

B25 *A*

D E F E R R E D

PWA183

18 SEP 59

M 180500Z
FM ADMIN CINCPACFLT
TO COMNAVMARIANAS
INFO CNO
JAG
NAVADSAIPAN
BT

DIST: 09B2/JAG - COG
09B FLAGPLOT BFR
DLVY NR 161/SPILLMAN/XL

YOUR 162226Z X FROM THE OUTSET CINCPACFLT HAS RECOGNIZED THAT MICRO ASSETS ARE WOEFULLY INADEQUATE TO SATISFY LIABILITIES X FULLY

UNDERSTAND THAT ASSETS WHEREVER LOCATED CAN BE PURSUED UNDER PROPOSED CONSENT JUDGMENT X HOWEVER ONCE THE LIQUIDATION VALUE OF ALL ASSETS

HAS BEEN ESTABLISHED THAT SUM DETERMINES THE AMOUNT OF THE JUDGMENT X IT IS DIFFICULT TO UNDERSTAND HOW SUCH SUMS CAN BE ESTABLISHED WHEN THREE TYPES OF CREDITORS ARE INVOLVED UNLESS A SIMPLE PRO RATA FORMULA

IS APPLIED X THE REAL PURPOSE OF THIS EXERCISE HAS BEEN TO JUDICIALLY DETERMINE THAT MICRO BREACHED ITS CONTRACT WITH THE ADXUNISTRATOR AND

TO JUDICIALLY DETERMINE HOW MUCH MICRO IS INDEBTED TO THE ADMINISTRATOR AND TO EACH OF THE OTHER GROUPS OF CREDITORS X

AGREE THAT THERE IS NO PRACTICAL DIFFERENCE BETWEEN SUM CERTAIN JUDGMENTS AND JUDGMENTS LIMITED BY AMOUNT OF ASSETS SO FAR AS

REALIZATION OR SATISFACTION OF JUDGMENTS IS CONCERNED X THERE IS A MAJOR DIFFERENCE HOWEVER SO FAR AS THE PARITES ARE CONCERNED X IF

THE PEOPLE INVOLVED, ALTHOUGH NOT PERSONALY LIABLE PER SE, ARE ASSOCIATED WITH AN ENTERPRISE WHICH REMAINS SO HEAVILY INDEBTED

THEY ARE NOT IN A POSITION TO EASILY REPEAT THE PERFORMANCE X THE PEOPLE CONNECTED WITH MICRO HAVE BEEN OVERLY ANXIOUS TO LIMIT THE

AMOUNT OF THEIR INDEBTEDNESS TO THE CORPORATE ASSETS X THE NET EFFECT OF SUCH JUDGMENTS IS TO ACCEPT THEIR ASSETS IN FULL SATISFACTION

OF ALL OUTSTANDING INDEBTEDNESS X THEY WOULD THEN BE CLEAN AND READY TO START ELSEWHERE X DO NOT THINK THEIR DEFAULTS SHOULD BE

SO EASILY EXCUSED X ACCORDINGLY YOUR RECOMMENDATION NOT APPROVED X INSOFAR AS DETERIORATION OF ASSETS IS CONCERNED CONSIDER

ADDITIONAL 30 DAYS INCONSEQUENTIAL IN VIEW TIME ALREADY ELAPSED
BT

Micro Metal