

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- GARY PIERCE, Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

2011 FEB -2 A 10: 41

AZ CORP COMMISSION
DOCKET CONTROL

In the matter of:)
 RADICAL BUNNY, L.L.C., an Arizona)
 limited liability company,)
 HORIZON PARTNERS, L.L.C., an Arizona)
 limited liability company,)
 TOM HIRSCH (aka THOMAS N. HIRSCH))
 and DIANE ROSE HIRSCH, husband and)
 wife,)
 BERTA FRIEDMAN. WALDER (aka)
 BUNNY WALDER), a married person,)
 HOWARD EVAN WALDER, a married)
 person,)
 HARISH PANNALAL SHAH and)
 MADHAVI H. SHAH, husband and wife,)
 Respondents.)

DOCKET NO. S-20660A-09-0107

SECURITIES DIVISION'S
SUPPLEMENTAL RESPONSE TO
RESPONDENTS' MOTION TO
SUPPLEMENT THE RECORD

(Assigned to the Hon. Lyn Farmer)

Arizona Corporation Commission

DOCKETED

FEB 2 2011



The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") hereby submits its supplemental response to the post-hearing Motion to Supplement the Record filed on behalf of Respondents ("Post-hearing Motion").

On January 5, 2011, the December 21, 2010 order entered as document no. 3024 in the official court docket for *In re Mortgages Ltd.*, case no. 2:08-bk-07465-RJH in United States Bankruptcy Court for the District of Arizona (Phoenix) ("MLtd Bankruptcy") ("RB Administrative Claim Order") was appealed.¹ A motion to stay the RB Administrative Claim Order was subsequently filed, and on January 20, 2011, a stay was granted by the Bankruptcy Court. The stay

¹ See Exhibit "A" to the Division's Response to Respondents' Motion to Supplement the Record filed on January 5, 2011.

1 of the RB Administrative Claim Order is memorialized on page 2 as "Item #1" of the Minute Entry
2 which was filed on January 25, 2011, as document number 3058 in the official court docket for the
3 MLtd Bankruptcy ("Minute Entry"). A true and correct copy of the Minute Entry is attached as
4 Exhibit "A" hereto. Accordingly, the Division requests that the Post-Hearing Motion be denied.

5 RESPECTFULLY SUBMITTED this 2nd day of February, 2011.

6 
7 _____
8 Julie Coleman
9 Chief Counsel of Enforcement for the Securities
10 Division of the Arizona Corporation Commission

11 ORIGINAL and 13 copies of the foregoing
12 filed this 2nd day of February, 2011, with:

13 Docket Control
14 Arizona Corporation Commission
15 1200 W. Washington St.
16 Phoenix, AZ 85007

17 COPY of the foregoing hand-delivered
18 this 2nd day of February, 2011, to:

19 Lyn Farmer
20 Administrative Law Judge
21 Arizona Corporation Commission
22 1200 W. Washington St.
23 Phoenix, AZ 85007

24 COPY of the foregoing mailed
25 2nd day of February, 2011, to:

26 Michael J. LaVelle
Matthew K. LaVelle
LAVELLE & LAVELLE, PLC
2525 E. Camelback Road, Suite 888
Phoenix, AZ 85016
Attorneys for Respondents

27 By: 

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EXHIBIT "A"

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SIGNED.

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA
Dated: January 25, 2011



Minute Entry On

Hearing Information:

Debtor: MORTGAGES LTD.
Case Number: 2:08-bk-07465-RJH Chapter: 11
Date / Time / Room: THURSDAY, JANUARY 20, 2011 03:00 PM 6TH FLOOR #603
Bankruptcy Judge: RANDOLPH J. HAINES
Courtroom Clerk: JANET SMITH
Reporter / ECR: SHERI FLETCHER

Randolph J. Haines

RANDOLPH J. HAINES
U.S. Bankruptcy Judge

Matters:

- 1) LIQUIDATING TRUST'S MOTION FOR STAY PENDING APPEAL AND FOR STAY OF SUPPLEMENTAL APPLICATION PURSUANT TO 11 USC 503(b)(3)(D) & (4) FOR ALLOWANCE & PAYMENT OF ADMINISTRATIVE CLAIM OF RADICAL BUNNY
R / M #: 3,018 / 0
- 2) EXPEDITED HEARING ON RADICAL BUNNY'S SUPPLEMENTAL APPLICATION FOR ALLOWANCE & PAYMENT OF ADMINISTRATIVE CLAIM
R / M #: 3,041 / 0

Appearances:

MARK J. DORVAL, ATTORNEY FOR ML LIQUIDATING TRUST
SHELTON L. FREEMAN, ATTORNEY FOR RADICAL BUNNY

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA
Minute Entry Order

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

THURSDAY, JANUARY 20, 2011 03:00 PM

Proceedings:

ITEM #2

Mr. Freeman urged the Court to grant his application for fees citing case law supporting his position.

Mr. Dorval opposed the motion for fees arguing this should await the outcome of the appeal that is pending.

COURT: FINDINGS OF FACT AND CONCLUSIONS OF LAW WERE STATED ON THE RECORD. IT IS ORDERED GRANTING THE SUPPLEMENTAL APPLICATION FOR FEES IN THE AMOUNT SOUGHT.

ITEM #1

Mr. Dorval urged motion for stay pending appeal.

Mr. Freeman responded.

COURT: IT IS ORDERED GRANTING A STAY PENDING APPEAL TO THE EXTENT OF THE ORIGINAL AWARD BASED UPON THE AMOUNT THAT IS IN THE ESCROW. THE ENTITLEMENT TO INTEREST WOULD BE THE FEDERAL RATE.

IT IS ORDERED CONTINUING THIS HEARING TO FEBRUARY 15, 2011 AT 3:00 PM AS TO A STAY PENDING APPEAL SOUGHT FOR THE SUPPLEMENTAL FEE AWARD.

IT IS ORDERED GRANTING AN INTERIM STAY PENDING CONTINUANCE OF THE HEARING. THE LIQUIDATING TRUST WILL HAVE UNTIL FEBRUARY 8TH TO FILE A SUPPLEMENTAL MOTION FOR DISCRETIONARY STAY AND ANY RESPONSE WILL BE DUE BY FEBRUARY 11, 2011.

RANDOLPH J. HAINES
U.S. BANKRUPTCY JUDGE