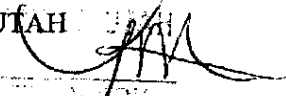


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CLERK OF DISTRICT COURT

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IN THE UNITED STATES COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

BY: 
DEPUTY CLERK

TRANSWORLD
TELECOMMUNICATION, INC.,

Plaintiff,

vs.

PACIFIC MEZZANINE FUND, L.P.,

Defendant.

ORDER

Case No. 2:00cv0667 ST

98-2089

Before the Court is Defendant's objections to the bankruptcy court's proposed findings of fact, conclusions of law, and judgment pursuant to 28 U.S.C. §157(c)(1) (non-core proceedings). The matter came regularly for hearing on Tuesday, November 21, 2000, before the Honorable Ted Stewart. After oral argument, consideration of the memoranda submitted by the parties, de novo review of the record before the court, and the pertinent law, the Court hereby enters the following findings and order:

1. The cost of money ceiling for a particular financing is to be determined as of the date a loan commitment is issued, or as of the date of the first closing of the financing. 13 C.F.R. § 107.855(b). Furthermore, the term "cash" as used in 13 C.F.R. § 107.855(h) includes all cash payments that are required under the terms


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of the loan, including cash payments required to be made in the future. The Court interprets 13 C.F.R. § 107.855 as a measure designed to prevent SBIA lenders from charging excess interest rates, not just a measure designed to remedy a situation where excess payments have been made.


2. The Court finds that the loan extended by Pacific Mezzanine Fund exceeded the cost of money ceiling set forth in 13 C.F.R. §107.855. The bankruptcy court's findings and conclusions in this respect are hereby adopted.
3. The Court finds that there is insufficient evidence in the record to support the argument that Transworld Telecommunications, Inc. relied upon the misrepresented loan balance declared by Pacific Mezzanine Fund. However, the Court finds nonetheless finds that Pacific did represent to Transworld that it owed a sum certain on the loan, which sum certain was in excess of the cost of money ceiling. Pacific's attempted retraction of this representation after being accused of violating the lending regulations is not credible and is rejected. Accordingly, Pacific is bound by its representations in the letters sent to Transworld regarding the amount outstanding on the loan.
4. The Court finds that the bankruptcy court's remedy wherein it recommended a judgment in the amount of \$599,106.00 as the statutory penalty of twice the interest paid, (15 U.S.C. §687(i)(4)(B)), and a judgment that Pacific return the promissory notes secured as collateral of the loan, or if such promissory notes are sold, that Pacific return to Transworld all proceeds plus interest of the sale of the

promissory notes, (15 U.S.C. §687(i)(4)(A)), is the correct remedy mandated by the law. The bankruptcy's recommendation is, therefore, adopted in this respect. Pacific is hereby ordered to pay Transworld \$599,106.00 as the statutory penalty of twice the interest actually paid. Furthermore, Pacific is ordered to return the Wireless Holdings note and the Wireless Cable note to Transworld, or if the notes were sold, then Pacific is ordered to return all proceeds from the sale of these notes, plus fourteen percent accruing from the date of such sale, to Transworld.

SO ORDERED.

DATED this 9th day of January, 2001.

BY THE COURT:



TED STEWART
United States District Judge