

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
[www.flsb.uscourts.gov](http://www.flsb.uscourts.gov)

In re:

CHAPTER 11

PALM BEACH FINANCE PARTNERS, L.P.,  
PALM BEACH FINANCE II, L.P.,

Case No. 09-36379-PGH  
Case No. 09-36396-PGH  
(Jointly Administered)

Debtors.

---

**LIQUIDATING TRUSTEE'S MOTION FOR APPROVAL OF SETTLEMENT WITH  
PALM BEACH STRATEGIC INCOME, LP AND PALM BEACH STRATEGIC  
OFFSHORE LIMITED AND PAYMENT OF CONTINGENCY FEE**

**Any interested party who fails to file and serve a written response to this motion within 21 days after the date of service stated in this motion shall, pursuant to Local Rule 9013-1(D), be deemed to have consented to the entry of an order in the form attached to this motion. Any scheduled hearing may then be cancelled.**

Barry E. Mukamal, in his capacity as liquidating trustee ("*Liquidating Trustee*") for the Palm Beach Finance Partners Liquidating Trust and Palm Beach Finance II Liquidating Trust (collectively, the "*Liquidating Trusts*"), by and through undersigned counsel, and pursuant to *Fed. R. Bankr. P.* 9019, seeks an Order from this Court approving a settlement of claims that could be asserted against Palm Beach Strategic Income, LP ("*PBSI*"). In support of this relief, the Liquidating Trustee states the following:

**I. Factual Background**

**A. The Pre-Petition Activities of PBF II**

1. The Liquidating Trusts are the successors in interest to Palm Beach Finance Partners, L.P. and Palm Beach Finance II, L.P. (collectively, the "*Palm Beach Funds*").

2. The Palm Beach Funds were formed to lend monies in purchase financing transactions supposedly brokered by Thomas Petters and his company, Petters Company, Inc. (“*PCI*”) in the consumer goods business. The idea was that the Palm Beach Funds and other lenders would supply bridge financing to PCI and then later, once goods were received by a particular big box retailer, the retailer would remit the payment to the lender or PCI.

3. In reality, the Palm Beach Funds’ investments in PCI were worthless - PCI’s purchase and financing transactions were fictitious and part of an elaborate, multi-billion dollar *ponzi* scheme perpetrated by Mr. Petters, Deanna Munson a/k/a Deanna Coleman, Robert White and others. No retailer ever made any payment on the purchase and sale of goods because the deals were fictitious.

4. On September 24, 2008, federal agents raided Mr. Petters’ offices. Thereafter, Mr. Petters’ companies were placed into federal receivership. Ultimately, Mr. Petters was convicted of his crimes and sentenced to 50 years in prison. Other persons complicit in the fraud were sentenced to prison sentences as well.

5. On November 30, 2009 (“*Petition Date*”), the Palm Beach Funds commenced bankruptcy cases by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida (“*Bankruptcy Court*”).

#### **B. *PBSI***

6. PBSI was a hedge fund that was affiliated with the Palm Beach Funds.

7. PBSI’s investment strategy consisted of investing in asset based loans. To lever its returns, PBSI borrowed monies from an offshore lender – Palm Beach Strategic Offshore Limited (“*PBSO*”). In exchange for these loans, PBSO was granted a lien on the assets of PBSI

including its cash located in a bank account at US Bank, NA, account no. 788208000 (“**PBSI Account**”).

8. Historically, one of PBSI’s investment strategies included investing in PCI purchase financing transactions. Rather than hold these notes to maturity, in several instances, PBSI sold its outstanding PCI notes to both of the Palm Beach Funds.

9. After PCI’s offices were raided in September 2008, the United States District Court for the District of Minnesota entered its Order creating a receivership for PCI and other individuals and appointing Douglas A. Kelley as receiver (“**PCI Receiver**”). Thereafter, the Receiver sought and obtained orders from the District Court freezing multiple bank accounts, including the PBSI Account.

10. On May 14, 2009, PBSO was placed into voluntary liquidation by its sole shareholder with Geoffrey Varga and Nicolas Matthews appointed as joint voluntary liquidators. Thereafter, on September 3, 2009, the liquidation of PBSO was brought under the supervision of the Grand Court of the Cayman Islands, with Messrs. Varga and Matthews being appointed as Joint Official Liquidators to PBSO. Mr. Varga is referred to as the “**PBSO Offshore Liquidator**.” As the Court is aware, the PBSO Offshore Liquidator is also the offshore liquidator for Palm Beach Offshore, Ltd. and Palm Beach Offshore II, Ltd. and serves as the Trust Monitor with respect to the Liquidating Trusts. Mr. Varga has abstained from any decision making process as it relates to the Liquidating Trusts in connection with this specific matter.

## II. Settlement Terms

11. The settlement proposed here consists of a multi-step process. The key aspects of the stipulation of settlement between the parties ("**Stipulation**") are the following:<sup>1</sup>

- a) Upon approval of the Stipulation, PBSI will cause the PBSI Account to be turned over to PBSO Offshore Liquidator. Currently, there is \$871,431.91 located in the PBSI Account.
- b) Thereafter, the PBSO Offshore Liquidator and the Liquidating Trustee will work together to unfreeze the funds located in the PBSI Account. Upon the account being unfrozen, the PBSO Offshore Liquidator will, after payment of any required realization costs, pay (or cause to be paid) 25% of the remaining funds located in the PBSI Account to the Liquidating Trustee, on behalf of the Liquidating Trusts ("**Settlement Payment**"). The Settlement Payment is in satisfaction of any clawback claims the Liquidating Trusts could assert against PBSI in connection with the sale of PCI notes to the Palm Beach Funds.
- c) The Settlement Payment will be made within 30 days from the date of any agreement entered into with the PCI Receiver unfreezing the PBSI Account. The Settlement Payment will be allocated to the Liquidating Trusts in accordance with the pro rata allocation formula approved by this Court ("**Allocation Formula**"): 18% to the Palm Beach Finance Partners Liquidating Trust and 82% to the Palm Beach Finance II Liquidating Trust.
- d) The parties will exchange mutual releases as described in the Stipulation.
- e) PBSI and PBSO shall not be entitled to any distribution from the Liquidating Trusts or the PBF I or PBF II bankruptcy estates.

12. This settlement differs from the typical settlements that have been presented to this Court. *First*, the nature of the claim does not involve a typical profiteer claim. Instead, the claim would be to avoid and recover transfers made to PBSI under a theory of constructive fraud. Namely, the Liquidating Trustee would assert that the Palm Beach Funds did not receive reasonably equivalent value in exchange for the PCI notes purchased from PBSI. *Second*,

---

<sup>1</sup> A copy of the Stipulation is attached as Exhibit 1. To the extent the terms of the agreement differ with the terms set forth in this Motion, the agreement shall control.

collection is a significant issue in this litigation. PBSO and PBSI are defunct hedge funds that are being wound down. Indeed, the only material asset that is controlled by PBSI is the frozen PBSI Account. PBSO, however, could maintain a superior claim to the monies located in that account. Similarly, to the extent other assets existed, PBSO could assert superior claims to those assets as well.

