

**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, JULY 15, 2010 01:30 PM 6TH FLOOR #603
Bankruptcy Judge: RANDOLPH J. HAINES
Courtroom Clerk: JANET SMITH
Reporter / ECR: SHERI FLETCHER

Matters:

- 1) **ADV: 2-10-00430**
ML Manager LLC vs William L. Hawkins as Trustee of the Cor
ORAL ARGUMENT ON THE REMAINING ISSUES OF THE CROSS DECLARATORY JUDGMENT
R / M #: 86 / 0

- 2) ORDER TO SHOW CAUSE WHY DECLARATORY JUDGMENT SHOULD NOT BE ENTERED AGAINST KEVIN
T. O'HALLORAN, TRUSTEE OF THE ML LIQUIDATING TRUST
R / M #: 2,776 / 0

Appearances:

SCOTT JENKINS, ATTORNEY FOR ML LIQUIDATING TRUST TRUSTEE
THOMAS S. MORING, ATTORNEY FOR MORTGAGES LTD 401(K) PLAN
KEITH L. HENDRICKS, ATTORNEY FOR ML MANAGER LLC
BRYCE SUZUKI, ATTORNEY FOR DEFENDANTS
BRYCE A. SUZUKI, ATTORNEY FOR WILLIAM L. HAWKINS AS TRUSTEE OF THE COR

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

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Proceedings:

ITEM #2

Mr. Moring urged the order to show cause requesting the Court order the turnover of the 401k funds and set a further hearing in September.

Mr. Jenkins responded.

Mr. Hendricks also responded.

COURT: IT IS ORDERED DIRECTING ML SERVICING CONTINUE TO HOLD THE FUNDS IN AN INTEREST BEARING ACCOUNT AND NOT RELEASE OR DISBURSE THE FUNDS EXCEPT UPON FURTHER ORDER OF THE COURT.

BRIEFING SCHEDULE: MR. MORING WILL FILE AN OPENING BRIEF ON MONDAY, AUGUST 9, 2010, ANY RESPONSE WILL BE DUE TUESDAY, SEPTEMBER 7, 2010 AND A REPLY IF ANY WILL BE DUE SEPTEMBER 14, 2010.

IT IS ORDERED DENYING THE ORDER TO SHOW CAUSE. IT IS ORDERED SETTING THIS ISSUE UP AS A CONTESTED MATTER. IT IS ORDERED SETTING THIS MATTER FOR HEARING ON SEPTEMBER 21, 2010 AT 1:30 PM.

ADV 10-430 ITEM #1

Mr. Hendricks reviewed the issues.

Mr. Suzuki responded.

COURT: IT IS ORDERED TAKING THIS MATTER UNDER ADVISEMENT. PARTIES MAY FILE ADDITIONAL BRIEFS AS TO WHETHER TWOMBLY AND IQBAL HAVE HAD ANY EFFECT ON HOW 12C IS APPLIED BY FRIDAY, JULY 23, 2010 AND THIS MATTER WILL BE TAKEN UNDER ADVISEMENT EFFECTIVE AS OF THAT DATE. THE COURT REQUESTED MR. HENDRICKS ATTACH TO HIS MEMORANDUM AS AN EXHIBIT A FORM OF JUDGMENT AND MR. SUZUKI MAY RESPOND TO THE FORM OF JUDGMENT BY JULY 28, 2010.

cc: Pat Denk

James Yeager