

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number Sharon Z. Weiss (State Bar No. 169446) Richardson & Patel LLP 10900 Wilshire Blvd., Suite 500 Los Angeles, CA 90024 Tel: (310) 208-1182 Fax: (310) 208-1154 sweiss@richardsonpatel.com	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: Colony Mortgage Banc <p style="text-align: center;">Debtor(s).</p>	CASE NO.: 2:07-BK- 13787

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 8/11/09	Time: 10:00 A.M.
Location: Courtroom 1660, 255 East Temple St., Los Angeles, CA 90012	

Type of Sale: Public Private Last date to file objections: _____

Description of Property to be Sold: See attached Exhibit "A".

Terms and Conditions of Sale: See attached Exhibit "B".

Proposed Sale Price: \$325,000

Overbid Procedure (If Any): Se attached Exhibit "C".

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Sharon Z. Weiss
 Richardson & Patel, LLP
 10900 Wilshire Blvd., Suite 500
 Los Angeles, CA 90024
 Tel: (310) 208-1182
 sweiss@richardsonpatel.com

Date: 7/13/09

Exhibit A

Description of Property to be Sold

Estate's rights, title and interest in (1) short term secured Promissory Note due December 31, 2005, by P-LINCS 2004-R04, LLC, a Delaware limited liability company in favor of Colony Mortgage Banc, in the face amount of \$6,650,000; (2) Promissory Note Exchange Agreement dated June 17, 2005 between P-LINCS 2004-R04, LLC and American Institutional Partners; and all related documents and transactions resulting therefrom; and the Estate's interest impending litigation arising from an adversary proceeding entitled *David L. Ray, Trustee v. American Institutional Partners, LLC, et al.*, Adv. No. 2:08-AP-01825-BR. (The "Sale Assets"). The Trustee's sale of the Sale Assets is "as is, where is, more or less".

Exhibit B

The Asset Purchase Agreement

(a) The APA is subject to bankruptcy court approval.

(b) The Trustee shall sell and assign the New Note and the Estate's interest in the Bankruptcy Court Proceeding, as is, where is, more or less, including all of the Trustee's rights, title, interests, and causes of action, attendant thereto, whether arising under law or equity, against P-LINCS, AIP and/or any other party ("Purchased Property"), to Purchaser for the total sum of \$325,000 in good and certified funds (the "Purchase Price"). The Purchase Price shall be made payable to David L. Ray, Trustee of the Colony Mortgage Banc bankruptcy estate. The Trustee shall hold the Purchase Price until he obtains a bankruptcy court order authorizing this Asset Purchase Agreement. Upon entry of a bankruptcy court order the Purchase Price will be free and clear property of the estate. The Purchase Price shall be paid in full to the Trustee no later than August 24, 2009.

(c) The Purchaser shall obtain the Purchased Property free and clear of all liens, claims, liabilities and interests, including purported constructive trust claims or ownership interests in the New Note, whether arising before or after the Petition Date, pursuant to 11 U.S.C. § 363(f), with such liens, claims, liabilities and interests to attach to the sale proceeds. The order approving such sale shall contain a specific provision that orders the sale free and clear of the interests of the Plaintiffs, the Intervening Plaintiffs and GMZ, including any claims asserted by them against the Purchased Property in the State Court Action.

(d) As a material and essential provision of the sale, the Trustee shall obtain a provision in the order approving the sale (the "Approval Order")

providing: (a) that the Trustee and the Purchaser are entitled to the protections afforded by 11 U.S.C. § 363(m) (which provides that absent a stay pending appeal, the reversal or modification on appeal of a sale of property does not affect the validity of a sale to a buyer in good faith) with respect to all transactions contemplated in connection with the sale; and (b) that the Purchaser is a good faith purchaser of the Trustee Claims and the New Note within the meaning of 11 U.S.C. § 363(m).

(e) The successful purchaser shall obtain a written waiver of any actual or implied claims of AIP and P-LINCS.

(f) The APA is subject to overbidding, below.

(g) A copy of the APA is attached to the sale and compromise motion as Exhibit "2".

Exhibit C

Terms of Overbid Sale.

The sale shall be subject to overbid, with notice to all interested parties, including Plaintiffs and Intervening Plaintiffs, and creditors of the Colony Estate, including, without limitation, all parties that filed claims against the Colony Estate. The Trustee shall also publish notice of this sale with the NABT website and a Notice of Sale of Estate Property filed with the Bankruptcy Court. The notices will advise interested parties that any party, person or entity desiring to overbid must qualify to overbid in accordance with terms set forth in the Motion ("Qualified Bidder").

All Qualified Bidders are subject to qualification in the Trustee's sole discretion, including, but not limited to, providing sufficient evidence of the bidder's financial viability to close the sale. In addition, to so qualify, the Qualified Bidder should be required to, among other things, place a deposit in an amount in excess of the Purchase Price for a total initial over bid of \$350,000 in certified funds and deliver said deposit to the Trustee not less than one (1) business day prior to the date set for the hearing on the Motion to approve this Agreement. Any competing bidder will be required to comply with the material terms and conditions set forth in the APA.

