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23 UNITED STATES BANKRUPTCY COURT
24 DISTRICT OF ARIZONA

25 In re:
26 AMERICAN NATIONAL MORTGAGE
27 PARTNERS, LLC,
28 Debtor.

In Proceedings Under
Chapter 11

Case Nos: 03-03803 PHX RJH
03-03799 PHX RJH

**MOTION FOR SUBSTANTIVE
CONSOLIDATION**

29 In re:
30 ANMP 74TH ST., LLC,
31 Debtor.

32 Debtors, the Official Committee of Unsecured Creditors (the “Creditors’
33 Committee”) and James C. Sell, the Court appointed Receiver for the Debtors (the
34 “Receiver”)(collectively, the “Movants”), hereby request that this Court substantively
35 consolidate Debtors with the related non-debtor entities set forth on Exhibit “A” hereto

1 (the “Non-Debtor Entities”), to allow all creditors of the consolidated entities to equitably
2 share in any distributions provided for in Debtors’ Plan of Reorganization.

3 Simply put, the Debtors and the Non-Debtor Entities (each an “ANMP Entity”, and
4 collectively “ANMP”) were mere shells for an elaborate Ponzi scheme perpetuated upon
5 ANMP’s creditors, investors and participants. ANMP observed no corporate formalities.
6 Monies earmarked by creditors for one entity were, more often than not, moved freely
7 among all the ANMP Entities. Moreover, monies intended to be used to fund a specific
8 investment were often times used instead to satisfy the general operating expenses of
9 ANMP.

10 Consequently, it would be a practical impossibility to properly allocate assets and
11 liabilities among the various ANMP Entities. Absent substantive consolidation, there can
12 be no equitable distribution to ANMP’s Creditors, as the massive Ponzi scheme and co-
13 mingling and shifting of assets will result in arbitrary windfalls to certain creditor groups,
14 and massive injustice to others.

15 Accordingly, Movants respectfully request that this Court grant their Motion in its
16 entirety, and substantively consolidate the ANMP Entities.

17 The Motion is based upon the following Memorandum of Points and Authorities,
18 the Receiver’s Interim Report previously filed with this Court, all other exhibits annexed
19 hereto and the entire record before the Court.

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DATED this 10th day of June, 2005.

**LAW OFFICES OF MICHAEL
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MOHR HACKETT, et al

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1 ANMP also covered up non-performing loans by curing defaults through the
2 extension of new loans or the rewriting of the terms of the old loans. Investors who
3 complained about their borrower or its performance were often switched “without
4 consideration” to other existing loans or to new loans by new borrowers. *Id.* ANMP paid
5 investors in defaulted loans their scheduled interest payments by diverting funds from new
6 investors or from payments made by unrelated borrowers. In addition, ANMP used
7 investors’ funds to pay general operating expenses. *Id.*

8 ANMP, in furtherance of Rogue Management’s own hidden agenda, used Illinois
9 Land Trusts as a vehicle to hide the existence of investor loans. ANMP also engaged in
10 deceptive practices regarding the property that purportedly secured the real estate forming
11 the basis of many of ANMP’s transactions. ANMP frequently, without the knowledge or
12 consent of the investors, entered into side agreements with borrowers. These side
13 agreements were detrimental to the Debtors. The centerpiece of ANMP’s typical side
14 agreement was to not record a lien against the borrower’s pledged properties so long as
15 they were not in default. (*Id. at 6*).

16 Rather than invest the investors’ proceeds as promised, Rogue Management caused
17 ANMP to invest in highly speculative transactions in an attempt to generate revenue to
18 cover their misdeeds. In other instances, Rogue Management caused ANMP to use such
19 monies to fund the day-to-day operations of the various ANMP Entities. (*Id. at 11*).

20 For example, ANMP arranged a series of 23 overlapping investor-financed loans
21 for Castle Megastores, Inc., (“Castle”). The cumulative total face amount of the loans was
22 \$20,099,447. The amount raised from investors was \$14,097,723. (*Id. at 30*). Even
23 though ANMP began to accumulate unpaid Castle fees, and Castle began defaulting on its
24 outstanding loans in June 2001, ANMP continued to make the scheduled interest
25 payments to the investors through September 10, 2002, and continued to represent to its
26 creditors and investors that such loans were actually performing. The source of the funds
27 to make the interest payments to investors on defaulted Castle loans was, like any classic
28 Ponzi scheme, from new investors. (*Id. at 35*). These new investors were unaware that

1 their monies were not being used as they intended, and were instead being used to “prop-
2 up” ANMP by making payments for its general expenses. These fraudulent payments
3 were likewise concealed through creative accounting practices. (*Id. at 6*).