### III. Relief Requested

13. The Liquidating Trustee seeks an Order from this Court (a) approving the Stipulation and (b) approving the Contingency Fee (as defined below).

14. Federal Rule of Bankruptcy Procedure 9019 provides in relevant part that [o]n motion . . . and after a hearing on notice to creditors; the debtor . . . and to such other entities as the Court may designate, the Court may approve a compromise or settlement.”

15. Approval of a settlement in a bankruptcy proceeding is within the sole discretion of the Court and will not be disturbed or modified on appeal unless approval or disapproval is an abuse of discretion. *In re Arrow Air*, 85 BR 891 (Bankr. S.D. Fla. 1988).

16. The standards for approval are well settled and require the Court to inquire into the reasonableness of the proposed settlement. *See, e.g., Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968); *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983); *Florida Trailer and Equip. Co. v. Deal*, 284 F.2d 567, 571 (5th Cir. 1960). The inquiry need only determine whether the settlement falls below the lowest point of the range of reasonableness. *See W.T. Grant Co.*, 699 F.2d at 608; *see also In re Martin*, 91 F.3d 389 (3rd Cir. 1996); *In re Louise's Inc.*, 211 B.R. 798 (D. Del. 1997) (setting forth considerations by the Court for approval of a settlement, including: (i) the probability of success in litigation, (ii) the likely difficulties in collection; (iii) the complexity of the litigation

involved, and the expense, inconvenience and delay necessarily attending it; and (iv) the paramount interest of the creditors.

**A. *The Stipulation Ought to be Approved***

17. Based upon the above legal principles, the Liquidating Trustee asserts that the Stipulation falls well above the lowest point of the range of reasonableness and thus, should be approved.

*Probability of success in litigation*

18. The Liquidating Trustee, on behalf of the Liquidating Trust, could assert that the transfers to PBSI were fraudulent transfers under federal or state law, or alternatively, that PBSI was unjustly enriched by the Profit Distribution. Additionally, the Liquidating Trustee would likely bring claims to recover principal repayments made to PBSI.

19. The Liquidating Trustee believes that he may succeed in prosecuting these causes of action. Nonetheless, the Liquidating Trustee acknowledges that there are risks inherent in all litigation and there is the possibility that PBSI, or other similarly situated parties, could raise certain issues or defenses that potentially could impact the Liquidating Trustee's claims.

20. Moreover, the probability of success in then executing on this judgment is significantly more difficult to predict. Namely, PBSO could assert a superior claim to the PBSI Account. To the extent PBSO successfully asserts such claim, then any judgment obtained against PBSI would be likely worthless.

*Collectability*

21. Collectability is a significant issue in this matter and drives this settlement.

22. Based on PBSI's disclosures, and more importantly, the current status of both PBSI and PBSO, PBSI does not have the financial wherewithal to pay any meaningful judgment

obtained against it. The limited funds located in the PBSI Account are the only meaningful asset available for recovery.

*Complexity of litigation and attendant expense, inconvenience and delay*

23. This is a meaningful consideration that militates in favor of approval of the Stipulation.

24. In sum, although fraudulent transfer claims are typical claims litigated before this Court, they still potentially require retention of experts and extensive fact discovery before a trial could take place. The result of these efforts will be substantial fees of professionals that could diminish the net result of any recovery to creditors in these bankruptcy cases.

25. Moreover, assuming the Liquidating Trustee was successful in obtaining a judgment against PBSI, he would then have to engage in collection efforts. These efforts become more complicated due to PBSO's interest in the assets of PBSI.

26. The Stipulation addresses these concerns. The parties avoid litigating fact specific claims and issues relating to collection, with the attendant expense and delay of such litigation being nullified.

*Paramount interest of creditors*

27. In the event the Liquidating Trustee is successful in unfreezing the PBSI Account, the Settlement Payment will yield a six-figure recovery of the clawback claims he could assert against a defunct PBSI. Although this recovery is significantly less than the multi-million dollar face value of the fraudulent transfer claims that could be asserted, it is appropriate in light of the limited sources of collection and the competing claims of PBSO. Most importantly, this result gives certainty to the estate and avoids the risk, expense and delay attendant with litigation. As

such, the Stipulation is in the paramount interest of the Liquidating Trusts creditors and should be approved.

**B. The Contingency Fee Ought to be Approved**

28. Pursuant to the Plan and this Court's Order Approving the Trustee's Motion to Approve Hybrid Form of Compensation [ECF No. 223], Meland Russin & Budwick, P.A. ("**MRB**") is entitled to a contingency fee of 10% for any affirmative recovery it obtains on behalf of the Liquidating Trusts without further order of the Court ("**Contingency Fee**").

29. As such, MRB requests that the Contingency Fee be paid upon actual receipt of the Settlement Payment without further Order from this Court. Pursuant to the Allocation Formula, each Liquidating Trust shall pay the Contingency Fee from the portion of the Settlement Payment proceeds received by it.

WHEREFORE, the Liquidating Trustee requests that this Court enter an Order (similar in form to the Order attached as Exhibit 2) (1) approving the Stipulation; (2) approving payment of the Contingency Fee and (3) granting such other relief this Court deems just and proper.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on March 28, 2012, a true and correct copy of the foregoing was served via the Court's Notice of Electronic Filing on those parties listed on the attached Exhibit 3, and via U.S. Mail to the parties listed on the matrix attached as Exhibit 4.

s/ Jonathan S. Feldman  
Jonathan S. Feldman, Esquire  
Florida Bar No. 12682  
jfeldman@melandrussin.com  
MELAND RUSSIN & BUDWICK, P.A.  
3000 Southeast Financial Center  
200 South Biscayne Boulevard  
Miami, Florida 33131  
Telephone: (305) 358-6363  
Telecopy: (305) 358-1221

*Attorneys for Barry E. Mukamal,  
Liquidating Trustee*

**STIPULATION OF SETTLEMENT**

This Stipulation of Settlement ("***Stipulation***") is entered into on 7 Feb, 2012, by and among (a) Barry Mukamal, in his capacity as liquidating trustee ("***Liquidating Trustee***") of the Palm Beach Finance Partners Liquidating Trust and Palm Beach Finance II Liquidating Trust ("***Liquidating Trusts***"); (b) Geoffrey Varga, in his capacity as Joint Official Liquidator ("***Offshore Liquidator***") of Palm Beach Strategic Offshore Limited ("***PBSO***") and (c) Palm Beach Strategic Income, L.P. ("***PBSI***") (the Liquidating Trustee, Offshore Liquidator and PBSI are at times individually referred to as a "***Party***" or collectively, the "***Parties***"). The terms of this Stipulation are as follows:

