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9 Attorneys for Plaintiff  
 10 PORTFOLIO ADVISORS V, LLC,  
 11 a Delaware Limited Liability Company

12 **UNITED STATES DISTRICT COURT**  
 13 **NORTHERN DISTRICT OF CALIFORNIA**

14 PORTFOLIO ADVISORS V, LLC,  
 15 a Delaware Limited Liability Company,

16 Plaintiff,

17 v.

18 M/V SAN FRANCISCO SPIRIT, Official No.  
 19 971235, its Engines, Machinery,  
 20 Appurtenances, etc., *In Rem*, SIGNATURE  
 21 HOSPITALITY, LLC, a California Limited  
 22 Liability Company, GARRETT O'DOHERTY,  
 23 DANIELLE O'DOHERTY, PACIFIC  
 24 MARINE YACHT CHARTERS, LLC, a  
 25 California Limited Liability Company, *In*  
 26 *Personam*, and DOES 1-10.

27 Defendants.

Case No.: CV 09-2950 JL

**[PROPOSED] ORDER  
 DIRECTING MARSHAL TO  
 CONDUCT INTERLOCUTORY  
 SALE OF VESSEL AND  
 GRANTING PLAINTIFF AND  
 CLAIMANT/INTERVENOR  
 RIGHT TO CREDIT BID**

28 **WHEREAS** Plaintiff PORTFOLIO ADVISORS V, LLC ("Portfolio") commenced  
 this action on June 30, 2009 to foreclose on its First and Second Preferred Ship Mortgages  
 covering the defendant vessel, *M/V SAN FRANCISCO SPIRIT*, Official No. 971235, her  
 engines, tackle, appurtenances, etc. ("Vessel").

**WHEREAS**, pursuant to process duly issued by the Court, the Vessel was arrested  
 by the U.S. Marshall on September 4, 2009 in San Francisco, California.

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1           **WHEREAS** neither the *in personam* Defendants nor the *in rem* Defendant Vessel  
2 have appeared in this action and only a single Claimant/Intervenor, Yacht Connections,  
3 International, Inc., (“YCI”) has made an appearance in this action.

4           **WHEREAS** it has been stipulated by the parties, and it appears that, the Vessel is  
5 liable to deterioration and diminishing value while it remains under arrest pending a final  
6 determination of this action.

7           **WHEREAS** it has been stipulated by the parties, and it appears that, as long as the  
8 Vessel remains under arrest it will continue to incur mounting expenses for its safekeeping  
9 which are excessive and disproportionate.

10           **WHEREAS** no security for the release of the Vessel will be posted.

11           **WHEREAS** all of the defendants and the Claimant/Intervenor have stipulated to an  
12 interlocutory sale of the Vessel.

13           **WHEREAS** Plaintiff Portfolio has applied for an Order Directing the United States  
14 Marshal Service to conduct an Interlocutory Sale of the defendant vessel, *M/V SAN*  
15 *FRANCISCO SPIRIT*, Official No. 971235, her engines, tackle, appurtenances, etc.  
16 (“Vessel”), pursuant to Rule E(9)(a)(1) of the Supplemental Rules for Admiralty or  
17 Maritime Claims of the Federal Rules of Civil Procedure, and for the right to credit bid at  
18 said sale pursuant to Admir. L. R. 9-2(b).

19           **WHEREAS** it further appears that it is in the best interest of the all parties that the  
20 sale of the Vessel take place promptly in order to avoid the mounting expenses due to the  
21 arrest from prejudicing the parties’ security interests in the Vessel.

22           **GOOD CAUSE HAVING BEEN SHOWN, IT IS HEREBY ORDERED AS**  
23 **FOLLOWS:**

- 24           1.     The Defendant Vessel shall be sold free of all mortgages, liens, and other  
25 encumbrances to the highest bidder by the U.S. Marshal at an interlocutory sale pursuant to  
26 Rule E(9)(a)(i).  
27           2.     The sale shall take place in the lobby of the Federal Building at 450 Golden Gate  
28 Avenue, San Francisco, California on *Wednesday, November 4, 2009 at 1:00 p.m.* local

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1 time, or as soon thereafter as is allowed by the Marshal.