4 As time progressed, and as ANMP began to lose its ability to cover up the impact
5 of the increasing defaults and needed to increase its money-raising pace, it added an
6 additional fictitious security “enhancement” feature to entice investors. Borrowers were
7 required to pay a loan guarantee fee to Guarantee Performance, Inc, one of the Non-
8 Debtor Entities. (*Id. at 6*) Guaranty Performance, Inc was formed to guarantee the
9 investors that they would not lose any of their principal or interest in the event of a
10 borrower default. Investors were told that if a borrower defaulted, Guaranty Performance,
11 Inc would pay off the investors their principal balance, accrued interest, and fees. (*Id. at*
12 *6*). Because of its lack of capital, Guaranty Performance, Inc. never had the ability to
13 perform on any loan it guaranteed. *Id.*

14 As ANMP’s financial condition continued to decline, ANMP enlisted the aid of
15 certain financial institutions to create a loan program to further ANMP’s Ponzi scheme.
16 Prospective investors could borrow money from National Bank of Arizona, a subsidiary
17 of Zions Bank (“NBA”), for the specific purpose of investing the loan proceeds with
18 ANMP. (*Id. at 6-7*). If an investor did not have sufficient liquid assets to satisfy National
19 Bank of Arizona’s lending criteria, Rogue Management, in concert with NBA, would
20 circumvent such criteria. (*Id. at 7*). ANMP would then use the proceeds for almost
21 anything but their stated purpose.

22 ANMP also attempted to raise capital through a series of public security offerings.
23 ANMP established Secura Fund Arizona, LLC to launch an Intrastate Public Offering for
24 \$15,000,000. Although Secura’s preliminary prospectus was dated June 17, 2002, the
25 offering never took place, because ANMP was not able to satisfy the financial and
26 organizational issues raised by the Securities Division. (*Id. at 7*). The very same issues of
27 a lack of regard of corporate structure or identity that precluded the Public Offering call
28 out for substantive consolidation.

1 Significantly, ANMP’s lack of corporate structure and the absence of substance in
2 its transactions precipitated Rogue Management’s actions in initiating these bankruptcy
3 cases. Specifically, Castle’s default on its obligations to ANMP, and the consequent
4 Castle Bankruptcy, set in motion the events leading to the Debtors’ bankruptcy filings.

5 As previously indicated, Castle became seriously in default in its loan obligations
6 and filed a petition under Chapter 11 of the Bankruptcy Code. In an attempt to avoid the
7 effect of the Castle Default and Bankruptcy, Rogue Management created ANMP 74th
8 Street as a vehicle to hold all of Castle’s Real Properties. The Castle Properties were then
9 transferred, without consideration, to ANMP 74th Street. Thereafter, on March 10, 2003,
10 in an attempt to further shield the Castle Notes, Rogue Management caused ANMP to
11 commence these Bankruptcy Cases.

12 On or about March 24, 2003, the Arizona Corporation Commission (the “ACC”)
13 caused to be filed, in the Arizona Superior Court (the “Superior Court”), Case No.
14 CV2003-005724 (the “Receivership Action”), a Complaint against Debtors and the Non-
15 Debtor Entities seeking the appointment of a Receiver over the named Defendants.

16 The gravamen of the Receivership Action was that Debtors and Non-Debtor
17 Entities were so permeated by Rogue Management, who used ANMP as a vehicle for
18 stealing profits for themselves while defrauding ANMP’s creditors and investors, that the
19 interests of the creditors and investors could be protected only by the appointment of an
20 independent receiver. After notice and hearing, the Superior Court, on April 2, 2003,
21 issued its Order Appointing Receiver, which Order appointed James C. Sell as Receiver
22 for the approximately 100 non-debtor entities named in the Receivership Complaint.
23 Debtors were specifically excluded from the April 2, 2003 Order due to the filing of these
24 Chapter 11 proceedings.

