Court of Appeals, State of Michigan

ORDER

Douglas Burke v United American Acquisitions and Management Inc

Docket No. 290590

LC No. 04-433025-CZ

Brian K. Zahra
Presiding Judge

Mark J. Cavanagh

E. Thomas Fitzgerald
Judges

On the Court's own motion, Intervenor, Mass Financial Corporation is ordered to provide the following documents:

(1) Schedule 12(l) as referenced in ¶ 12(l), titled "Litigation," of the security agreement; and

(2) Schedule B as referenced in § 5, titled "Representations, Warranties and Agreements of Borrowers and Guarantors," of the assignment.

Mass Financial is also ordered to provide the following information:

(1) why Article 6.7 titled, "Legal Proceedings," of the May 21, 2007 Asset Purchase Agreement between Mass Financial and Radiant Logistics Global Services, Inc. did not set forth plaintiff's pending litigation against the debtors;

(2) whether Bohn Crain, Rick Manner, and/or Stephen Cohen, current principals or operatives of Radiant who were former principals or operatives of the Stonepath entities, had any knowledge of or involvement with Stonepath Group entering into the security agreement; and

Plaintiff is also ordered to provide the following information:

(1) whether Laurus Master Fund participated in the underlying litigation, *Burke v United American Acquisitions & Management, Inc, Stonepath Logistics Domestic Services, Inc., and Stonepath Group*, including the arbitration proceedings before assigning its security interest to Mass Financial.

Plaintiff and Mass Financial are also ordered to provide additional briefing, with citation to supporting, relevant legal authority, on the following issues only:

(1) the legal effect of plaintiff's pending litigation on the debtors' collateral that was the subject of the secured interest and subsequent assignment, including but not limited to whether the debtors had the legal power to transfer rights in the collateral to a secured party while plaintiff's lawsuit was pending;

(2) whether the debtors' conveyance of the secured interest while plaintiff's lawsuit was pending violated the uniform fraudulent transfer act, MCL 566.34;

(3) if the security agreement and/or subsequent assignment disclosed plaintiff's pending lawsuit, the legal effect of those disclosures as relates to the potential liability arising from plaintiff's pending litigation; and

(4) if the security agreement and/or subsequent assignment failed to disclose plaintiff's pending litigation, whether such nondisclosure by the debtors and/or Laurus constituted fraud rendering the conveyances invalid against plaintiff, a judgment lien creditor.

The parties are directed to provide this Court with the requested documents, information, and briefing within 21 days of the issuance of this order. Briefs are not to exceed 25 pages in length and are to be directly responsive, and limited, to the issues set forth in this order.

A true copy entered and certified by Sandra Schultz Mengel, Chief Clerk, on

JUN 15 2010
Date

Sandra Schultz Mengel
Chief Clerk