2 3. Plaintiff Portfolio shall, pursuant to Admir. L.R. 9-2(a), cause to be published for at  
3 least six days before the date of the sale a notice of the sale of Defendant Vessel in *The*  
4 *Recorder* in San Francisco, California, which has been designated a newspaper of general  
5 circulation in San Francisco by Local Rule 77-4(a). The notice of sale shall conform  
6 substantially to the Proposed Notice of Sale concurrently filed with Plaintiff's Application  
7 for Order for Interlocutory Sale of Vessel.

8 4. The U.S. Marshal shall conduct the sale and shall abide by the following terms of  
9 sale: Except as stated in Paragraph 6 below, immediately upon the conclusion of the  
10 auction, the successful bidder for the Defendant Vessel shall deposit with the Marshal, in  
11 cash, certified check, or cashier's check, the full purchase price or a minimum deposit of  
12 10% of the successful bid. The balance, if any, of the purchase price shall be paid to the  
13 Marshal in cash, certified check, or cashier's check before the expiration of the time  
14 allowed for confirmation of the sale by Admir. L.R. 9-2, or within three court days of the  
15 dismissal of any opposition which may have been filed.

16 5. Contingent on the service of filing of the appropriate affidavits as set forth in Admir.  
17 L.R. 9-2(b), Plaintiff Portfolio and Claimant/Intervenor YCI may place credit bids for the  
18 Defendant Vessel for any and all amounts up to the total amounts of their secured interests  
19 in the Vessel, as evidenced by said affidavits. If the credit bid of either Plaintiff Portfolio or  
20 Claimant/Intervenor YCI is the highest bid, whichever party has made such bid shall not be  
21 required to make a cash deposit or a subsequent cash payment into the Registry of the Court  
22 as is required for other bidders. The U.S. Marshal is authorized and directed to accept such  
23 credit bids from Plaintiff Portfolio and Claimant/Intervenor YCI at the sale of the  
24 Defendant Vessel.

25 6. At the conclusion of the sale, the Marshal shall forthwith file a written report to the  
26 Court pursuant to Local Admiralty Rule 9-2(c).

27 7. The proceeds of the sale, if any, are to be deposited into the Court until further order  
28 of the Court.

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8. Should no successful bid be received on the Defendant Vessel, or if for any other reason the sale of the Defendant Vessel is not completed, then the parties shall report that to the Court and the Defendant Vessel shall remain under arrest pending further order of the Court.

9. The Marshal's fees, Substitute Custodian's fees and charges, costs of insurance, costs of publication, and all other reasonable fees incurred by the Vessel while under arrest shall be deemed administrative *custodia legis* expenses, and upon confirmation of such fees the Marshal shall be authorized to deduct said administrative fees from the proceeds of the sale of the Vessel and refund to Plaintiff, who has incurred these fees and expenses. The Marshal shall deposit the remainder of the sale proceeds with the Clerk of the Court, pending final disposition.

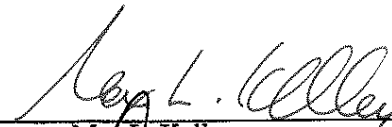
Dated: 10-21, 2009

  
\_\_\_\_\_  
U.S. DISTRICT COURT JUDGE  
MAGISTRATE JUDGE

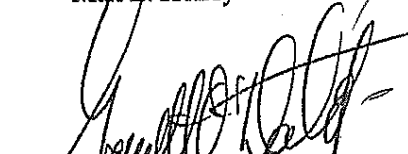
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Dated: October 19, 2009

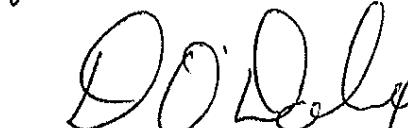
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Attorneys for Plaintiff  
PORTFOLIO ADVISORS V, LLC