25 On April 17, 2004 the ACC filed its Motion for Relief from the Automatic Stay to
26 allow the Receiver to also have the authority to act as receiver for Debtors. The rationale
27 behind allowing a state-appointed receiver to oversee a bankruptcy estate was that, as
28 Rogue Management had perverted AMNP’s corporate structure, there was no distinction

1 of assets or liabilities among the entities. The Bankruptcy Court issued its Order granting
2 the ACC's Motion on May 8, 2003, thereby giving the Receiver control over the Debtor
3 entities.² On July 8, 2003, the Official Committee of Unsecured Creditors (the "Creditors'
4 Committee") was appointed in this Bankruptcy Case.

5 Since the granting of the ACC's stay relief motion and the appointment of the
6 Creditors' Committee, Movants have worked together to implement procedures to
7 maximize the distributions to ANMP creditors. Together, they have been actively
8 attempting to maximize the value of the Debtors' estates through a variety of procedures
9 including: selling properties, abandoning worthless properties, pursuing claims of the
10 Debtors, and where appropriate, entering into Court approved settlement of same.

11 Notably, the Receiver sought and obtained Court approval to commence, and has
12 commenced the Financial Institution Litigation described in detail below, on behalf of all
13 ANMP Creditors, in an attempt to maximize the most equitable recovery for all creditors.
14 Similarly, shortly hereafter the filing of this Motion, the Debtors, the Creditors'
15 Committee and the Receiver will jointly file a Plan of Reorganization (the "Plan"), which
16 proposes to pool all funds and distribute them, *pari passu*, to all ANMP Creditors as the
17 most equitable method of distributing any proceeds of the Plan Fund.³

18 **II. Equity Demands that the Debtors and Non-Debtor Entities be**
19 **Consolidated.**

20 In these bankruptcy cases, absent substantive consolidation, creditors of certain
21 ANMP entities will receive a windfall, while a majority of such creditors would receive
22 nothing. Given that ANMP routinely used funds from one ANMP Entity or investor
23 group to acquire assets "belonging" to another ANMP Entity and otherwise arbitrarily
24 shifted assets from one entity to another, such result would be manifestly unfair.
25

26 ² On or about May 15, 2003, after having obtained Orders Lifting the Automatic Stay of 11 U.S.C. § 362 in the
27 Bankruptcy Proceedings, this Court issued its First Amended Order Appointing Receiver (the "Receivership Order")
subject to the Receivership Order.

28 ³ As defined in the Plan of Reorganization.

1 The critical need for substantive consolidation is further underscored by an analysis
2 of the sources of funding identified in the Plan, which consist of the following:

3 First, the Receiver negotiated a settlement of ANMP's Claims in the Castle
4 Bankruptcy and a related settlement with Taylor Coleman (collectively, the "Castle
5 Settlement"), which together are anticipated to generate \$16,000,000.00 for the Plan Fund.

6 Second, on March 3, 2005, the Receiver negotiated with the ACC and obtained its
7 consent to turnover any restitution payments received as a result of its investigations (the
8 "Restitution Payments") of ANMP to the Plan Fund. Although the Debtors cannot
9 reasonably estimate the value of the Restitution Payments, the Restitution Payments will
10 be deposited into the Plan Fund and distributed to ANMP's creditors as set forth in the
11 Plan.

12 Third, on March 3, 2005, the Receiver obtained court approval to commence, and
13 has commenced actions against the individuals, professionals, and financial institutions
14 responsible for perpetuating the Ponzi scheme (the "Financial Institution Litigation").
15 Like the Restitution Payments, the Debtors cannot reasonably estimate the value of any
16 proceeds from the Financial Institution Litigation. However, it is anticipated that the
17 Financial Institution Litigation will conservatively generate in excess of seven figures for
18 the Plan Fund.

19 Fourth, the Receiver obtained Court Approval to commence, and has commenced,
20 various other litigation (the "General Litigation") seeking recoveries in excess of
21 \$5,550,000.00.

22 Fifth, the Debtors have commenced various actions under Chapter 5 of the
23 Bankruptcy Code (the "Chapter 5 Litigation") seeking recoveries of certain preferential
24 and fraudulent transfers amounting to \$2,269,639.45.

25 As to each of the above funding sources, it will be practically impossible, given the
26 nature of the underlying Ponzi scheme, to allocate the litigation costs and potential
27 recoveries to particular entities or groups of claimants. As set forth in detail in the
28 Receiver's Report, creditors' and investors' monies were routinely commingled and used,

1 without the knowledge or consent of the affected investors, to acquire assets, pay support
2 payments to older investors and fund the day-to-day operations of any ANMP entity. Any
3 effort to allocate the recoveries to any group of creditors would thus result in injustice to
4 other investors/creditors, whose monies were wrongfully converted by Rogue
5 Management, while providing a windfall recovery to those investors who, by sheer
6 chance, ended up with claims against an ANMP Entity to which assets were assigned.