**RECITALS**

- A. PBSI and PBSO were formed to raise monies and pursue certain investment strategies;
- B. In conjunction with its investment strategies, PBSI maintained a bank account at US Bank, NA, account no. 788208000 ("***PBSI Account***");
- C. On September 24, 2008, government agents raided the office of Petters Company, Inc. ("***PCI***");
- D. On October 6, 2008, the United States District Court for the District of Minnesota entered its Order creating a receivership for PCI and other individuals and appointing Douglas A. Kelley as receiver ("***PCI Receiver***");
- E. The Receiver sought and obtained orders from the District Court freezing multiple bank accounts, including the PBSI Account;
- F. On 14 May 2009, PBSO was placed into voluntary liquidation by its sole shareholder with Geoffrey Varga and Nicolas Matthews appointed as joint voluntary liquidators;

G. Given the insolvent nature of PBSO, on 3 September 2009, the liquidation of PBSO was brought under the supervision of the Grand Court of the Cayman Islands, with Geoffrey Varga and Nicolas Matthews being appointed as Joint Official Liquidators to PBSO;

H. On November 30, 2009 ("**Petition Date**"), Palm Beach Finance Partners, LP (**PBF I**) and Palm Beach Finance II, LP ("**PBF II**"; and together with PBF I, the "**Palm Beach Funds**") commenced Chapter 11 bankruptcy cases by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida;

I. On October 21, 2010, the Bankruptcy Court entered its Order Confirming Second Amended Plan of Liquidation [ECF No. 444] creating the Liquidating Trusts and appointing the Liquidating Trustee as liquidating trustee.

J. The Offshore Liquidator, on behalf of PBSO, asserts certain rights to the remaining assets of PBSI, including without limitation, the remaining funds located in the PBSI Account resulting from amounts owing to PBSO from PBSI under certain promissory notes ("**Promissory Note Claims**");

K. The Liquidating Trustee, on behalf of the Liquidating Trusts, asserts certain claims against PBSI relating to transfers made to it by the Palm Beach Funds ("**Clawback Litigation**"; and together with the Promissory Note Claims, the "**Potential Litigation**");

L. PBSI expressly denies any liability or assertion of rights with respect to the Clawback Litigation;

M. The Offshore Liquidator, Liquidating Trustee and PBSI have engaged in discussions in an attempt to resolve any and all issues, including the Potential Litigation;

N. To avoid the continued expense and risk of adverse outcome arising from any litigation, as well as incurring costs and expenses associated therewith, among other reasons, the

Parties have agreed to resolve the Potential Litigation pursuant to the terms and conditions of this Stipulation.

**NOW, WHEREFORE**, it is stipulated, consented to and agreed, by and among the Parties as follows:

1. **No admission of liability.** The Parties acknowledge that this Stipulation is a compromise and settlement of a controversy. No Party admits, and each expressly denies, any liability on its part, except for acknowledgement of amounts due to PBSO from PBSI under the Promissory Note Claims.

2. **Entire agreement.** This Stipulation constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and there are no other stipulations, agreements, representations, or warranties other than those specifically set forth herein. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this Stipulation.

3. **Turnover of the PBSI Account.** In full and final settlement of the Potential Litigation, PBSI shall effectuate a turnover of any and all rights it may have to the PBSI Account to PBSO. PBSI agrees to cooperate with the Offshore Liquidator in connection with the turnover including executing any and all documents reasonably necessary to effectuate turnover of the PBSI Account to PBSO or to the Offshore Liquidator, on behalf of PBSO.

4. **Split of Proceeds in the PBSI Account.** In furtherance of the full and final settlement of the Clawback Litigation, the Offshore Liquidator shall pay (or cause to be paid) 25% of the remaining funds, after payment by the Offshore Liquidator of any and all required realization costs, located in the PBSI Account ("**Payment**") to the Liquidating Trustee, on behalf of the Liquidating Trusts. The Payment shall be made within 30 days from the date of any agreement entered into with the PCI Receiver unfreezing the PBSI Account for the benefit of

PBSO or the Offshore Liquidator, on behalf of PBSO. To the extent such agreement with the PCI Receiver requires court approval, the time period described in the preceding sentence shall begin to accrue on the date any final order approving such agreement is entered. The Payment may be made via (i) wire transfer pursuant to written instructions to be provided by the Liquidating Trustee or his counsel or (ii) check made payable to "Barry E. Mukamal, Liquidating Trustee" and delivered to Jonathan S. Feldman, Esq., Meland Russin & Budwick, P.A., 200 South Biscayne Blvd., Suite 3000, Miami, Florida 33131.

5. **No entitlement to distribution.** PBSI and PBSO agree that they shall not be entitled to any monetary distribution whatsoever from the Liquidating Trusts, PBF I or PBF II.

6. **General releases between the Parties.**

A. For purposes of this Stipulation, the term "**Claims**" shall mean any obligations, claims, causes of action, demands of any type that a party may presently have, may have or have had in the past, upon or by reason of any matter, cause or thing whatsoever, including without limitation any and all obligations, debts, covenants, contracts, controversies, agreements, promises, claims, causes of actions and demands of any kind whatsoever, whether known or unknown, at law or in equity, indirect, derivative, or direct, known or unknown, discovered or undiscovered, including, but not limited to, those claims that could have been asserted in the Potential Litigation.

B. Upon approval of this Stipulation by final order of the Bankruptcy Court and compliance with the terms of paragraph 3 of this Stipulation, the Offshore Liquidator, on behalf of PBSO, waives, releases and hold harmless, now and forever, (i) PBSI and (ii) PBL Capital, L.P. ("**PBL Capital**") and the respective past and present officers, directors, insurers, employees, agents, attorneys, representatives, predecessors, successors, assigns, partners, shareholders, parents, subsidiaries and other affiliates of PBSI and PBL Capital

(collectively, the “*PBSI Released Parties*”) from any and all Claims that PBSO or the Offshore Liquidator, on behalf of PBSO, may have against the PBSI Released Parties related to the Potential Litigation; provided that nothing herein shall be deemed to release, waive or otherwise limit any rights or obligations arising out of this Stipulation. The scope of this release shall not impact, impair or alter in any manner any Claims whatsoever that the Offshore Liquidator, on behalf of PBSO, may have against any parties other than PBSI or the PBSI Released Parties, including but not limited to Claims against any alleged concurrent or consecutive tortfeasors, if any.

C. Upon approval of this Stipulation by final order of the Bankruptcy Court and compliance with the terms of paragraph 3 of this Stipulation, the Liquidating Trustee, on behalf of the Liquidating Trusts, PBF I and PBF II, waives, releases and hold harmless, now and forever, the PBSI Released Parties from any and all Claims that the Liquidating Trustee, the Liquidating Trusts, PBF I or PBF II may have against the PBSI Released Parties relating to the Clawback Litigation; provided that nothing herein shall be deemed to release, waive or otherwise limit any rights or obligations arising out of this Stipulation. The scope of this release shall not impact, impair or alter in any manner any Claims whatsoever that the Liquidating Trustee, on behalf of the Liquidating Trusts, PBF I and PBF II may have against any parties other than PBSI or the PBSI Released Parties, including but not limited to Claims against any alleged concurrent or consecutive tortfeasors, if any.

