

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

Minute Entry

Hearing Information:

Debtor: Mortgages Ltd.
Case Number: 2:08-bk-07465-RJH **Chapter:** 11
Date / Time / Room: THURSDAY, SEPTEMBER 17, 2009 11:00 AM 6TH FLOOR #603
Bankruptcy Judge: RANDOLPH J. HAINES
Courtroom Clerk: JANET SMITH
Reporter / ECR: SHERI FLETCHER

Matters:

- 1) **ADV: 2-09-00042**
MORTGAGES LTD vs Jonathon Vento
DEBTOR'S OBJECTION TO DEFENDANT'S MOTION TO DISMISS COMPLAINT FOR BREACH OF GUARANTY
R / M #: 9 / 0
- 2) **ADV: 2-09-00042**
MORTGAGES LTD vs Jonathon Vento
DEBTOR'S OBJECTION TO 70TH STREET PROPERTY'S MOTION TO DISMISS COMPLAINT FOR OBJECTION TO PROOF OF CLAIM
R / M #: 8 / 0
- 3) **ADV: 2-08-00957**
MORTGAGES LTD. vs Jonathon Vento
DEBTOR'S OBJECTION TO DEFENDANT'S (VENTO) MOTION TO DISMISS COMPLAINT FOR BREACH OF GUARANTY
R / M #: 8 / 0
- 4) **ADV: 2-08-00957**
MORTGAGES LTD. vs Jonathon Vento
DEBTOR'S OBJECTION TO PORTALES PLACE PROPERTY'S MOTION TO DISMISS COMPLAINT FOR OBJECTION TO PROOF OF CLAIM
R / M #: 9 / 0
- 5) THE LEWIS TRUST'S APPLICATION FOR ALLOWANCE & PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM & OBJECTION THERETO
R / M #: 1,886 / 0
- 6) APPLICATION FOR ADMINISTRATIVE EXPENSE CLAIM OF THE REV OP GROUP
R / M #: 1,885 / 0
- 7) APPLICATION FOR COMPENSATION OF FTI CONSULTING AS FINANCIAL ADVISORS TO THE DEBTOR
R / M #: 1,896 / 0
- 8) MOTION TO RATIFY 401(k) PLAN APPOINTMENTS & DEFINE THE LIQUIDATING TRUSTEE'S ROLE
R / M #: 2,115 / 0
- 9) APPLICATION FOR ALLOWANCE & PAYMENT OF ADMINISTRATIVE CLAIM & EXPENSES OF CREDITOR RADICAL BUNNY
R / M #: 1,888 / 0

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA
Minute Entry

(continue)... 2:08-bk-07465-RJH

THURSDAY, SEPTEMBER 17, 2009 11:00 AM

Appearances:

DALE C. SCHIAN/MIKE WALKER, ATTORNEYS FOR FTI CONSULTING, VALUE TO LOAN COMMITTEE
SHELTON L. FREEMAN, ATTORNEY FOR TRUSTEE FOR RADICAL BUNNY LYON
S. CARY FORRESTER, ATTORNEY FOR THE LEWIS TRUST
BRYCE SUZUKI, ATTORNEY FOR REV OP
TOM MORING/ROBERT WEST, ATTORNEYS FOR MORTGAGES LTD 401K PLAN
CATHY REECE, ATTORNEY FOR ML MANAGER
MARK DORVAL, ATTORNEY FOR LIQUIDATING TRUST
JILL HULSIZER, ATTORNEY FOR LIQUIDATING TRUSTEE

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA
Minute Entry

(continue)... 2:08-bk-07465-RJH

THURSDAY, SEPTEMBER 17, 2009 11:00 AM

Proceedings:

ITEMS 1 through 4

Stipulations to dismiss these matters are forthcoming.

ITEM #5 & #6

Mr. Forrester outlined the issues and urged the Court to set this matter for an evidentiary hearing.

Mr. Dorval explained his position.

COURT: IT IS ORDERED DIRECTING MR. FORRESTER & MR. SUZUKI TO FILE AN AMENDED APPLICATION BY OCTOBER 30, 2009 AND MR. DORVAL SHALL FILE A RESPONSE BY NOVEMBER 25, 2009. PARTIES ARE DIRECTED TO FILE A JOINT PRETRIAL STATEMENT BY FRIDAY, DECEMBER 4, 2009. IT IS ORDERED SETTING A PRETRIAL STATUS CONFERENCE ON DECEMBER 7, 2009 AT 10:00 AM.

ITEM #9

Mr. Freeman advised he and Mr. Dorval have agreed to file a joint statement of facts by October 26, 2009 with a pre-hearing memorandum filed on November 2, 2009 and they would request a one hour oral argument the week of November 9th.

Mr. Dorval requested the pre-hearing memo be due on November 9th.

Mr. Freeman agreed.

COURT: IT IS ORDERED SETTING ORAL ARGUMENT ON NOVEMBER 18, 2009 AT 1:30 PM ALLOWING 1 HOUR.

ITEM #7

Mr. Schian responded to objections and urged the Court to overrule the objections.

Ms. Reece requested the Court set this for a 1 day evidentiary hearing in mid December.

Mr. Dorval agreed with the statements made by Ms. Reece.

Mr. Freeman joined in the objection.

COURT: IT IS ORDERED SETTING A ONE DAY EVIDENTIARY HEARING ON DECEMBER 16, 2009 AT 9:00 AM. PARTIES ARE DIRECTED TO FILE A JOINT PRETRIAL STATEMENT ON DECEMBER 2, 2009. ON AN INTERIM BASIS, THE COURT WILL ALLOW THE INTERIM COMPENSATIONS SUBJECT TO DISGORGEMENT NO RES JUDICATA EFFECT OF \$400,000.00. THE APPLICATION WILL ALSO BE TAKEN UNDER ADVISEMENT AND THE COURT MAY RULE ON SOME INDIVIDUAL OBJECTIONS OR CATEGORIES BEFORE THE EVIDENTIARY HEARING.

ITEM #8

Mr. Moring urged the motion reviewing the issues his client is having.

Ms. Hulsizer explained the liquidating trustees position stating if the Court directs him to turnover the checkbooks, books and records he will do so.

COURT: THE COURT WILL ENTER AN ORDER THAT THE LIQUIDATING TRUSTEE IS ORDERED TO UNFREEZE ANY PLAN ACCOUNTS

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA
Minute Entry

(continue)... 2:08-bk-07465-RJH

THURSDAY, SEPTEMBER 17, 2009 11:00 AM

OR ASSETS AND TURNOVER TO THE PLAN TRUSTEE ALL OF THE CHECKBOOKS AND OTHER BOOKS AND RECORDS. MR. DORVAL IS DIRECTED TO UPLOAD A FORM OF ORDER AND SERVE COPIES ON MS. REECE AND MR. MORING.

Housekeeping Matter

Ms. Reece informed the SEC is agreeable to October 16th for parties to have additional time.

COURT: MS. REECE IS DIRECTED TO UPLOAD A FORM OF ORDER EXTENDING THE DATE TO OCTOBER 16TH AND SETTING THE HEARING ON OCTOBER 8, 2009 AT 11:00 AM. AND MOVING THE HEARING ALREADY SET FOR 11AM ON OCTOBER 8, 2009 TO 10:30 AM. THE ORDER WILL BE SIGNED WHEN IT IS UPLOADED.

cc: Pat Denk