7 Accordingly, Movants respectfully request that this Court grant the Substantive
8 Consolidation Motion in its entirety - and consolidate the Debtors and the Non-Debtor
9 Entities, *nunc pro tunc* to the filing date - and thereby allow the most equitable
10 distribution of any monies to all of the ANMP creditors and investors.

11 **a. This Court has the Equitable Power to Consolidate the ANMP**
12 **Entities Nunc Pro Tunc to the Filing Date.**

13 Courts have long recognized that corporations may be consolidated in those
14 situations where “a corporation whose affairs are so closely assimilated to the affairs of
15 the dominant stockholder that in substance it is little more than his corporate pocket.”
16 *Sampsell v. Imperial Paper & Color Corp.*, 313 U.S. 215, (1941). Here, Rogue
17 Management used the various ANMP Entities as little more than cash machines for their
18 illicit and fraudulent purposes.

19 While not specifically provided for by any provision of the Bankruptcy Code or
20 Rules, “the power of substantive consolidation derives from the bankruptcy court’s
21 general equity powers as expressed in § 105 of the Bankruptcy Code.” *In re Bonham*,
22 229 F.3d 750, 764 (2000)(consolidating a debtor with two non-debtor closely held
23 corporations, upon showing that the entities were operated as a Ponzi scheme upon their
24 investors)(citing, *In re Augie/Restivo*, 860 F.2d 515, 518 n.1 (2nd Cir. 1988)). *See also, In*
25 *re Worldcom, Inc.*, 2003 WL 23861928, *35 (Bankr. S.D.N.Y. 2003); *In re Genesis Health*
26 *Ventures, Inc.*, 266 B.R. 591, 618-619 (Bankr. D. Del. 2001)(consolidating one set of 154
27 debtors with another of 197 debtor entities upon a showing that the entities operated
28 without corporate formalities as an integrated business unit); *In re Baker & Getty*

1 *Financial Services, Inc.*, 78 B.R. 139 (Bankr. N.D. Ohio 1987)(consolidating and debtor
2 and its sole shareholder where they were operating a Ponzi scheme).

3 “For many purposes, courts of bankruptcy are essentially courts of equity, and
4 their proceedings inherently proceedings in equity.” *Id.* at 763 (quoting, *Pepper v. Litton*,
5 308 U.S. 295 (1939)).

6 The theory underlying such consolidation holds to the premise that when one legal
7 entity is but an instrumentality or alter ego of another, by which it is dominated, a court
8 may look beyond form to substance and may disregard the theory of distinct legal entities
9 in determining ownership of assets in a bankruptcy proceeding. *See, In re Eufala*
10 *Enterprises, Inc.*, 565 F.2d 1157, 1161 (10th Cir. 1977); *Fish v. East*, 114 F.2d 177, 198
11 (10th Cir. 1940); *Stone v. Eacho*, 127 F.2d 284, 286 (4th Cir.), *cert. denied*, 317 U.S. 635
12 (1942) (finding consolidation appropriate where “the subsidiary ... ha[d] in reality no
13 separate existence, [was] not adequately capitalized and constituted a mere instrumentality
14 of the parent corporation or a mere ‘corporate pocket’ or departure of its business.”);
15 *Soviero v. Franklin National Bank of Long Island*, 328 F.2d 446 (2d Cir. 1964) (approving
16 consolidation of entities upon showing that they were mere instrumentalities); *In re*
17 *Cooper*, 147 B.R. 678, 683 (Bankr. D.N.J. 1992) (holding that “[a]n alter ego relationship
18 ordinarily weights heavily in favor of both piercing the corporate veil and substantive
19 consolidation”); *In re 1438 Meridian Place, Inc.*, 15 B.R. 89 (Bankr. D.D.C. 1981); *In re*
20 *Tureaud*, 45 B.R. 658 (Bankr. N.D. Okl. 1985), *aff’d* 59 B.R. (N.D. Okla. 1986); *In re*
21 *American Way Service Corp.*, 229 B.R. 496 (Bankr. S.D. Fla. 1999).

