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AUGUST B. LANDIS, ASSISTANT UNITED STATES TRUSTEE  
State Bar # IA PK9228  
*augie.landis@usdoj.gov*  
UNITED STATES DEPARTMENT OF JUSTICE  
Office of the United States Trustee  
300 Las Vegas Boulevard So., Suite 4300  
Las Vegas, Nevada 89101  
Telephone: (702) 388-6600 Attorney Ext. # 235  
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Attorneys for the Acting United States Trustee,  
SARA L. KISTLER

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:

**USA INVESTMENT PARTNERS,  
LLC,**

Debtor.

Chapter 11 - Involuntary

Case No. BK-S-07-11821

Date: May 4, 2007

Time: 9:30 a.m.

**ORDER FOR RELIEF AND GRANTING INVOLUNTARY CHAPTER 11 PETITION**

On April 4, 2007, an involuntary Chapter 11 bankruptcy petition was filed against USA Investment Partners, LLC ("**USAIP**") by USA Capital Diversified Trust Deed Fund, LLC ("**Diversified**"), the USACM Liquidating Trust (the "**Trust**"), and Alabruj Investments, LLC

1 ("Alabruj").<sup>1</sup> No answer to the involuntary petition was filed by Richard A. Block, who had  
2 been appointed to serve as receiver for USAIP prior to the filing of the involuntary bankruptcy  
3 petition.<sup>2</sup> On April 30, 2007, an answer to the involuntary petition was filed on behalf of two of  
4 the members of USAIP, Joseph D. Milanowski and Thomas Hantges, and that answer was  
5 amended on May 3, 2007. Docket Entries 81 and 84 (collectively "Answer"). Responses to the  
6 Answer were filed on May 3, 2007 by Diversified, the Trust, and the United States Trustee.  
7 Docket Entries 86 and 88 (collectively "Replies").

8 On May 4, 2007, in accordance with 11 U.S.C. § 303(h) and FED. R. BANKR. P. 1013(a),  
9 this matter came on for trial of the involuntary petition and the issues joined by the Answer and  
10 the Replies. Susan M. Freeman appeared for the Trust. Jeffery D. Hermann appeared for  
11 Diversified. George C. Lazar appeared for Alabruj. Gregory E. Garman appeared for interim  
12 trustee, Lisa Poulin. Russell S. Walker appeared for Messrs. Milanowski and Hantges.  
13 Assistant United States Trustee August B. Landis appeared for the United States Trustee. Other  
14 appearances were noted on the record.

15 At trial, Exhibits 1 through 6 were offered and admitted into evidence in connection with  
16 the petitioning creditors' case. Exhibit A was admitted into evidence, and the sworn testimony of  
17 Richard A. Block was presented in connection with the case presented on behalf of Messrs.  
18 Milanowski and Hantges. The Court has considered the involuntary petition, the Answer, the  
19 Replies, the record evidence presented at the May 4, 2007 trial, the arguments of counsel, and is  
20 fully informed with respect to the issues presented. The findings of fact and conclusions of law  
21 made by the Court in the course of the May 4, 2007 trial are incorporated into this order by  
22 reference pursuant to FED. R. BANKR. P. 1018 and 7052. The Court finds that the trial record  
23 establishes that the relief requested in the involuntary petition is warranted, and should be  
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25 <sup>1</sup>A joinder in the involuntary petition filed May 3, 2007 on behalf of Aurora Investments, Elijah K.  
26 Edwards Education Trust, Ean K. Edwards Education Trust, and Elizabeth Edwards Education Trust, was noted by  
the Court and allowed in accordance with FED. R. BANK. P. 1003(b). See Docket Entry No. 85.

27 <sup>2</sup>Mr. Block was appointed receiver by the United States District Court for the Central District of California  
28 in a case styled *Robert A. Russell, et al., Plaintiffs, v. USA Investment Partners, LLC, Defendant*, Case No.  
EDCV07-0343 SGL(JCRx).

1 granted.

2 **IT IS ORDERED** that the involuntary petition is **GRANTED**.

3 **IT IS FURTHER ORDERED** that, pursuant to 11U.S.C. § 303(h) and FED. R. BANKR.  
4 P. 1013(a), this order shall constitute the order for relief in this case.

5 **Submitted by:**

6 **OFFICE OF THE UNITED STATES TRUSTEE**

7 SARA L. KISTLER  
8 ACTING UNITED STATES TRUSTEE  
9 REGION 17

10 By: /s/ August B. Landis  
11 August B. Landis  
12 Assistant United States Trustee  
13 Las Vegas, Nevada

14 Approved/~~Disapproved~~:

15 **ORRICK, HERRINGTON &  
16 SUTCLIFFE LLP**

17 By: /s/ Marc A. Levinson  
18 Marc A. Levinson  
19 Jeffery D. Hermann  
20 Attorneys for USA Capital Diversified  
21 Trust Deed Fund, LLC

22 Approved/~~Disapproved~~:

23 **WOODBURY & KESLER, P.C.**

24 By: /s/ George C. Lazar  
25 George C. Lazar  
26 Attorney for Alabruj Investments, LLC

27 Approved/~~Disapproved~~:

28 **WOODBURY & KESLER, P.C.**

By: /s/ Russell S. Walker  
Russell S. Walker  
Attorneys for Joseph D. Milanowski and  
Thomas Hantges

Approved/~~Disapproved~~:

**LEWIS AND ROCA, LLP**

By: /s/ Rob Charles  
Rob Charles  
Susan M. Freeman  
Attorneys for USACM Liquidating Trust

Approved/~~Disapproved~~:

**GORDON & SILVER, LTD.**

By: /s/ Greg E. Garman  
Greg E. Garman  
Attorneys for Interim Trustee, Lisa Poulin

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**RULE 9021 DECLARATION**

In accordance with Local Rule 9021, the undersigned certifies that:

The Court waived the requirements of Local Rule 9021.

A copy of this proposed order has been delivered to all attorneys and unrepresented parties who appeared at the hearing regarding this matter and/or who filed a written objection, and they have:

Approved the form of this order

Waived signature in open court; and/or

Failed to file and serve papers in accordance with Local Rule 9021(c).

I have delivered a copy of this proposed order to all attorneys and unrepresented parties who appeared at the hearing regarding this matter and/or who filed a written objection, and all have either approved the form of this order, waived the right to review the order, failed to file and serve papers in accordance with Local Rule 9021(c), and the following have disapproved the order:

No opposition was filed in response to the motion, and no other party or counsel appeared at the hearing.

**SARA L. KISTLER  
ACTING UNITED STATES TRUSTEE  
REGION 17**

By:           /s/ August B. Landis            
August B. Landis  
Assistant United States Trustee  
Las Vegas, Nevada

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