D. Upon approval of this Stipulation by final order of the Bankruptcy Court and compliance with the terms of paragraph 3 of this Stipulation, the PBSI Released Parties waive, release and hold harmless, now and forever, the Offshore Liquidator, PBSO, the Liquidating Trustee, the Liquidating Trusts, PBF I and PBF II from any and all Claims

that the PBSI Released Parties may have against the Offshore Liquidator, PBSO, the Liquidating Trustee, the Liquidating Trusts, PBF I and PBF II relating to the Potential Litigation; provided that this provision does not release, waive or otherwise limit any rights or obligations arising out of this Stipulation.

E. Upon approval of this Stipulation by final order of the Bankruptcy Court and compliance with the terms of paragraph 4 of this Stipulation, the Offshore Liquidator, on behalf of PBSO, waives, releases and hold harmless, now and forever, the Liquidating Trustee, the Liquidating Trusts, PBF I and PBF II, from any and all Claims that the Offshore Liquidator or PBSO may have against the Liquidating Trustee, the Liquidating Trusts, PBF I and PBF II relating to the Clawback Litigation; provided that nothing herein shall be deemed to release, waive or otherwise limit any rights or obligations arising out of this Stipulation. The scope of this release shall not impact, impair or alter in any manner any Claims whatsoever that the Offshore Liquidator, on behalf of PBSO, may have against any parties other than the Liquidating Trustee, the Liquidating Trusts, PBF I and PBF II, including but not limited to Claims against any alleged concurrent or consecutive tortfeasors, if any.

F. Upon approval of this Stipulation by final order of the Bankruptcy Court and compliance with the terms of paragraph 4 of this Stipulation, the Liquidating Trustee, on behalf of the Liquidating Trusts, PBF I and PBF II, waives, releases and hold harmless, now and forever, the Offshore Liquidator, PBSO and the respective past and present officers, directors, insurers, employees, agents, attorneys, representatives, predecessors, successors, assigns, partners, shareholders, partners, subsidiaries and other affiliates of the Offshore Liquidator and PBSO (collectively, the "***PBSO Released Parties***") from any and all Claims that the Liquidating Trustee, the Liquidating Trusts, PBF I or PBF II may

have against the PBSO Released Parties relating to the Clawback Litigation; provided that nothing herein shall be deemed to release, waive or otherwise limit any rights or obligations arising out of this Stipulation, including, for the avoidance of doubt, the obligations of the Offshore Liquidator to comply with the terms of paragraph 4 of this Stipulation. The scope of this release shall not impact, impair or alter in any manner any Claims whatsoever that the Liquidating Trustee, on behalf of the Liquidating Trusts, PBF I and PBF II, may have against any parties other than the PBSO Released Parties, including but not limited to Claims against any alleged concurrent or consecutive tortfeasors, if any.

7. **Authorization to bind.** The individuals signing below represent and warrant that they have the authority to execute this Stipulation on behalf of the applicable Party and bind them to its terms.

8. **Review/No Duress.** Each of the Parties acknowledges that he, she or it has read all of the terms of this Stipulation, has had an opportunity to consult with counsel of his, her or its own choosing or voluntarily waived such right, and enters into those terms voluntarily and without duress.

9. **Attorneys' fees and costs.** Each Party shall bear its own attorneys' fees and costs in connection with the negotiation of this Stipulation and motions and orders as may be necessary to obtain the approval of this Stipulation by the Bankruptcy Court; provided that that in the event of any litigation between the Parties under this Stipulation or arising as a result of a default under this Stipulation, the prevailing Party shall be entitled to reasonable attorneys' fees and costs related thereto, including, but not limited to, those incurred at all trial and appellate levels.

10. **No waiver of modification.** This Stipulation and any of the specific items, covenants, and conditions contained herein, may not be waived, changed, altered or modified except by an instrument in writing signed by the Party against whom enforcement of such change is sought.

11. **Effective date.** This Stipulation shall be effective upon execution by all of the Parties hereto, subject only to approval of this Stipulation by final order of the Bankruptcy Court and compliance with the terms of paragraph 3 of this Stipulation. Upon it becoming effective, this Stipulation shall be binding on all of the Parties' personal representatives, successors, heirs or assigns.

12. **No effect.** If the Bankruptcy Court does not approve this Stipulation, then the Stipulation shall be of no further force or effect, and the Parties shall be restored to their rights as they existed prior to the execution of this Stipulation. Notwithstanding the foregoing, if the Bankruptcy Court does not approve this Stipulation because any of the Parties have failed to provide the Bankruptcy Court with adequate information to rule on the merits of the Stipulation, the Parties will use their best efforts to seek reconsideration of any order declining to approve the Stipulation, or to file an amended motion to approve the Stipulation.

13. **Controlling law.** This Stipulation shall in all respects be construed in accordance with the laws of the State of Florida applicable to contracts made and to be performed wholly within the State of Florida and by federal law to the extent the same has preempted the laws of the State of Florida.

14. **Counterparts.** This Stipulation may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same

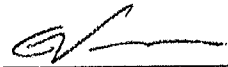
Stipulation. Delivery of an executed counterpart of a signature page to this Stipulation by facsimile shall be effective as delivery of a manually executed counterpart of this Stipulation.

15. **Construction.** This Stipulation shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Stipulation, no provision shall be construed and interpreted for or against any of the Parties because such provision or any other provision of the Stipulation as a whole is purportedly prepared or requested by such Party.

16. **Jurisdiction.** The Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Stipulation.

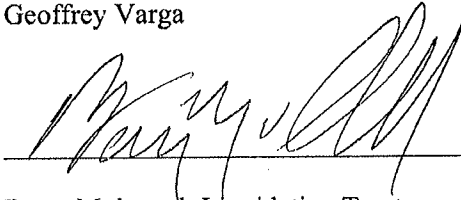
**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

**STIPULATED AND AGREED TO BY:**



Date: 7 February 2012

Palm Beach Strategic Offshore Ltd. (in official liquidation)  
By its Joint Official Liquidator  
Geoffrey Varga



Date: 2/10/12

Barry Mukamal, Liquidating Trustee

Palm Beach Strategic Income, L.P.

By: PBL Capital, L.P., its general partner

By: PBL Holdings, LLC, its general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**STIPULATED AND AGREED TO BY:**

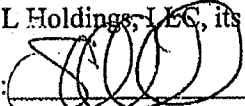
\_\_\_\_\_  
Date: \_\_\_\_\_  
Palm Beach Strategic Offshore Ltd. (in official liquidation)  
By its Joint Official Liquidator  
Geoffrey Varga

\_\_\_\_\_  
Date: \_\_\_\_\_  
Barry Mukamal, Liquidating Trustee

Palm Beach Strategic Income, L.P.