22 The primary purpose of substantive consolidation is to ensure the equitable
23 treatment of all creditors.” *In re Bonham*, 229 F.3d at 764 (quoting, *Augie/Restivo*, 860
24 F.2d at 518). Moreover, “bankruptcy courts have sanctioned the substantive consolidation
25 of two or more entities *nunc pro tunc* in order to allow a trustee or creditors to attach
26 fraudulent transfers or avoidable preferences made by the debtor or consolidated entities
27 as of the date of the filing of the initial bankruptcy petition.” *Id.* at 765. As part of such
28

1 consolidation, a court may consolidate debtor and non-debtor entities. *Id.* (*emphasis*
2 *added*).

3 Accordingly, in these Bankruptcy Cases, this Court has the power to substantively
4 consolidate all of the ANMP Entities as of the Filing Date.

5 **b. The Ponzi Scheme Perpetuated Upon the ANMP Creditors and**
6 **Investors Mandates Substantive Consolidation.**

7 In *Bonham, supra*, when presented with a strikingly similar set of facts to those
8 before this Court, the Ninth Circuit held that a Ponzi scheme was a sufficient basis to
9 consolidate the debtor and non-debtor entities responsible for such fraud, *nunc pro tunc*
10 to the filing date, in order to equitably benefit all of the debtors' creditors.

11 In so doing, the Ninth Circuit specifically adopted the Second Circuit's test for
12 determining whether to grant substantive consolidation. *Id.* at 766.

13 The Second Circuit test, first enunciated in *Augie/Restivo, supra*, (the
14 "Augie/Restivo Test"), provides that substantive consolidation is appropriate where either

- 15 (1) creditors dealt with the entities as a single economic unity
16 and did not rely on their separate identity in extending credit;
17 or (2) the affairs of the debtor are so entangled that
18 consolidation will benefit all creditors.

19 *Id.* (quoting, *In re Reider*, 31 F.3d 1102, 1108 (11th Cir. 1994) (citing *In re Augie/Restivo*,
20 860 F.2d at 518)).

21 By structuring the test in the disjunctive "or" as opposed to the conjunctive "and",
22 the Second Circuit, and by its adoption of the test – the Ninth Circuit – has followed the
23 liberal trend in allowing consolidation of corporate entities. This liberal trend has its roots
24 in the complex business combinations that began to flourish in the latter part of the
25 twentieth century and

26 arises from the result of increased judicial recognition of the
27 widespread use of interrelated corporate structures by
28 subsidiary corporations operating under a parent entity's
corporate umbrella for tax and business planning purposes.

In re Vecco Constr. Indus., 4 B.R. 407, 409 (Bankr. E.D. Va. 1980).

1 Notably, the standard for substantive consolidation is much less rigorous than that
2 applied for piercing the corporate veil. *F.D.I.C. v. Colonial Realty Co.*, 966 F.2d 57, 61
3 (2d. Cir. 1992). The primary purpose of substantive consolidation is to “ensure the
4 equitable treatment of all creditors.” *Id.* at 518. To that end, substantive consolidation not
5 only results in a pooling of assets of, and claims against, various entities, but also results
6 in “satisfying liabilities from the resultant common fund; eliminating intercompany
7 claims; and combining the creditors of the [] companies for purposes of voting on
8 reorganization plans.” *Id.*

9 Here, consolidation is mandated by the second factor of the Augie Restivo Test.
10 Consolidation under the second factor, “entanglement of the debtor’s affairs, is justified
11 where “the time and expense necessary to attempt to unscramble them is so substantial as
12 to threaten the realization of any net assets for all the creditors’ or where no accurate
13 identification and allocation of assets is possible’.” *Id.* (quoting, *Augie/Restivo, supra*).

14 Rogue Management successfully denuded ANMP’s corporate shells as part of their
15 Ponzi scheme. Consequently, this case presents a prototype situation for consolidation of
16 “mere instrumentalities.”

17 As set forth in detail in the Receiver’s Report, Rogue Management equally
18 defrauded and converted the assets of all of the ANMP Entities without regard for
19 corporate structure. All of the ANMP Entities were commonly controlled by Rogue
20 Management. (Receivers Report at 2,7). ANMP observed no corporate formalities. (“*Id.*
21 at 2). While the investor trusts and limited liability companies were represented as being
22 stand-alone entities, their funds were co-mingled. (*Id.*) To further its scheme, Rogue
23 Management employed deceptive accounting practices which artificially inflated ANMP’s
24 assets and equity. (*Id. at 6*). The techniques included non-existent loans, fictitious equity
25 created through related-party transactions, worthless securities, undisclosed loans and
26 fictitious or altered documents. (*Id.*).

