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Investors (State Court Conservatorship)
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7 **IN THE UNITED STATES BANKRUPTCY COURT**
8 **FOR THE DISTRICT OF ARIZONA**
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10 In re:	In Proceedings Under Chapter 11
11 MATHON FUND L.L.C.,	Case No. 05-27993-PHX-GBN
12 Debtor.	
13 In re:	Case No. 05-27994-PHX-SSC
14 MATHON FUND I, L.L.C.,	
15 Debtor.	
16 In re:	Case No. 05-27995-PHX-JMM
17 W.S.F. – WORLD SPORTS FAN L.L.C.,	(Joint Administration Requested)
18 Debtor.	Expedited Hearing Requested

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20 **MOTION FOR (I) JOINT ADMINISTRATION OF RELATED CASES, AND (II)**
21 **TRANSFER OF ASSIGNMENT OF CASES TO ONE JUDGE**

22 This Motion is filed by the Official Committee of Mathon Investors
23 (“Committee”) recognized by the Superior Court of Maricopa County in case No. CV 2005-
24 005484 relating to the Conservatorship of the many Mathon companies seeking joint
25 administration of the three above captioned cases (collectively, the “Debtors”). A separate
26 motion seeking accelerated treatment on this motion is concurrently filed. The Committee seeks

1 a hearing sometime prior to November 30, 2005 at 9:30 a.m. for the reasons stated in the separate
2 motion.

3 Pursuant to Bankruptcy Code §105, Rule 1015 of the Federal Rules of Bankruptcy
4 Procedure, and Rules 1073-1(d) and (e) of the Local Rules of Bankruptcy Procedure for the
5 District of Arizona, the Committee requests that the Court order that the above-captioned Chapter
6 11 bankruptcy cases be jointly administered for procedural purposes; and requests that the
7 Mathon Fund I LLC and World Sports Fan LLC cases be transferred by assignment to the
8 bankruptcy judge for the lowest numbered case, which is the Mathon Fund LLC 05-27993 PHX
9 GBN case.

10 In further support of the Motion, the Committee submits as follows: On April 1,
11 2005, the Arizona Corporation Commission filed a Verified Complaint seeking the appointment
12 of a Receiver and/or Conservator “on an interim basis to take control of the assets of the
13 Defendants, Defendant Entities and Relief Defendants and to marshal and preserve their assets for
14 the benefit of Defendants’ defrauded investors;...” On April 15, 2005, the court entered its Order
15 “Approving Stipulation Regarding Order Appointing Conservator And Order Continuing
16 Restraining Order.” Accordingly, James C. Sell is serving as a “Conservator” on an interim basis,
17 not as a “Receiver.” The Court’s Order Approving Stipulation stated that the Conservator was
18 appointed “in order to prevent waste and dissipation of the Conservatorship assets by the
19 Defendants to the detriment of investors.”

20 On September 12, 2005, the Committee filed its “Motion for Authority to Resolve
21 Case Through Bankruptcy.” The Court heard the Motion on October 3, 2005, which resulted in
22 its Order of October 27, 2005 authorizing and directing the Conservator to file three bankruptcy
23 cases on or before November 14, 2005. On November 13, 2005, the Conservator filed the three
24 captioned cases under Chapter 11.

1 This Motion presents a “core” proceeding pursuant to 28 U.S.C. §157(b)(2) over
2 which this Court has jurisdiction to enter a final order pursuant to 28 U.S.C. §1334.

3 Joint administration of the three Mathon cases is in the best interest of each of the
4 Debtors, their estates and the investor claimants. Joint administration of related debtors is
5 common and promotes the prompt and cost efficient administration of the bankruptcy estates by
6 avoiding unnecessary duplication of efforts. Joint administration also will allow the prompt and
7 efficient resolution of issues common to the debtors, including the administration and eventual
8 liquidation of the debtors’ assets.

9 Bankruptcy Rule 1015 specifically allows for the joint administration of
10 bankruptcy cases involving a debtor and its affiliate(s). See Fed R. Bankr. P. 1015(b).
11 Bankruptcy Rule 1015 authorizes joint administration because of the efficiencies that result from
12 the joint administration of related cases with overlapping issues, claims, and other similarities.
13 See Fed. R. Bankr. P. 1015(b) and Advisory Committee Note. In this case, Mathon Fund,
14 Mathon Fund I and World Sports Fan are “affiliates” within the meaning of Bankruptcy Code
15 §101(2). Accordingly, these Chapter 11 cases are sufficiently related such that joint
16 administration is in the best interests of each of the Debtors, their estates and the investors. Under
17 the circumstances, the cases of the Debtors will be administered most efficiently and
18 economically on a joint basis without any detriment to the respective creditor constituencies. In
19 fact, the Committee contemplates a substantive consolidation of these and other related entities,
20 which substantive consolidation is set forth in the bankruptcy plan now on file and solicited
21 prepetition in accordance with new 11 U.S.C. §1125(g).

22 WHEREFORE, based on all of the foregoing, the Committee respectfully requests
23 that the Court enter an Order:

24 A. Providing for the joint administration of the Debtors’ bankruptcy cases for
25 procedural purposes; and
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