Additionally, subject to Court approval, after the initial overbid set forth above, any incremental overbids thereafter, for the purchase of the Purchased Property, should be not less than \$10,000 until such time as the overbid Sale is concluded.

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To the extent the Purchaser is not the successful bidder at any auction or another party obtains the Purchased Property as a result of this auction process, the Trustee shall return any deposit or the Purchase Price, if applicable, placed by the Purchaser within five (5) business days after the sale closes but in no event shall such deposit be returned later than the return of any deposit to any other successful bidder.

In addition, the second highest qualified overbidder shall be deemed to be the qualified back-up bidder. In the event that the successful bidder fails to timely close the sale (the "Original Closing Date"), then the back-up bidder shall be deemed to be the successful bidder and must close the sale transaction within 5 business days of the Original Closing Date.

Terms of Overbid

To the extent the Purchased Property is acquired by another entity at the auction or in connection with the process set up pursuant to this Agreement for overbids, the Purchaser shall be entitled to an overbid bid protection payment in the amount of \$10,000 which amount represents the projected out of pocket costs and fees to be expended by the Purchaser in participating in this sale process. This fee shall be paid to the Purchaser at the successful closing of any purchase consummated for the Purchased Property as a result of the auction process described herein.

In re: Colony Mortgage Banc,

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Debtor(s).

CASE NUMBER 2: 07-13787-BR

NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
Richardson & Patel LLP
10900 Wilshire Boulevard, Suite 500
Los Angeles, CA 90024

THE FOREGOING DOCUMENT DESCRIBED **NOTICE OF SALE OF ESTATE PROPERTY** WILL BE SERVED OR WAS SERVED (A) ON THE JUDGE IN CHAMBERS IN THE FORM AND MANNER REQUIRED BY LBR 5005-2(D); AND (B) IN THE MANNER INDICATED BELOW:

I. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On July 13, 2009 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

United States Trustee
ustpreion16.la.ecf@usdoj.gov

Byron Z Moldo
bmoldo@mdfslaw.com

David L Ray
jf@srblaw.com

Service information continued on attached page

II. **SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On July 13, 2009 I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

Service information continued on attached page

III. **SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____ I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

July 13, 2009
Date

CHRISTOPHER M. WESTMAN
Type Name


Signature

Accountants for Trustee

Dominic LoBuglio
LoBuglio & Sigman
1875 Century Park East, #1730
Los Angeles, CA 90067

REQUEST FOR SPECIAL NOTICE

Counsel for Kids Fight Cancer,
Peter Brand, Chavdar Angelov,
Sylvia J. Rolinski and
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Howard D Hall
Green & Hall APC
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Counsel for Robert Tringham and First Asset
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Keith C. Holmes
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Counsel for Creditors Bertrand R. Beaulieu;
Sadrudin Damji; Dr. Enrique "Kiki" Velez; and Z-
Par Investment Fund II, LLC
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Co-Counsel for Creditors ertrand R. Beaulieu;
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Sherman Oaks CA 91423-1181

Chapter 7 Trustee of the Bankruptcy
Estate of Robert G. Hartounian
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Law Offices of Alberta P. Stahl
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Counsel for Keith Berglund
Steven D. Wegner
Law Offices of Steven D. Wegner
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Counsel for Chapter 7 Trustee of the
Bankruptcy Estate of Robert G. Hartounian
Timothy J. Yoo
Robinson, Diamant & Wolkowitz
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CREDITORS

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Glendale CA 91202

Department of the Treasury-IRS
Internal Revenue Service
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Stop 5022
Los Angeles CA 90012

Dr. Kiki Velez
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San Juan PR 00902

Employment Development Dept
Bankruptcy Group MIC 92E
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Sacramento CA 94280

Estate of William Blake
c/o Blake Capital Corp.
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Robert Tringham
c/o Keith Holmes
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Diamond Bar CA 91765

First Asset Management Corp.
c/o Keith Holmes
556 N. Diamond Bar Blvd #210
Diamond Bar CA 91765

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Franchise Tax Board
Attn: Bankruptcy
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c/o Jennifer Herzog, Esq
Godfrey & Kahn SC
Milwaukee, WI 53202

ICDR
c/o Sara Matathias-Thayer
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New York NY 10019

Judge's Copy
Hon. Barry Russell
United States Bankruptcy Court
255 E. Temple St. # 1660
Los Angeles, CA 90012

Internal Revenue Service
Insolvency I Stop 5022
300 N. Los Angeles St Rm 4062
Los Angeles CA 90012

Bertrand Beaulieu
Hayden & Kassel
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Internal Revenue Service
Centralized Insolvency Operations
PO Box 21126
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Los Angeles Division
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Patricia R Blake Marital Trust #2
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Milwaukee, WI 53202

In re: Colony Mortgage Banc,

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Debtor(s).

CASE NUMBER 2: 07-13787-BR

Patricia R. Blake For William J. Blake Living Trust
Godfrey & Kahn, SC
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