27 Further, ANMP routinely switched investors who complained about their borrower
28 or its performance “without consideration” to other existing loans or to new loans funded

1 by new borrowers. (*Id. at 6*). ANMP paid investors in defaulted loans their scheduled
2 interest payments by diverting funds from new investors or from payments made by
3 unrelated borrowers. ANMP also used investors' funds to pay general operating
4 expenses. (*Id.*).

5 Based upon ANMP's lack of corporate formality and routine misuse of investor
6 funds, coupled with creative accounting tactics employed to cover the tracks of Rogue
7 Management's fraud, there is no practical basis to properly allocate assets and liabilities
8 among the ANMP Entities.

9 Rogue Management also engaged in deceptive practices regarding the parcels of
10 real property that purportedly secured many ANMP transactions. Rather than invest the
11 investors' proceeds as promised, ANMP invested in highly speculative transactions to
12 attempt to generate some revenue to cover the actions of Rogue Management.

13 These facts alone establish that this Consolidation Motion must be granted under
14 the Second Factor of the Augie/Restivo Test. Additionally, however, consolidating
15 ANMP is also supported by general equitable considerations.

16 As set forth above, absent consolidation none of the creditors of any of the entities
17 would receive any distribution from the Castle Settlement - except those under ANMP
18 74th Street. Such distribution would be manifestly unfair, as the notes which form the
19 basis of the Castle Settlement were acquired with monies from various unidentifiable
20 investors, as the source of these funds was based upon co-mingled accounts and
21 transactions. Clearly, any monies paid on these notes came from sources other than
22 Castle.

23 Likewise, based upon the co-mingling of funds and lack of corporate formalities, it
24 would be practically impossible to discern how to distribute the proceeds from the
25 Restitution Payments, the Financial Institution Litigation, the Chapter 5 Causes of Action
26 or the General Litigation to any one creditor group.

27 Other courts have allowed consolidation to permit the equitable distribution of
28 similar proceeds. For example, in *In re Kroh Brothers Development, Co.*, 117 B.R. 499,

1 500 (W.D. Mo. 1989), the Court consolidated debtor entities, *nunc pro tunc* to the date of
2 filing, to allow for an equitable distribution of the proceeds of preference actions. *See*
3 *also In re Evans Temple Church of God*, 55 B.R. at 982 (preservation of preference claim
4 was sufficient benefit to support consolidation *nunc pro tunc*); *In re Holywell Corp. v.*
5 *Bank of N.Y.*, 59 B.R. 340, 347 (Bankr. S.D. Fla. 1986) (consolidating entities where the
6 overall benefit to debtors outweighed any prejudice to objecting creditor).

7 In *In re Evans Temple Church of God*, 55 B.R. 982 (Bankr. N.D. Ohio 1986), the
8 court consolidated, *nunc pro tunc*, an individual debtor with the debtor Church he
9 controlled. The individual debtor sued to recover a payment made by the Church outside
10 90 days from its petition date, but within 90 days from the individual's petition date. The
11 court noted that applying the earlier petition date was not manifestly unfair given the
12 inclusion of the creditors in the individual earlier petition, and the fact that both debtors
13 were obligated to the creditors. *Id.* at 982-83.

14 Similarly, in this case, consolidation *nunc pro tunc* to the filing date is necessitated
15 for the consolidated Debtors to pursue chapter 5 causes of action, in a unified manner, on
16 behalf of all of the ANMP Entities as of the Filing Date.

17 **III. Conclusion.**

18 Despite the formal separation of ANMP into a myriad of entities, ANMP was
19 operated as a unified whole – all its investors were equally targets of its fraud – and
20 should be treated as a single entity by this Court. The lack of formal corporate records, as
21 well as the creative accounting employed during its operations to further the massive
22 Ponzi scheme, prevent any meaningful allocation of assets and liabilities among the
23 ANMP Entities. Consequently, the most equitable solution would be to consolidate all the
24 ANMP entities, *nunc pro tunc* to the Filing Date, to allow for an equitable distribution of
25 any proceeds under the Plan of Reorganization.

