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Case C-07-4975 (WHA)
SEC vs Alexander James Trabulse

Judge William Alsup,

I am one of the people defrauded by James Trabulse in the above case. I have heard two different proposals for how the remaining funds are to be distributed. I don't know if my opinion has any weight, but if it does apparently I should direct my statement to you.

One approach is to try to reimburse every one up to the same level based on what they invested. The second approach tries to reimburse every one based on their remaining loss. This differs from the first approach only for people who have already gotten significant distributions from Fahey Fund.

For illustration, I assume the funds available for distribution are 50% of what would be necessary for each investor to recoup their original investment. I dismiss all questions of earnings and restrict myself to just the original investment amount.

The first approach is that money will be allocated on the basis of an investor's original investment, adjusted for any money already disbursed by Trabulse. Example: Invested \$100K. Prior distribution \$50K. To bring this person up to 50%, no more would be distributed. Total loss \$50K.

The second explanation is that money will be allocated on the basis of an investor's claimed loss. Example: Invested \$100K. Prior distribution \$50K. This person claims a \$50K loss, so another \$25K would be distributed. Total loss \$25K.

The second case means anyone who already took some money out will get a higher percentage of their original investment back. I think it is more fair to try to bring each investor up to a minimum of a 50% loss (case 1) than to reduce everyone's remaining claimed loss.

Sincerely,



Neil Ratzlaff