22 and "WITH ALL FAULTS" basis, with no representations or warranties as  
23 to condition or fitness of use for any of the Assets, and expressly disclaiming  
24 all express and implied warranties with respect to the Assets, including,  
25 without limitation, the warranties of merchantability and fitness for a  
26 particular purpose. The sale of the Assets shall be free and clear of all liens,  
27 claims, and encumbrances, with such liens, claims and encumbrances  
28 attaching to the proceeds of sale.

1           6.     The following terms and procedures for the public sale of the Assets are  
2                     approved (the "Auction Sale Procedures"):

3                     (i)   **Teleconference Auction Held at Monitor's Counsel's Office and**  
4                     **Broker Office.** The Monitor will conduct a public sale of the Assets ("Auction")  
5                     by teleconference at the Monitor's counsel's office in San Francisco, California  
6                     ("Monitor's Counsel's Office") and with bidders appearing at the Broker's office in  
7                     Panama ("Broker Office"). Any interested overbidders in the United States and in  
8                     Panama who wish to bid may participate telephonically or in person at the Auction.  
9                     Monitor's Counsel's Office is located in the Federal District in which the Monitor  
10                    was appointed.

11                   (ii) **Publication of Notice of Teleconference Auction.** The Monitor will  
12                   publish notice of the date, time, and, location of the auction of the Assets, in a  
13                   newspaper of general circulation in the San Francisco Bay Area and in Province of  
14                   Chiriqui, Panama. This notice will be published once a week for at least four weeks  
15                   prior to any scheduled public sale date.

16                   (iii) **Assets Sold to Highest Bidder at Teleconference Auction.** The  
17                   Assets will be sold to the bidder making the highest or best offer at the Auction.

18                   (iv) **Proof of Funds and Requirements Necessary for Qualified**  
19                   **Overbidders.** In order to participate at the Auction, each bidder must present the  
20                   Monitor or Broker with \$5,000 cash or cash equivalent at least 24 hours in advance  
21                   of the Auction. The high bidder at Auction will be required to make a cash deposit  
22                   equal to 25% of the winning bid, to the Monitor, and will have 3 business days  
23                   following the Auction to pay to the Monitor the remainder of the winning bid. The  
24                   high bidder at Auction shall also execute the purchase agreement as needed to  
25                   finalize the sale of the Assets to the high bidder, and the Monitor and Broker will be  
26                   authorized to take whatever actions necessary to finalize the purchase agreement,  
27                   and transfer title to the Assets to the high bidder.  
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(v) **Back-Up High Bidder May Become Winning Bidder.** If the winning bidder fails to pay the remainder of the purchase price within 3 business days following the Auction, the Monitor will be authorized to sell to the next highest bidder, who will also then have 3 business days to pay the remainder of its winning bid. If the Monitor is unable to close the sale to any bidder following the Auction, the Monitor reserves the right to reschedule a further auction date and time for the Assets, and conduct such auction pursuant to the Auction Sale Procedures.

(vi) **Overbid Minimum Increments and Minimum Sale Price.** Overbids will be accepted for all Assets sold at the Auction at increments to be determined by the Monitor and Broker at the time of Auction for the Assets. If no acceptable bid is received, the Monitor may cancel the Auction.

7. The public sale of the Assets is deemed in compliance with 28 U.S.C. §§ 2001(a), 2002, and 2004.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
The Honorable William H. Alsup  
United States District Court Judge