26 Accordingly, Movants respectfully request that this Court grant this Motion in its
27 entirety.

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RESPECTFULLY SUBMITTED this 10th day of June 2005.

**LAW OFFICES OF MICHAEL
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COPY of the foregoing mailed
this 10th day of June, 2005.

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15 *Court Appointed Receiver*

16 /s/Janet Forster

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EXHIBIT "A"

1. 11324 E. Sprague Ave. Trust dated unknown
2. 1230 Pine Road Trust dated July 21, 2002
3. 1256 Rand Ave Trust dated September 11, 2002
4. 222 N. 44th Street Trust dated August 31, 2001
5. 24003 N. Dobson Trust dated April 22, 2002
6. 2725 E. Thomas Road Trust dated November 14, 2002
7. 2801 Wayzata Blvd Trust dated September 13, 2002
8. 3303 Medina Road Trust dated March 15, 2002
9. 3303 Ohio Pproperty L.L.C., an Arizona limited liability company
10. 35824 N. Secluded Lane L.L.C., an Arizona limited liability company
11. 35824 N. Secluded Lane Trust dated June 21, 2002
12. 36050 N. 58th Street Trust dated unknown
13. 36050 N. 58th Street Trust dated unknown
14. 36th Street & Oak Trust dated Nov. 8, 2002
15. 4330 N. 5th Street Trust dated October 24, 2002
16. 506 Stoning Circle Trust dated July 26, 2002
17. 522 N. Columbia Center Blvd. Trust dated February 22, 2001
18. 5505 E. San Miguel Trust dated May 17, 2002
19. 630 E. Mullan Avenue Trust dated August 29, 2002
20. 67th Street Trust dated July 5, 2002
21. 7102 W. Roosevelt Trust dated July unknown, 2001
22. 7848 E. Copper Canyon Street Trust dated September 19, 2002
23. 8301 Creekside Circle Trust dated August 22, 2002
24. 8744 E. Oak Street Trust dated June 19, 2002

- 1 25. 8802 N. Black Canyon Hwy Trust dated unknown
- 2 26. 9815 S.W. Capital Hwy Trust dated June 24, 2001
- 3 27. 998 E. Indian School Trust Dated September 22, 1999
- 4 28. American Money Power, Inc. dba Money Power, an Arizona corporation
- 5 29. American National Mortgage Partners L.L.C.
- 6 30. Amsterdam 350 Trust dated August 16, 2002,
- 7 31. Amsterdam L.L.C., an Arizona limited liability company
- 8 32. Amsterdam Lenders L.L.C., an Arizona limited liability company
- 9 33. ANMP 74th ST. L.L.C.
- 10 34. Atlas Mine L.L.C., an Arizona limited liability company
- 11 35. Bb/Carefree L.L.C., an Arizona limited liability company
- 12 36. Boat Bed & Breakfast L.L.C., an Arizona limited liability company
- 13 37. Boat, Bed and Breakfast, LLC Trust dated November 8, 2000 aka Bed, Boat and
- 14 Breakfast, LLC Trust dated November 8, 2000
- 15 38. Camelback 300 L.L.C., an Arizona limited liability company
- 16 39. Camelback 300 Trust dated February 11, 2002
- 17 40. Camelback Stone Canyon L.L.C., an Arizona limited liability company
- 18 41. Cash Flow University, Inc., an Arizona corporation
- 19 42. Castle Roosevelt Warehouse L.L.C., an Arizona limited liability company
- 20 43. Clearwater Mines Trust dated February 12, 2002
- 21 44. Colonial Village L.L.C., an Arizona limited liability company
- 22 45. Corporate Fiducial Services, Inc., a Nevada corporation
- 23 46. Corporate Management Solutions, Inc., an Arizona corporation
- 24 47. Corporate Warehouse L.L.C., an Arizona limited liability company
- 25 48. Creative Financial Funding, L.L.C., an Arizona limited liability company
- 26 49. Deer Valley Trust dated September 20, 2000