By: PBL Capital, L.P., its general partner

By: PBL Holdings, LLC, its general partner

By:   
Name: Scott Olson  
Title: Managing Director

Date: February 1, 2012

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION  
[www.flsb.uscourts.gov](http://www.flsb.uscourts.gov)

In re:

CHAPTER 11

PALM BEACH FINANCE PARTNERS, L.P.,  
PALM BEACH FINANCE II, L.P.,

Case No. 09-36379-PGH  
Case No. 09-36396-PGH  
(Jointly Administered)

Debtors.

**ORDER GRANTING LIQUIDATING TRUSTEE'S MOTION  
FOR APPROVAL OF SETTLEMENT WITH PALM BEACH STRATEGIC  
INCOME, LP AND PALM BEACH STRATEGIC OFFSHORE LIMITED AND  
PAYMENT OF CONTINGENCY FEE [ECF NO. \_\_\_\_]**

**THIS CAUSE** came before the Court upon the Liquidating Trustee's Motion for Approval of Settlement with Palm Beach Strategic Income, LP ("**PBSI**") and Palm Beach Strategic Offshore Limited ("**PBSO**") and Payment of Contingency Fee [ECF No. \_\_\_\_] (the "**Motion**").<sup>1</sup> The Court, having reviewed the Motion and noting that a Certificate of No Response and Request for Entry of

---

<sup>1</sup> All capitalized terms not defined in this Order shall have the meaning ascribed to such term as set forth in the Motion.

Order has been filed, finds that the notice of the proposed compromise and settlement is sufficient to comply with Bankruptcy Rules 9019 and 2002(a)(3), Local Rule 9013-1(D) and any other applicable notice requirement, and accordingly, it is:

**ORDERED** as follows:

1. The Motion is **GRANTED**.
2. The Settlement is **APPROVED**.
3. PBSI shall turn over control of the PBSI Account to the Offshore Liquidator.
4. Upon the PBSI Account being unfrozen, the Offshore Liquidator shall, after payment of any required realization costs, pay (or cause to be paid) 25% of the remaining funds located in the PBSI Account to the Liquidating Trustee, on behalf of the Liquidating Trusts ("*Settlement Payment*").
5. MRB's Contingency Fee is approved. The Liquidating Trustee is authorized and directed to make payment of the Contingency Fee without the need of further Court Order, in accordance with the Allocation Formula, promptly upon receipt of the Settlement Payment.
6. PBSI and PBSO shall not be entitled to any monetary distribution whatsoever from the Liquidating Trusts, PBF I or PBF II
7. The Court retains jurisdiction to enforce the terms of the Settlement.

###

## Mailing Information for Case 09-36379-PGH

### Electronic Mail Notice List

The following is the list of **parties** who are currently on the list to receive email notice/service for this case.

- Geoffrey S. Aaronson gaaronson@aspalaw.com, tdmckeown@mckeownpa.com; sbeiley@aspalaw.com; dlinder@aspalaw.com
- Melissa Alagna mma@segallgordich.com, jxp@segallgordich.com
- Keith T Appleby kappleby@fowlerwhite.com, kthompson@fowlerwhite.com
- Paul A Avron pavron@bergersingerman.com, efile@bergersingerman.com
- Mark D. Bloom bloomm@gtlaw.com, MiaLitDock@gtlaw.com; miaecfbky@gtlaw.com; reisinoa@gtlaw.com
- Noel R Boeke noel.boeke@hklaw.com, ana.gonzalez@hklaw.com
- Michael S Budwick mbudwick@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com
- Dennis M. Campbell dcampbell@campbelllawfirm.net, iperchitti@campbelllawfirm.net
- Franck D Chantayan fchantayan@carltonfields.com, kdemar@carltonfields.com
- Amy Millan DeMartino ademartino@wickersmith.com
- John R. Dodd doddj@gtlaw.com, miaecfbky@gtlaw.com; mialitdock@gtlaw.com
- Heidi A. Feinman Heidi.A.Feinman@usdoj.gov
- Jonathan S. Feldman jfeldman@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com
- G Steven Fender steven.fender@gmlaw.com, efileu1094@gmlaw.com; efileu1092@gmlaw.com
- Robert G Fracasso Jr rfracasso@shutts.com
- Robert C Furr bnasralla@furrcohen.com
- Solomon B Genet sgenet@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com
- Scott M. Grossman grossmansm@gtlaw.com, postiyr@gtlaw.com; postiyr@gtlaw.com; MiaLitDock@gtlaw.com; FTLLitDock@GTLaw.com; miaecfbky@gtlaw.com
- Jennifer Hayes jhayes@foley.com, choffman@foley.com
- Mark D. Hildreth mhildreth@slk-law.com, dcooper@slk-law.com
- Kenneth M Jones kjones@moodyjones.com
- Michael A Kaufman michael@mkaufmanpa.com, diamondmk@aol.com; kaufmanesq@gmail.com; gstolzberg@mkaufmanpa.com
- Harris J. Koroglu hkoroglu@shutts.com, jgoodwin@shutts.com
- Paul J McMahon pjmc@pjmllawmiami.com
- Barry E Mukamal bankruptcy@marcumllp.com, FL64@ecfcbis.com
- Office of the US Trustee USTPRegion21.MM.ECF@usdoj.gov
- Paul L. Orshan plorshan@orshanpa.com, maria@orshanpa.com
- Leslie S. Osborne rappaport@kennethrappaportlawoffice.com
- John E Page jpage@sfl-pa.com, scusack@sfl-pa.com; lrosetto@sfl-pa.com
- Chad S Paiva chad.paiva@gmlaw.com, katrina.bankert@gmlaw.com
- Kristopher E Pearson kpearson@stearnsweaver.com, mmasvidal@stearnsweaver.com; rross@stearnsweaver.com; mmesones-mori@stearnsweaver.com; dillworthcdp@ecf.epiqsystems.com
- Chad P Pugatch cpugatch.ecf@rprslaw.com
- Patricia A Redmond predmond@stearnsweaver.com, jrivera@stearnsweaver.com; rross@stearnsweaver.com; mmesones-mori@stearnsweaver.com; dillworthcdp@ecf.epiqsystems.com
- Jason S Rigoli jrigoli@furrcohen.com
- Joseph Rodowicz bankruptcy@rodowiczlaw.com, rodowiczlaw@gmail.com
- Robin J. Rubens rjr@lkllaw.com, cag@lkllaw.com
- Bradley M Saxton bsaxton@whww.com, scolgan@whww.com; tpoitevint@whww.com; rweinman@whww.com
- Michael L Schuster mschuster@gjb-law.com, gjbecf@gjb-law.com
- Michael D. Seese mseese@hinshawlaw.com, sseward@hinshawlaw.com; lportuondo@hinshawlaw.com
- Steven E Seward sseward@hinshawlaw.com
- Bradley S Shraiberg bshraiberg@sfl-pa.com, dwoodall@sfl-pa.com; vchapkin@sfl-pa.com; lrosetto@sfl-pa.com; scusack@sfl-pa.com; blee@sfl-pa.com
- Paul Steven Singerman singerman@bergersingerman.com, mdiaz@bergersingerman.com; efile@bergersingerman.com
- Peter A Tappert ptappert@wdpalaw.com, elastra@wdpalaw.com; jsardina@wdpalaw.com; nonega@wdpalaw.com
- James S Telepman jst@fcohenlaw.com
- Charles W Throckmorton cwt@kttlalaw.com, lf@kttlalaw.com