By:   
\_\_\_\_\_  
Max L. Kelley

Dated: October 17, 2009

By:   
\_\_\_\_\_  
Garrett O'Doherty, Defendant

Dated: October 17, 2009

By:   
\_\_\_\_\_  
Danielle O'Doherty, Defendant

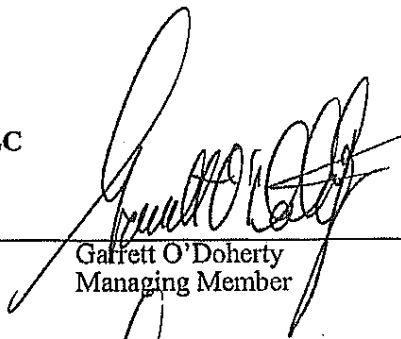
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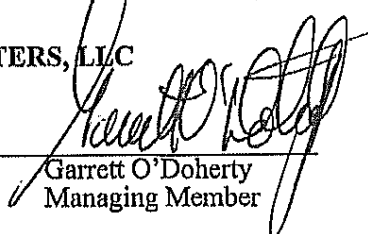
**DEFENDANT SIGNATURE HOSPITALITY, LLC**

Dated: October 17, 2009

By:   
Garrett O'Doherty  
Managing Member

**DEFENDANT PACIFIC MARINE YACHT CHARTERS, LLC**

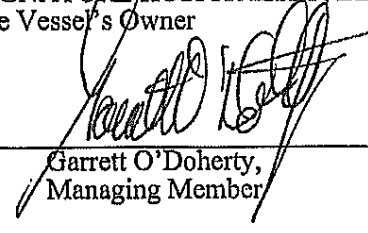
Dated: October 17, 2009

By:   
Garrett O'Doherty  
Managing Member

**DEFENDANT M/V SAN FRANCISCO SPIRIT, in rem**

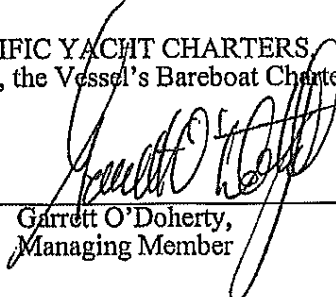
Dated: October 17, 2009

By: SIGNATURE HOSPITALITY, LLC,  
the Vessel's Owner

By:   
Garrett O'Doherty,  
Managing Member

Dated: October 17, 2009

By: PACIFIC YACHT CHARTERS  
LLC, the Vessel's Bareboat Charterer

By:   
Garrett O'Doherty,  
Managing Member

**CLAIMANT/INTERVENOR YACHT CONNECTIONS INTERNATIONAL, INC.**

Dated: October \_\_\_\_, 2009

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**DEFENDANT SIGNATURE HOSPITALITY, LLC**

Dated: October \_\_\_\_, 2009

By: \_\_\_\_\_  
Garrett O'Doherty  
Its: Managing Member

**DEFENDANT PACIFIC MARINE YACHT CHARTERS, LLC**

Dated: October \_\_\_\_, 2009

By: \_\_\_\_\_  
Garrett O'Doherty  
Its: Managing Member

**DEFENDANT M/V SAN FRANCISCO SPIRIT, *in rem***

Dated: October \_\_\_\_, 2009

By: SIGNATURE HOSPITALITY, LLC,  
the Vessel's Owner

By: \_\_\_\_\_  
Garrett O'Doherty,  
Its Managing Member

Dated: October \_\_\_\_, 2009


By: PACIFIC YACHT CHARTERS,  
LLC, the Vessel's Bareboat Charterer

By: \_\_\_\_\_  
Garrett O'Doherty,  
Its Managing Member

**CLAIMANT/INTERVENOR YACHT CONNECTIONS INTERNATIONAL, INC.**

Dated: October 16, 2009

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