- 1 50. Deer Valley Trust II L.L.C., an Arizona limited liability company
- 2 51. Deer Valley/26th Ave. Trust dated unknown
- 3 52. DV Partners L.L.C., an Arizona limited liability company
- 4 53. Fcg Lenders L.L.C., an Arizona limited liability company
- 5 54. FCG Partners L.L.C., an Arizona limited liability company
- 6 55. Federal Capital, L.L.C., an Arizona limited liability company
- 7 56. FJ Properties, LLC, an Arizona limited liability company
- 8 57. Flynn Jackson Partners L.L.C., an Arizona limited liability company
- 9 58. Flynn Jackson Premium Portfolio L.L.C., an Arizona limited liability company
- 10 59. Flynn Jackson Properties L.L.C., an unknown limited liability company
- 11 60. Flynn Jackson Second Portfolio L.L.C., an Arizona limited liability company
- 12 61. Flynn-Jackson Properties Trust dated 4/30/02
- 13 62. Forest Avenue L.L.C., an unknown limited liability company
- 14 63. Forest Global L.L.C., an unknown limited liability company
- 15 64. Guaranty Performance, Inc., an Arizona corporation
- 16 65. High Chaparral Trust dated March 11, 2002
- 17 66. Hudson Park L.L.C., an Arizona limited liability company
- 18 67. Hudson Valley L.L.C., an Arizona limited liability company
- 19 68. Hudson-Hyde Park L.L.C., an Arizona limited liability company
- 20 69. I-10 Investors L.L.C., an Arizona limited liability company
- 21 70. Joshua Lane Lenders, L.L.C., an unknown limited liability company
- 22 71. Las Sendas MountaiN L.L.C., an unknown limited liability company
- 23 72. Lot 14 Copper Canyon Trust dated May 18, 2002
- 24 73. Lot 14 Copper Canyon Trust dated May 8, 2002
- 25 74. Lot 68 Mystic Hills Property Trust dated May 22, 2002
- 26 75. Medina Properties, L.L.C., an Arizona limited liability company

- 1 76. Megastore Roosevelt Warehouse L.L.C., an Arizona limited liability company
- 2 77. Money Power L.L.C., an Arizona limited liability company
- 3 78. Normandale Tower L.L.C., an Arizona limited liability company
- 4 79. North Dobson-Scottsdale L.L.C., an Arizona limited liability company
- 5 80. North Secluded Lane L.L.C., an Arizona limited liability company
- 6 81. Northwest Fir Properties dated May 17, 2002
- 7 82. NP Investments, Inc. a Nevada corporation
- 8 83. NT Creekside L.L.C., an Arizona limited liability company
- 9 84. Oak Commons L.L.C., an Arizona limited liability company
- 10 85. Omaha Property L.L.C., an unknown limited liability company
- 11 86. Pontchartrain Realty Fund, Inc., a Louisiana corporation
- 12 87. Pontchartrain Realty Fund, Inc., a Nevada corporation
- 13 88. Pontchartrain Realty Fund, LLC, an Arizona limited liability company
- 14 89. Profit-I L.L.C., an Arizona limited liability company
- 15 90. Progress Drive Trust dated August 21, 2000
- 16 91. R.L. Wickman Trust dated January 31, 2002
- 17 92. Roosevelt Street Trust dated April 30, 2002
- 18 93. Roosevelt Street Trust dated April 30, 2002
- 19 94. Roosevelt Warehouse L.L.C., an Arizona limited liability company
- 20 95. San Miguel Trust dated September 20, 2002
- 21 96. Secura Fund Arizona, L.L.C., an Arizona limited liability company
- 22 97. Secura Innovative Investment, Inc., an Arizona corporation
- 23 98. Secura Mortgage Management, L.L.C., an Arizona limited liability company
- 24 99. She La Via Cosmetics, INC., an Arizona corporation
- 25 100. Sixty-Seventh Street L.L.C., an Arizona limited liability company
- 26 101. South Bonita L.L.C., an Arizona limited liability company

- 1 102. T. Lungaro L.L.C., an Arizona limited liability company
- 2 103. The 300 Acacia Drive Trust dated January 18, 2000
- 3 104. The 300 East Camelback Road Trust dated June 1, 2000
- 4 105. The Federal Way Building L.L.C. dated January 27, 2000
- 5 106. The Silverdale Building Trust dated 06/27/2000
- 6 107. Thomas Townhomes L.L.C., an Arizona limited liability company
- 7 108. Trapper Creek L.L.C., an Arizona limited liability company
- 8 109. United Equity Holdings, Inc., an Arizona corporation
- 9 110. Waterstone Apartments L.L.C., an Arizona limited liability company
- 10 111. WBMM L.L.C., an Arizona limited liability company
- 11 112. Western + Gulf Capital, Inc., a Louisiana corporation

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