

**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:** TUESDAY, MAY 10, 2011 10:30 AM 6TH FLOOR #603  
**Bankruptcy Judge:** RANDOLPH J. HAINES  
**Courtroom Clerk:** JANET SMITH  
**Reporter / ECR:** SHERI FLETCHER

**Matter:**

ORDER TO SHOW CAUSE WHY RON BARNES SHOULD NOT BE HELD IN CONTEMPT OF COURT FOR WILLFUL VIOLATION OF THIS COURTS ORDERS OF JANUARY 20, 2011 & MARCH 29, 2011  
**R / M #:** 3,172 / 0

**Appearances:**

KEITH HENDRICKS, ATTORNEY FOR ML MANAGER  
LARRY UDALL, ATTORNEY FOR THE TOWN OF GILBERT  
RON BARNES

**Proceedings:**

Mr. Hendricks reviewed the background of this matter.

Mr. Barnes responded arguing it is not possible for him to be in willful violation of the Courts order.

THE COURT WILL ASK MR. HENDRICKS TO PROVIDE PROOF OF SERVICE OF THE JANUARY 20TH ORDER.

Mr. Hendricks reviewed his proof of service. He stated he will seek a judgment against Mr. Barnes.

Mr. Udall requested Mr. Barnes state who the major creditors are and the dates they were paid with the funds.

COURT: IT IS ORDERED SETTING AN EVIDENTIARY HEARING ALLOWING ONE HOUR ON JUNE 15, 2011 AT 1:30 PM. PARTIES ARE DIRECTED TO FILE A JOINT PRE-TRIAL STATEMENT JUNE 8, 2011.

IT IS ORDERED THE PARTIES MAY IMMEDIATELY ENGAGE IN DISCOVERY. THE COURT REQUESTS MR. BARNES IMMEDIATELY PROVIDE INFORMATION TO BOTH MORTGAGES LTD AND THE TOWN OF GILBERT AS TO WHERE THE PROCEEDS WENT.