

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Case No. 4:09-cv-3674
	§	
ALBERT FASE KALETA and KALETA CAPITAL MANAGEMENT, INC.,	§	
	§	
and	§	
	§	
BUSINESSRADIO NETWORK, L.P., d/b/a BizRadio and DANIEL FRISHBERG FINANCIAL SERVICES, INC., d/b/a DFFS CAPITAL MANAGEMENT, INC.,	§	
	§	
Relief Defendants.	§	

**INVESTORS’ SUPPLEMENTAL OBJECTION
TO SALE OF RADIO STATION ASSETS**

Come now Ronald & Lavonne Ellisor, Richard Kadlick, Sailaja Uri Konduri, Robert Ficks, Larry Mullins, TR Dunn Family Trust, Diane & Paul Collings, Kohur Subramanian, Timothy Koehl, Martin Grosbol, Doug & Kay Shaffer, Alisa K. Jones, Kevin Deering, Ed & Helena Gray, Johnny & Betty Gauntt, Tony Huerta, Jacob Tsabar, Marcus Erickson, Kurt Everson, George & Marene Tompkins, Richard Burkhart, James Maas, James & Patricia Stewart, Bob & Kathy Horlander, Don Keil, Dr. Gerald Crouch, Paul & Simona Williams, Steve Cook, Florence Reiley, Ronald Martens, Ivan Curiel, Joseph & Sarah Miller, Jack & Pamela McElligot, John Willis, as executor of the Estate of Geraldine J. Willis, Carlos Barbieri, and Raymond & Laura Warner (hereinafter collectively “Investors”) and file this Supplemental Objection to the Sale of Radio Station Assets, and in support thereof, would respectfully show the Court as follows:

1. The Receiver seeks to sell the radio station assets of BizRadio (the “Assets”), free and

clear of all interests, to South Texas Broadcasting, Inc. (“STB”). Investors object to the sale on the basis that the Assets are the primary assets of the Estate and they are capable of generating positive cash flow for the Estate with little oversight by the Receiver. Investors also object to the terms of the sale to STB on the basis that the total consideration for the sale is unreasonably low. Additionally, the Priority Secured Noteholders, a subset of the Investors asserting this Objection, hold security interests in the Assets that are senior to the security interest waived by STB as part of the purchase. Because there are insufficient assets in the Estate to satisfy all of the priority security interests, STB’s note is worthless and is no consideration for the sale.

2. Investors object that no appraisal has been obtained, there has not been a public auction, and no evidence has been presented as to the value of the assets.

3. The Priority Secured Noteholders object to the Receiver attempting to sell BizRadio’s assets without regard for the noteholders’ first priority security interest. The Priority Secured Noteholders assert their security interest in the BizRadio Assets and object to the sale of those assets. The Priority Secured Noteholders are contractually and equitably subrogated to the first priority security interest originally held by Industrial Info Resources, Inc. STB’s security interest is contractually and equitably subordinated to that lien, so STB cannot credit bid its lien without paying the Priority Secured Noteholders in full.

4. Investors further object that the sale, if confirmed, cannot be free and clear of liens and encumbrances. Either the Priority Secured Noteholders should maintain a first priority security interest in the assets, or in the proceeds of the sale.

5. Investors assert the additional objection that the validity of STB’s interest in BizRadio’s assets has not been investigated or confirmed, and thus should not be allowed to be “credit bid” as part of the sale.

6. Finally, investors object to the payment of \$150,000 of the proceeds to AsiaVision in settlement of claims against STB and the Receivership.

PRAYER

7. Therefore, Investors respectfully request that the Court sustain their objection to the sale of the Assets as proposed.

RESPECTFULLY SUBMITTED,

THE SCHMIDT LAW FIRM



C. THOMAS SCHMIDT
STATE BAR NO. 00797386
DAVID J. COATES
STATE BAR NO. 00783844
3730 KIRBY DRIVE, SUITE 1200
HOUSTON, TEXAS 77098

ATTORNEYS FOR INVESTORS

OF COUNSEL:

Charles L. Fridge, III
Texas State Bar No. 24004286
3000 Smith Street
Houston, Texas 77002

CERTIFICATE OF SERVICE

This is to certify that the above and foregoing instrument was submitted to the clerk of the court using the electronic case filing system of the court. I hereby certify that I have served the parties below electronically, on this the 1st day of September 2011:

Thomas L. Taylor, III
The Taylor Law Offices, P.C.
4550 Post Oak Place Drive, Suite 241
Houston, Texas 77027

Electronically

Joseph G. Epstein
Winstead P.C.
1100 JPMorgan Chase Tower
600 Travis Street
Houston, Texas 77002

Electronically

Charles L. Fridge, III