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6 STATE COURT RECEIVER FOR TOYO PEARL
7 COMPANY, INC.

CONFIRMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

JUL 27 2005

John A. Clarke, Executive Officer/Clerk
By R. Miklos, Deputy

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF LOS ANGELES
10 SANTA MONICA COURTHOUSE

11 CATHAY BANK, a California banking
12 corporation,

13 Plaintiff,

14 v.

15 JAMES ARAKAKI, aka JAMES K.
16 ARAKAKI; TOYO PEARL COMPANY,
17 INC., a California corporation; and DOES 1
18 through 100, Inclusive,

19 Defendants.

Case No. SC 080553

~~Proposed~~ ORDER GRANTING
RECEIVER'S MOTION FOR AUTHORITY
TO DISCONTINUE BUSINESS
OPERATIONS AND TO LIQUIDATE
ASSETS OF TOYO PEARL COMPANY

Date: July 27, 2005
Time: 10:00 A.M.
Place: Dept. WE-K
1725 Main Street
Santa Monica, CA 90401
Judge Gerald Rosenberg

20 The Receiver's Motion for authority to discontinue the business operations and to
21 liquidate the assets of Toyo Pearl Company ("Motion") came on regularly for hearing on
22 July 27, 2005 in Courtroom WE-K of the above-referenced Court, the Honorable Gerald
23 Rosenberg, Los Angeles Superior Court Judge, presiding. Robb Evans, Receiver,
24 appeared on his own behalf; other parties appeared as reflected in the Court's record.

25 The Court, having reviewed the Receiver's Motion and having been fully advised
26 in the premises, rules as follows:

27 IT IS ORDERED:
28

1 The Receiver's Motion is granted. The Receiver is authorized and instructed to do
2 the following things:

3 1. The Receiver will determine within the next 21 days if business operations
4 should cease, and, if so, the Receiver may cease operations without further Order of this
5 Court;

6 2. If Toyo Pearl Company's business operations are stopped, the Receiver is
7 instructed to retain sufficient employees to complete the most effective liquidation of all
8 company assets and generate the highest possible net proceeds. Liquidation activities may
9 include an auction of fixed assets, communication with retailers over several months to
10 collect accounts receivable and the proceeds of sales of consigned inventory, and sale in
11 bulk or in stages of the remaining pearl inventory;

12 3. The Receiver is authorized to abandon the business premises;

13 4. The Receiver is directed to notify all creditors of a claim administration process
14 that will distribute the liquidated assets of Toyo Pearl Company according to priority;

15 5. The Receiver is authorized and instructed to complete all necessary acts and
16 execute all required documents to complete the cessation of business operations and the
17 liquidation of all company assets of Toyo Pearl Company;

18 6. Following completion of liquidation activities, the Receiver is directed to file a
19 final Report and Accounting on or before ~~February~~ ^{Jan. 15} 28, 2006.

20
21 Dated: 7-27-05



HON. GERALD ROSENBERG
JUDGE OF THE SUPERIOR COURT