EXHIBIT 3

- Trustee Services Inc 2 court@trusteeservices.biz, sandirose.magder@gmail.com
- Skipper J Vine jonathan.vine@csklegal.com
- Jessica L Wasserstrom jwasserstrom@melandrussin.com, ltannenbaum@melandrussin.com;;mrbnfs@yahoo.com
- Morris D. Weiss morrisw@hts-law.com, sherris@hts-law.com;annmariej@hts-law.com
- George L. Zinkler gzinkler.ecf@rprslaw.com

Palm Beach Diversified Income, LLP  
c/o David & Michelle M. Harrold  
963 Evergreen Drive  
Delray Beach, FL 33483

Christopher J Topolewski,  
West Capital Management  
c/o Simon B. Paris  
1 Liberty Pl 52 FL – 1650 Market St  
Philadelphia, PA 19103

West Capital Management  
1818 Market St, #3323  
Philadelphia, PA 19103

Albert Liguori  
16590 Crownsbury Way, #201  
Ft. Myers, FL 33908

Alice Pugliese  
2741 Village Blvd, #403  
West Palm Beach, FL 33409

Amy Davenport  
PO Box 3511  
Midland, TX 79702

Robert Davenport  
3 Greenwich Dr  
Midland, TX 79705

Robert Davenport, Jr.  
104 S. Pecos Street  
Midland, TX 79701

ARIS Capital Management  
152 W 57 St, 19th Fl  
New York, NY 10019

ARIS Multi-Strategy Fund, LP  
Aris Capital Management  
152 W 57 St 19 Fl  
New York, NY 10019

Armadillo Fund  
40 Random Farms Cir  
Chappaqua, NY 10514

BTA Oil Producers  
104 S Pecos St  
Midland, TX 79701

Lynda Beal  
104 S Pecos St  
Midland, TX 79701

Nancy Beal  
104 S Pecos St  
Midland, TX 79701

Spencer Beal  
104 S Pecos St  
Midland, TX 79701

Barry Beal  
104 S Pecos St  
Midland, TX 79701

Keleen Beal  
104 S Pecos St  
Midland, TX 79701

Kelly Beal  
104 S Pecos St  
Midland, TX 79701

BayRoc Associates  
c/o JamiScott  
15 W 53rd St. #24-B  
New York, NY 10019

JamiScott LLC  
15 W 53rd St #24-B  
New York, NY 10019

Leslie Schneider  
c/o JamiScott  
15 W 53rd St., #24-B  
New York, NY 10019

Scott Schneider  
c/o JamiScott  
15 W 53rd St, #24-B  
New York, NY 10019

Leonard & Lillian Schneider  
c/o JamiScott LLC  
15 West 53rd St #24-B  
New York NY 10019

Beacon Partners, Ltd  
3030 McKinney Ave, #305  
Dallas, TX 75204

Blackpool Partners, LP  
701 Harger Rd, #190  
Oak Brook, IL 60523

Blackpool Absolute Return Fund, LLC  
c/o John E. Page, Esquire  
Shraiberg Ferrara & Landau, PA  
2385 NW Executive Ctr Dr #300  
Boca Raton, FL 33431

Centermark Asset Management  
21320 Baltic Dr  
Cornelius, NC 28031

Claude Lestage  
4893 N Kay  
Palm Beach Gardens, FL 33418

Attn: Andrew N. Friedman, Esq.  
Cohen Milstein Sellers & Toll, PLLC  
1100 New York Avenue, N.W.  
Suite 500, West Tower  
Washington, D.C. 20005

MIO Partners Inc  
c/o Robin E. Keller, Esq.  
Hogan Lovells US LLP  
875 Third Avenue  
New York, NY 10022

McKinsey Master Retirement Trust  
c/o Robin Keller, Esq.  
Hogan Lovells US LLP  
875 Third Avenue  
New York, NY 10022

Special Situations Investment Fund, L.P. c/o  
Robin Keller, Esq.  
Hogan Lovells US LLP  
875 Third Avenue  
New York, NY 10022

Deer Island, LP  
4 Nason Hill Lane  
Sherborn, MA 01770

Dennis Dobrinich  
3860 Dogwood Ave  
Palm Beach Gardens, FL 33410

Douglas A. Kelley, Chapter 11 Trustee  
Attn: James A. Rubenstein, Esq.  
4800 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402

Douglas A. Kelley, Chapter 11 Trustee  
Attn: Terrence J. Fleming, Esq.  
4200 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402

Father's Heart Family Foundation Inc.  
8292 Nashua Dr  
Palm Beach Garden, FL 33418

Frank Carruth  
5407 S Flagler Dr  
West Palm Beach, FL 33405

Freestone Entities  
c/o Mr. Justin Young  
1918 Eighth Avenue, Suite 3400  
Seattle, WA 98101

Fulbright & Jaworski  
2100 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402-2112

Geoffrey Varga and Neil Morris  
Joint Liquidators of Palm Beach Offshore/ c/o  
Mark W. Eckard, Esq.  
1201 N. Market Street, Suite 1500  
Wilmington, DE 19801

Edward J. Estrada, Esquire  
Christopher A. Lynch, Esquire  
Reed Smith LLP  
599 Lexington Avenue  
New York, NY 10022

George & Nancy Slain  
59-1089 Maluhi Pl  
Kamucla, HI 96743

H. Thomas Halen, III, President  
Golden Gate Financial Group LLC  
1750 Montgomery Street, 1<sup>st</sup> Floor  
San Francisco, CA 94111

Golden Gate VP Absolute Return Fund, LP c/o  
Michael J. Cordone, Esq.  
Stradley Ronon Stevens & Young, LLP  
2600 One Commerce Square  
Philadelphia, PA 19103

Golden Sun Multi-Manager Fund, LP  
c/o Jeffrey S. Posta, Esq.  
Stark & Stark  
PO Box 5315  
Princeton, NJ 08543-5315

Guy M. Hohmann, Esq. and  
Messrs. Taube, Weiss and Taylor  
Hohmann, Taube & Summers, L.L.P.  
100 Congress Ave, 18th Floor  
Austin, TX 78701

Harvest Investments LP  
Red Bird Farm  
4 Nason Hill Rd  
Sherborn, MA 01770

Attn: Mitchell Herr  
Holland & Knight, LLP  
701 Brickell Ave, Suite 3000  
Miami, FL 33131

