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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 SECURITIES AND EXCHANGE
COMMISSION,
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Plaintiffs,
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vs.
14 PRESTO TELECOMMUNICATIONS, INC.;
15 ALFRED LOUIS VASSALLO, JR. aka
BOBBY VASSALLO,
16

Case No. 04-CV-00163 IEG (WMc)

**NOTICE OF MOTION AND MOTION FOR
ORDER CONFIRMING RECEIVER'S
AUTHORITY TO SELL DEFENDANT
ALFRED LOUIS VASSALLO, JR.'S REAL
PROPERTY AND APPROVING SALE
PROCEDURE**

17 Defendants.
18

Date: May 2, 2005
Time: 10:30 a.m.
Ctm: 13
Judge: Hon. Irma E. Gonzalez

19 PLEASE TAKE NOTICE that on May 2, 2005, at 10:30 a.m., in Courtroom 13 of the
20 above-entitled Court, Thomas F. Lennon, the court-appointed permanent receiver (the "Receiver")
21 for Presto Telecommunications, Inc., will move and does hereby move for an order confirming the
22 Receiver's authority to market and sell defendant A. L. "Bobby" Vassallo's ("Vassallo") real
23 property located at 1329 West Muirlands Drive, La Jolla, California (the "Property"), and
24 approving procedures for the Receiver's sale of the Property.

25 This motion is based on the concurrently filed memorandum of points and authorities, the
26 declaration of Jeffrey R. Patterson, the pleadings and evidence on file in this case, matters of
27 which the Court may take judicial notice, and such other evidence or argument as may be
28 presented at or before any hearing on the motion.

1 Procedural Requirements. If you oppose this motion, you are required to file your written
2 opposition with the Office of the Clerk, United States District Court (880 Front Street, Suite 4290,
3 San Diego, California 92101-8900) and serve on the undersigned in accordance with Local
4 District Court Rules, on or before April 18, 2005.¹

5 IF YOU FAIL TO SERVE AN OPPOSITION by the above date, the Court may grant the
6 requested relief without further notice, including entry of an order authorizing the Receiver to
7 enter into a Purchase Agreement, subject to Court approval and overbids, to sell the Property.

8 Relief Requested. Under this Court's order entered March 2, 2004, Vassallo is obligated to
9 pay the Receiver's fees and expenses. The Receiver and his professionals have submitted first
10 interim fee applications for Court approval and a request for payment of a total of \$556,759.81 in
11 fees and \$45,024.96 in costs. The Property appears to be the only asset available to satisfy
12 Vassallo's obligation to pay these costs of the receivership.

13 The Property should be sold as soon as reasonably practicable to stop the accumulating
14 taxes and interest, to pay the undisputed secured creditors, to begin the process of resolving any
15 disputed liens, and to apply the remaining equity to pay the costs of the receivership. The
16 Receiver should control the process of selling the Property to ensure that the value is maximized
17 and a sale is aggressively pursued. The Court should approve sale procedures that permit the
18 Receiver to market the Property and enter into a Purchase Agreement that is subject to Court
19 approval and an opportunity to overbid.

20 Such an order would approve only the process for the sale; a subsequent hearing would be
21 held to approve the sale itself, at which time any substantive objections to the purchase price or
22 other terms of the sale would be heard. The Property should be sold free and clear of liens and
23 interests, similar to a sale under section 363 of the Bankruptcy Code, with all liens and interests
24 attaching to the proceeds in their current priority. Undisputed liens would be paid upon closing of
25 the sale, while the validity and extent of the disputed liens and interests would be determined by
26 this Court at a later time, without delaying the sale.

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¹ Service required by April 15, 2005, if by mail or overnight courier.

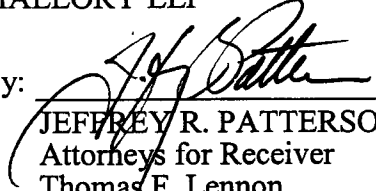
1 WHEREFORE, the Receiver requests the Court to confirm the Receiver's authority to
2 market and sell the Property free and clear of liens and interests, with all liens and interests
3 attaching to the proceeds in their current priority; approve the proposed sale procedures; and order
4 Vassallo to fully cooperate with the Receiver's efforts to sell the Property.

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Dated: March 25, 2005

ALLEN MATKINS LECK GAMBLE &
MALLORY LLP

By:



JEFFREY R. PATTERSON
Attorneys for Receiver
Thomas F. Lennon