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16 UNITED STATES BANKRUPTCY COURT
17 DISTRICT OF ARIZONA

18 In re:
19 MATHON FUND, L.L.C., et al,
20 Debtors.

Chapter 11 Proceedings

Case No: 05-27993 PHX GBN

(Jointly Administered with Case Nos.
05-27994 PHX-SSC and
05-27995 PHX- JMM)

21 THIS FILING APPLIES TO:

- 22 ALL DEBTORS
23 SPECIFIED DEBTORS

(Post-Confirmation)

**DEBTORS' SECOND OMNIBUS
APPLICATION TO DISALLOW AND
EXPUNGE CERTAIN CLAIMS AS FILED
AGAINST THE ESTATES AND FIXING
THE AMOUNTS AND CLASSIFICATION
OF SUCH CLAIMS**

24 Mathon Fund, L.L.C. ("Fund"), and the other above captioned post-confirmation debtors
25 (collectively, the "Debtors"), by their undersigned attorneys, as and for their Second Omnibus
26 application for an Order disallowing and expunging the Claims set forth on Exhibit "A" hereto,
27 and fixing the amount and classification of such Claims to their status as unsecured claims in the
28 amount of each Claimant's Net Investment as provided for in the Conformed Plan and Disclosure
Statement (the "Application"), respectfully allege as follows:

1 **I. INTRODUCTION:**

2 The Debtors have diligently reviewed the entire Claims Register in these Bankruptcy
3 Cases and compared the information contained therein with the books and records of the Debtors.
4 Additionally, the Debtors have also analyzed the information contained therein and have
5 concluded that the claims set forth on Exhibit "A" annexed hereto, have been filed with the
6 incorrect amounts and/or class of claimant.

7 This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334.
8 The statutory predicates for the relief sought herein are section 502 of title 11 of the United States
9 Code (the "Bankruptcy Code") and Rule 3007 of the Federal Rules of Bankruptcy Procedure the
10 "Bankruptcy Rules").

11
12 **II. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND:**

13 These Bankruptcy Cases are inextricably intertwined with a pending Receivership Action,
14 commenced by the Arizona Corporation Commission.

15 Specifically, on April 1, 2005, the Arizona Corporation Commission caused to be filed, in
16 the Superior Court in and for the State of Arizona, a Verified Complaint in the above-captioned
17 matter against numerous individual defendants and entities (the Receivership Entities collectively,
18 "Mathon") - including the Debtors - seeking the appointment of a Receiver over the named
19 Defendants (the "Receivership Action").

20 The gravamen of the Receivership Action sounded in violations of the Arizona Securities
21 Laws and fraud. The ACC alleged that the individual named defendants perverted Mathon into a
22 scheme to obtain investors' monies under false pretenses, and use such funds for other than their
23 stated purpose.

24 On April 5, 2005, the State Court issued its Order appointing James C. Sell Receiver for
25 the approximately 30 entities named in the Receivership Complaint.

26 Subsequently, after notice and hearing, the Court on April 14, 2005 issued its Order
27 approving the Stipulation Regarding Order Appointing Conservator, in which the title of James C.
28

1 Sell was changed from Receiver to Conservator (hereinafter, the “Conservatorship Order”). The
2 rights and obligations of the Conservator remained identical to those of the Receiver.

3 Pursuant to an Order entered in the State Court proceeding on October 25, 2005, that
4 Court authorized the filing of Bankruptcy for three Conservatorship Entities, Mathon Fund I,
5 LLC, Mathon Fund, LLC and W.S.F. – World Sports Fans, LLC.

6 On January 12, 2006, this Court entered an Order allowing for the Joint Administration of
7 these Bankruptcy Estates. The Conservator was allowed to remain in place and act as the
8 Responsible Party in these Bankruptcy Cases.

9 During the pendency of these Bankruptcy Cases the Conservator worked closely with the
10 Official Committee of Unsecured Creditors to formulate a fair and equitable framework for
11 distribution of the Debtors’ assets to the defrauded Mathon Creditors. An integral basis of such
12 framework focused on the goal of equitably treating creditors in light of Mathon’s operation as a
13 Ponzi scheme.

14 The framework for such distributions was based upon the Net Investment of each Mathon
15 Creditor/Investor and was detailed in the Disclosure Statement and Plan of Reorganization (as
16 amended, the “Plan”). The Plan was also based upon a pooling of all of the assets of the Debtors’
17 Estates for distribution.

18 The Plan was confirmed on October 27, 2006.

19
20 **III. THE CLAIMS MUST BE DENIED AS FILED.**

21 The Debtors seek to disallow the Claims set forth on Exhibit “A”, as filed, and fix their
22 amounts to correspond to the Net Investment of each Claimant, and to classify each Claim as an
23 unsecured claim as provided for in the Confirmed Plan and Disclosure Statement.

24 Section 502 of the Bankruptcy Code, governing objections to claims provides, in relevant
25 part, that:

A claim or interest, proof of which is filed under section 501 of this
26 title, is deemed allowed, unless a party in interest . . . objects.

27 Additionally, Bankruptcy Rule 3007 provides, in relevant part that:

28 An objection to the allowance of a claim shall be in writing and
filed. A copy of the objection with notice of the hearing thereon

1 shall be mailed or otherwise delivered to the claimant, the debtor in
2 possession and the trustee at least 30 days prior to the hearing.

3 Based upon this Omnibus Objection, the Claimants have no basis to collect the amounts
4 sought. Pursuant to the Confirmed Plan and Disclosure Statement, such Claims are to be allowed
5 to the extent of each individual Claimant's Net Investment, and to be categorized as unsecured
6 claims.

7 **IV. CONCLUSION.**

8 Based upon the foregoing, the Debtors respectfully request that this Application be
9 granted in its entirety, and that this Court enter an Order: (1) Disallowing the Claims Set forth on
10 Exhibit "A" as filed; (2) fixing the amount and classification of such Claims as provided for
11 under the Confirmed Plan and Disclosure Statement; and (3) granting any further relief this Court
12 deems just and proper.

13 DATED this _____ day of February, 2007.

14 **JABURG & WILK, P.C.**

15 /s/ 023284

16 _____
17 Lawrence E. Wilk
Jonathan P. Ibsen
18 *Special Counsel for Debtor*

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EXHIBIT A

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Claim No.	Claimant
1	R. Preston Miller
3	ASM Capital
5	R&S Peterson Ltd. Ptshp
8	Jeff Erickson
13	Charitable Funding Group, LLC
17	Jesaraca, LP
20	Twin Lone Investments, LP
24	Pierre Bonny
25	Pegasus
27	McMullin Homes
28	Preston Construction
31	Dixon Duncan (Lindix WealthPtnr)
33	John Larkin
34	PMJ Inc.,
36	Secured Loan Fund
37	Spinergy Energy Investments
46	Jeff Flamm Living Trust
48	Family Investments
49	Audology Assoc of SLC
50	Tom Nickel
53	The Evergreen Group
67	James Telaroli
79	Assay II Wadsworth, LLC
100	James Beams
101	Larry Pew
102	James R. Glauser
103	E.S & After, LLC
104	Richard Stewart
105	Scott McDonald
106	Bob Ferrin
110	Mark Caviness
112	Silver Tip Investments, LLC
119	Greenfield 500 LLC
120	Thomas C. Farnsworth
127	Synergy LLC
130	John Brouwers
131	Beames Alliance, LP
132	Beames Alliance, LP
141	NM Land, Sigfried & Jansen
152	Apache Peak Equestrian Center
156	Baxter Properties
157	John Atkinson
158	Jerald Earl

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