Integrity Partners  
c/o Scott Walchek  
1499 Danville Blvd, #202  
Alamo, CA 94507

James Corydon  
6650 N Tower Circle Dr  
Lincolnwood, IL 60712

Janette Bancroft  
9052 SW 103 Ave  
Ocala, FL 34481

Janet Bonebrake  
7169 150th Ct N  
Palm Beach Gardens, FL 33418

John Daniel  
225 Wellington Ln  
Cape Girardeau, MO 63701

Judith Goldsmith  
3 Water Ln  
Manhasset, NY 11030

K&K Capital Management, Inc.  
3545 Lake St, #201  
Wilmette, IL 60091

Kaufman Rossin & Co.  
2699 S Bayshore Dr  
Miami, FL 33133

Kenneth A. Ralston  
c/o John E. Page, Esquire  
Shraiberg Ferrara & Landau, PA  
2385 NW Executive Ctr Dr #300  
Boca Raton, FL 33431

LAB Investments Fund, LP  
1875 S Grant St, #600  
San Mateo, CA 94402

Laulima Partners, LP  
c/o Smithfield Trust Co.  
Attn: Robert Kopf Jr.  
20 Stanwix St, #650  
Pittsburgh, PA 15222

Leon Meyers Management  
680 Fifth Ave, 9th Fl  
New York, NY 10019

M. Lee Toothman  
216 Barbados Dr  
Jupiter, FL 33458

MB Investments, LLC  
180 N Wacker Drive, Lower 1  
Chicago, IL 60606

Marder Investment Advisors Corp.  
8033 Sunset Blvd, #830  
Los Angeles, CA 90046

Mark Prevost  
2372 Hidden Ridge Ln  
Jasper, AL 35504

Martin Casdagli  
554 E Coronado Rd  
Santa Fe, NM 87505

Maxine Adler  
c/o US Trust/Bank of America  
and Patrici  
150 E. Palmetto Park Road, Suite 200  
Boca Raton, FL 33432

Nancy Dobrinich  
3860 Dogwood Ave  
Palm Beach Gardens, FL 33410

Nancy Hollingsworth  
7107 Arrowood Rd  
Bethesda, MD 20187

NetWide Capital LLC  
P.O. Box 957  
Boulder, CO 80306

Palm Beach Finance Holdings, Inc.  
c/o Lindquist & Vennum, PLLP  
80 South Eighth Street, Ste 4200  
Minneapolis, MN 55402

Pemco Partners, LP  
8 Lyman St, #204  
Westborough, MA 01581

Petters Company, Inc.  
c/o Lindquist & Vennum, PLLP  
80 South Eighth Street, Ste 4200  
Minneapolis, MN 55402

Quantum Family Office Group, LLC  
1500 San Remo Avenue, Suite 210  
Coral Gables, FL 33146

Raymond Feldman  
4644 Balboa Ave  
Encino, CA 91316

Raymond G. Feldman Family Ventures, LP c/o  
John E. Page, Esquire  
Shraiberg Ferrara & Landau, PA  
2385 NW Executive Ctr Dr #300  
Boca Raton, FL 33431

Randall Linkous  
1174 SW 27 Ave  
Boynton Beach, FL 33426

Ron Priestley  
5565 N Espina Rd  
Tuscon, AZ 85718

Ronald R. Peterson  
Jenner & Block LLP  
353 North Clark St.  
Chicago, IL 60654

Ronald R. Peterson  
c/o McDermott Will & Emery, LLP  
Attn: Lazar P. Raynal, Esq.  
227 West Monroe Street  
Chicago, IL 60606

SALI Fund Services, LLC  
6836 Austin Center Street, Suite 320  
Austin, TX 78731

SSR Capital Partners, LP  
4514 Cole Ave, #1000  
Dallas, TX 75205

Sage Capital Resources  
3006 Julia St W, Unit A  
Tampa, FL 33629

Sandra Linkous  
1174 SW 27 Ave  
Boynton Beach, FL 33426

Second City Alternatives  
801 Park Ave  
Wilmette, IL 60091

Select Access Management  
15 Valley Dr  
Greenwich, CT 06831

Sims Moss Kline & Davis, LLP  
Three Ravinia Drive  
Suite 1700  
Atlanta, GA 30346

Spring Investor Services Inc.  
Red Bird Farm  
4 Nason Hill Lane  
Sherborn, MA 01770

Sterling Management Inc.  
160 White Oaks Ln  
Vadnais Heights, MN 55127

Steve Bakaysa  
36 Frantzen Ter  
Cheektowaga, NY 14227

Strategic Stable Return Fund (ID), LP  
4514 Cole Ave, #1000  
Dallas, TX 75205

Strategic Stable Return Fund II, LP  
4514 Cole Ave, #1000  
Dallas, TX 75205

Table Mountain Capital, LLC  
850 Quince Ave  
Boulder, CO 80304

Ted Goldsmith  
3 Water Ln  
Manhasset, NY 11030

Tradex Global Advisors  
35 Mason St, 4th Fl  
Greenwich, CT 06830

Tradex Global Master Fund  
c/o Andrew N. Friedman, Esquire  
1100 New York Avenue, N.W.  
Suite 500, West Tower  
Washington, DC 20005

Umbach Financial Group, LLC  
525 South Flagler Drive, #100  
West Palm Beach, FL 33401

VAS Partners, LLC  
Attn: Vincent P Allegra  
4401 W Roosevelt Rd  
Hillside, IL 60162

Valur Egilsson  
11966 Tuliptree Ln  
Huntley, IL 60142

Vincent Allegra  
449 S Evergreen St  
Bensenville, IL 60106

Wilbur Hobgood  
2189 Radnor Ct  
North Palm Beach, FL 33408

Zimmer Lucas Capital  
535 Madison Ave, 6th Fl  
New York, NY 10022

Gonzalo R Dorta  
334 Minorca Ave  
Miami, FL 33134

Steven W Thomas  
14 27 Ave  
Venice, CA 90291

Joel Barnett  
Barnett Capital Ltd.  
450 Skokie Blvd., # 604  
Northbrook, IL 60062

Guardian Capital, LLC  
3225 Aviation Avenue  
# 601  
Miami, FL 33133

Ocean Gate Capital Management, LP  
5 Sewall Street  
Marblehead, MA 01945

Santa Barbara Investment Capital  
2220 Santiago Rd  
Santa Barbara, CA 93103

Gary Marks/Sky Bell Asset Management,  
LLC  
3115 N. Noho Loihi Way  
Kihei, HI 96753

Pete L DeMahy, Esquire  
DeMahy Labrador et al.  
150 Alhambra Circle  
Coral Gables, FL 33134

Debevoise & Plimpton LLP  
Attn: Edwin G. Schallert, Esquire  
919 Third Avenue  
New York, NY 10022

