

MELANIE SENTER LUBIN
Securities Commissioner
for the State of Maryland

Plaintiff,

v.

LIBERTY TRADE INTERNATIONAL, INC.,
and

DAVID M. ROBINSON,
Defendants.

* IN THE
* CIRCUIT COURT FOR
* BALTIMORE COUNTY
*
* Civil Action: 03-C-6-003194

* * * * *

**RECEIVER’S PETITION TO APPROVE PROCEDURES FOR
THE ADJUSTMENT, ADJUDICATION AND PRIORITY OF CLAIMS**

Raymond J. Peroutka, Jr., Receiver for Liberty Trade International, Inc. (“LTI”) and David M. Robinson (“Robinson”), in Receivership (collectively Receiver), by and through his undersigned counsel, hereby moves for the approval of the Receiver’s proposed procedures for the adjustment, adjudication and priority of claims, and states:

1. By Order dated March 24, 2006, the Court appointed the Receiver to take control of, manage and account for the assets of LTI. The Receiver was granted all of the powers and responsibilities enumerated in Title 13 of the Maryland Rules.
2. Attached as Exhibit A is a copy of the proposed procedures for the Receiver’s adjustment, adjudication and priority of claims. If approved by the Court, the Receiver will use these procedures in the handling of claims.
3. Attached as Exhibit B is a Notice to Creditors that will provide notice to all creditors of the estate of the filing of this Motion, a summary of Exhibit A and inform all such creditors that if they wish to object to the Receiver’s Motion that they must file

an objection with the Court no later than September 24, 2007. Copies of the objections should also be delivered to the undersigned.

4. Attached as Exhibit C is the Affidavit of the Receiver, Raymond J. Peroutka, Jr. in which he establishes the date that Liberty Trade was insolvent.

WHEREFORE, the Receiver respectfully requests that the Court:

1. Approve the attached exhibits as the procedures for the adjustment, adjudication and priority of claims of the estate and the notice to creditors of same.

2. Issue an Order acknowledging that all payments made by Liberty Trade to investor claimants were fraudulent conveyances and shall be returned by those investor claimants to the Receiver.

3. Additionally, in instances where an investor claimant refuses to return any payments received by Liberty Trade, the requested Order will further authorize the Receiver to offset any amounts due to the investor claimant pursuant to the Receiver's proposed adjustment of the claim with the amounts paid by Liberty Trade prior to the commencement of the Receivership to the investor claimant.

4. Lastly, as is set forth in further detail in the attached Exhibit A, where the payments an investor claimant received from Liberty Trade exceed the adjusted amount that the Receiver contends is owed, the investor claimant, having been provided notice of the Receiver's proposed adjustment of the claim, will have the opportunity to consent to or object to the proposed adjustment. Where an investor claimant objects to the proposed adjustment in writing as is set forth in the attached Exhibit A, the investor claimant's objections will be adjudicated before this Court on a case-by-case basis. (*See* Exhibit A at p. 3, Sec. II.4).

5. Where, however, an investor claimant, having received notice of the Receiver's proposed adjustment (which in some instances will require the investor claimant to pay back to the Receivership those funds that were received by the claimant in excess of the adjusted amount), fails to object to the proposed adjustment as set forth in the attached Exhibit A at p. 4, Sec. III.4, and the proposed adjustment is adjudicated by this Court in the investor claimant's absence, the proposed Order will provide that the amounts owed to the Receiver by the investor claimant pursuant to the adjudicated claim will be converted into a judgment against the investor claimant and in favor of the Receiver, without further action by the Receivership.

Respectfully submitted,

David D. Gilliss
Jacqueline G. Badders
Niles, Barton & Wilmer, LLP
111 South Calvert Street, Suite 1400
Baltimore, Maryland 21202
(410) 783-6300
*Attorneys for Raymond J. Peroutka, Jr.,
Receiver for Liberty Trade International,
Inc., in Receivership, and David M.
Robinson, in Receivership*

CERTIFICATE OF SERVICE

I HERBY CERTIFY that on this ___ day of September, 2007, a copy of the foregoing Receiver's Petition to Approve Procedures for the Adjustment, Adjudication and Priority of Claims was delivered by first class mail to:

Lucy A. Cardwell, Esquire
Maryland Division of Securities
200 St. Paul Place – 20th Floor
Baltimore, MD 21202-2020

M. Gordon Tayback, Esquire.
22 E Fayette St., Suite 301
Baltimore, MD 21202-6433
(*Counsel for David M. Robinson*)

David D. Gilliss