

SEP 16 2005

UNITED STATES
BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

UNITED STATES BANKRUPTCY COURT
IN AND FOR THE DISTRICT OF ARIZONA

In Re)
THE LEES CHILDREN L.L.C.)
Debtor.)

Chapter 11 Proceedings
Case No. 02-04-12039-PHX-CGC

NICHOLAS W. LEES, III)
Debtor.)

Chapter 7 Proceedings
Case NO. 03-01643-PHX-CGC

MEMORANDUM DECISION RE:
MOTIONS TO APPROVE
SETTLEMENT AGREEMENTS

Pending before the Court are two proposed settlement agreements. The first is a proposed settlement agreement by and between the Chapter 7 Trustee Maureen Gaughan and the Debtor, The Lees Children L.L.C., which has been filed in both the Nicholas Lees bankruptcy and The Lees Children bankruptcy. Also pending is the proposed settlement agreement among The Lees Children L.L.C., Michael Chen, M.D. and Philip B. Whitaker, Esq. filed in The Lees Children bankruptcy. A hearing was held on September 6, 2005, at which time the Court took the motions under advisement. Upon further review, the Court concludes that an evidentiary hearing is necessary to determine whether the settlements are in fact fair and equitable and in the best interest of debtors and their creditors.

THEREFORE, IT IS HEREBY ORDERED that an evidentiary hearing shall be held on **October 20, 2005, at 10:00 a.m.** before this Court at 230 N. 1st Avenue, Phoenix, Arizona. At that hearing, the Trustee shall be present to testify as to how she concluded that these settlements meet the factors enunciated in *Woodson v. Fireman's Fund Ins. Co.*, 839 F.2d 610 (9th Cir. 1988). In addition, the Trustee shall make herself available for deposition between now and the evidentiary hearing if the parties deem such discovery necessary.

So ordered.

1 DATED: September 16, 2005

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4 CHARLES G. CASE II
5 UNITED STATES BANKRUPTCY JUDGE

6 COPY of the foregoing sent via facsimile and/or
7 mailed this 16 day of September, 2005, to:

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