Bruce Prevost  
8292 Nashua Dr  
Palm Beach Gardens, FL 33418

David Harrold  
963 Evergreen Dr  
Delray Beach, FL 33483

Lewis B. Freeman & Partners, Inc.  
c/o Kenneth A. Welt, Receiver  
1776 North Pine Island Road, Suite 102  
Plantation, FL 33322

Lionheart Insurance Fund Series Interests of  
the SALI Multi-Fund Series Fund, LP  
6836 Austin Center Blvd. Ste 320  
Austin, TX 78731

U.S. Bank National Association  
c/o Richard G. Wilson, Esquire  
Maslon Edeman Borman & Brand, LLP  
90 S. 7<sup>th</sup> Street, Suite 3300  
Minneapolis, MN 55402-4140

Sarah Stroebe, Snr Corp Counsel  
U.S. Bank National Association  
800 Nicollet Mall  
Minneapolis, MN 55402-4140

Golden Sun Capital Management, LLC  
885 Arapahoe Avenue  
Boulder, CO 80302

Genesis Capital  
Attn: Michael Dubinski  
7191 Wagner Way NW  
Gig Harbor, WA 98335

Robin J. Rubens, Esquire  
Levine Kellogg Lehman, et al.,  
201 South Biscayne Blvd.  
34th Floor, Miami Center  
Miami, FL 33131

Prateek Mehrotra, CFA, CAIA  
Sumnicht & Associates  
W6240 Communication Ct, #1  
Appleton, WI 54914-8549

Ron Robertson, President  
Strategic Capital Group  
7191 Wagner Way NW, Suite 302  
Gig Harbor, WA 98335

Globefin  
Attn: Andrew Hoffman  
980 6<sup>th</sup> Avenue, 4<sup>th</sup> Floor  
New York, NY 10018

Internal Revenue Service  
PO Box 7346  
Philadelphia, PA 19101-7346

John Docherty  
United States Attorney's Office  
316 North Robert Street, Suite 404  
Saint Paul, MN 55101

Andrew P. O'Brien, Esquire  
U.S. Securities and Exchange Commission  
Chicago Regional Office  
175 West Jackson Blvd., Suite 900  
Chicago, IL 60604

Sean O'D. Bosack  
780 N. Water Street  
Milwaukee, WI 53202

John L. Kirtley  
780 N Water Street  
Milwaukee, WI 53202

Matia L. Kreiter  
780 N Water Street  
Milwaukee, WI 53202

Daniel N. Rosen, Esquire  
Parker Rose, LLC  
300 First Avenue North, Suite 200  
Minneapolis, MN 55401

Kenneth A. Welt  
8255 West Sunrise Blvd., # 177  
Plantation, FL 33322

Kinetic Partners (Cayman) Limited  
The Harbour Center / 42 North Church Street /  
PO Box 10387  
Grand Cayman KY1-1004  
Cayman Islands

Palm Beach Offshore Ltd.  
Anchorage Centre, 2nd Floor  
PO Box 32021 SMB  
Grand Cayman, Cayman Islands

Palm Beach Offshore II, Ltd.  
Admiral Financial Center, 5th Floor  
90 Fort Street, PO Box 32021  
Grand Cayman KY-1208  
Cayman Islands

Scotia Capital  
The Bank of Nova Scotia  
Global Alternative Asset Group  
40 King Street W, 68<sup>th</sup> Fl  
Toronto Ontario M5W 2X6

Citco Global Securities Services  
2600 Airport Business Park  
Kinsale Road  
Co.Cork  
Ireland

Lane E. Roesch  
White & Case, LLP  
200 S. Biscayne Blvd., Suite 4900  
Miami, FL 33131

Monica Hanlet  
PO Box 321255  
Palm Coast, FL 32135-1255

Michael R. Band, Esquire  
Band Law Firm  
169 East Flagler Street, Suite 1200  
Miami, FL 33131

Andy Hall  
Soffer Charbonnet LLP  
7300 France Avenue South, Suite 210  
Minneapolis, MN 55435

Frank Vennes  
190 Seminole Lane, Apt. 205  
Cocoa Beach, FL 32931

Deutsche Bank (Cayman) Ltd  
ACF HSBC USA Inc  
Deutsche Bank (Cayman) Limited  
PO Box 1984  
Grand Cayman  
KY1-1104 – Cayman Islands

HSBC SECURITIES (USA) INC  
452 Fifth Avenue - T3  
New York, NY 10018

Carlton Beal Family Trust  
104 S Pecos Street  
Midland, TX 79701

Beal Family trust FBO Kelly Beal  
104 S Pecos Street  
Midland, TX 79701

The Beal Trust U/A  
104 S Pecos Street  
Midland, TX 79701

Beal GST Exemption Trust  
104 S Pecos Street  
Midland, TX 79701

Carlton Beal Family Trust  
104 S Pecos Street  
Midland, TX 79701

Thomas J. Ginley Life Ins. Trust  
Dated 1-22-97  
6650 N Tower Circle Drive  
Lincolnwood, IL 60712

Zcall, LLC  
c/o Brian S. Dervishi  
1 S.E. 3<sup>rd</sup> Avenue, # 1980  
Miami, FL 33131

Scall, LLC  
c/o Weissman, Dervishi, P.A.  
Suntrust International Center  
1 SE 3<sup>rd</sup> Avenue, #1700  
Miami, FL 33131

U.S. Trust and Patricia Scwab  
Successor Trustees, TUA Maxine B Adler  
POB 842056  
Dallas, TX 75284

James L. Volling, Esquire  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402-3901

Dana L. Choi, Esquire  
Holland & Knight LLP  
701 Brickell Avenue, Suite 3000  
Miami, FL 33131

Palm Beach Links Capital, LP  
12200 N Stemmos Fwy, Suite 316  
Dallas, TX 75234

Cannonball Funds/Globefin Asset  
Manageme  
c/o Globefin European Advisors Ltd.  
8 Chesterfield Hill  
London, England W1J5BW

Scott M. Grossman  
Greenberg Traurig, P.A.  
401 East Las Olas Blvd., Suite 2000  
Fort Lauderdale, FL 33301

Hillcrest Properties  
c/o Stephen Willia  
59 Damonte Ranch Pkwy, #B-360  
Reno, NV 89521

David S. Foster, Esq.  
Latham & Watkins LLP  
233 South Wacker Drive  
Chicago, IL 60606

John Bergman, Nancy Rodman Anguish, Rodman  
Capital Holdings, Ltd. Beacon Partners, Ltd.  
c/o Erika L. Morabito, Esq.  
FOLEY & LARDNER LLP  
3000 K Street, N.W., Suite 600  
Washington, D.C. 20007

Bradley M. Saxton, Esq.  
Ryan E. Davis, Esq.  
Winderweede Haines et al.  
PO Box 1391  
Orlando, Florida 32802

James A. Lodoen, Esq.  
Lindquist & Vennum PLLP  
4200 IDS Center  
80 S. 8<sup>th</sup> Street  
Minneapolis, MN 55402