

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Certified as a True Copy
Ronald C. Weston, Sr., Clerk
By J. Judge
Deputy Clerk
U. S. District Court
Western Dist. of Michigan
Date 02-22-01

MICHAEL J. QUILLING, Receiver for §
Hammersmith Trust, L.L.C., Hammersmith §
Trust, Ltd., Microfund, L.L.C. and B. §
David Gilliland §

v. §

Civil Action No. 1:00CV826

THE WOLCOTT LIFETIME TRUST, §
JACK W. HIGGINS, TRUSTEE, §
MELODY WOLCOTT GILLILAND, §
JEFFREY D. SAXON, JR., §
OPTION ONE MORTGAGE §
CORPORATION, NORWEST BANK §
MINNESOTA n/k/a WELLS FARGO §
BANK MINNESOTA and NORTHPOINTE §
BANK, §

Hon. Gordon J. Quist

ORDER OF CIVIL CONTEMPT

On this 22nd day of February, 2001, came on for consideration this Court's Order to Show Cause entered on January 30, 2001 addressed to Jeffrey D. Saxon, Jr., one of the Defendants named in these proceedings, at which time the Plaintiff and other Defendants appeared before the Court to present evidence and argument. Jeffrey D. Saxon, Jr., although given proper notice of the hearing, did not appear, personally or through counsel. After having considered the evidence and argument presented, the Court makes the following findings of fact and conclusions of law:

1. On November 30, 2000, this Court issued its Preliminary Injunction with respect to Jeffrey D. Saxon, Jr. ("Saxon") requiring that he perform the following acts within ten (10) days of the date of service of the Preliminary Injunction upon him:

- (a) repatriate and cause to be transferred all Loan Proceeds (as the term is defined in the Preliminary Injunction), and all assets acquired by or traceable to such Loan Proceeds,

in his actual or constructive possession, or under his control to the Receiver (the Plaintiff in this lawsuit);

- (b) provide a complete accounting to the Receiver of all Loan Proceeds; and
- (c) provide the Receiver copies of all bank statements, canceled checks (front and back), deposit slips and wire transfer advices for account number 700001605 at First Community Bank in Mobile, Alabama in the name of Nohemy Saxon and all other accounts into which Saxon transferred, or caused to be transferred, any portion of the Loan Proceeds.

2. The Preliminary Injunction was personally served upon Saxon on December 12, 2000 at his residence located at 9370 Leverette Drive, Semmes, Alabama 36575.

3. Since December 12, 2000, Saxon has had full knowledge of the provisions of the Preliminary Injunction and, to date, has failed and refused to comply with any of the orders of this Court set forth in the Preliminary Injunction.

4. In addition to being personally served with the Preliminary Injunction, Saxon was also sent a December 28, 2000 letter via Federal Express which the evidence reflects he received, which letter gave him further notice of the requirements of the Preliminary Injunction. Another letter was sent to Saxon dated January 25, 2001 by Federal Express, which the evidence reflects he received, which gave Saxon even further notice of the Preliminary Injunction and of the Plaintiff's intention to request an order of contempt from this Court should he continue to ignore the orders set forth in the Court's Preliminary Injunction.

5. As a result of Saxon's failure to comply with the orders of this Court as set forth in the Preliminary Injunction, on January 18, 2001, the Plaintiff filed his Motion for Show Cause Hearing to Hold Defendant, Jeffrey D. Saxon, in Contempt for Failure to Comply with Court Order

and a Brief in support of the Motion. As a result of the filing of the Motion, on January 31, 2001, this Court issued its Notice and Order to Show Cause directed to Saxon ordering that he appear before the Court on Thursday, February 22, 2001, at 10:00 a.m. to then and there show cause, if any there be, why this Court should not adjudge him in contempt of Court.

6. The Notice and Order to Show Cause was personally served upon Saxon on February 5, 2001 as reflected by the Proof and Return of Service filed with this Court on February 12, 2001. In addition to being served with the Notice and Order to Show Cause, Plaintiff also sent a letter to Saxon dated February 2, 2001 which was delivered to him at the same time as he was served with the Notice and Order to Show Cause giving Saxon further notice of the hearing and advising him of the serious nature of the Orders of this Court.

7. Despite personal service of the foregoing documents upon him and despite his clear notice of the orders of this Court, Saxon has, unjustifiably, failed and refused and continues to fail and refuse to comply with the Orders of this Court as set forth in the Preliminary Injunction. Furthermore, despite having been personally served with proper notice of this hearing, and despite having knowledge of this Court's Order (as set forth in the Notice and Order to Show Cause) to personally appear before the Court at the time of this hearing, Saxon did not appear, either personally or through counsel.


8. As a result of Saxon's failure to comply with the Orders of the Court as set forth in the Preliminary Injunction, the Plaintiff has incurred reasonable and necessary attorney's fees and costs in the amount of \$8,000.00.

Accordingly, the Court finds that Jeffrey D. Saxon, Jr. is in contempt of this Court for having failed and refused to comply with the requirements of him set forth in this Court's Preliminary Injunction of November 30, 2000. Therefore,

It is ORDERED that the United States Marshal or United States Customs Service Special Agent, Timothy L. Edmondson, who is specifically appointed by this Court, is hereby instructed to take Jeffrey D. Saxon, Jr. into custody and he is to then and there remain until such time as he purges himself of contempt of this Court by performing each of the following acts and providing evidence to this Court that he has fully and completely performed each of the following acts:

- (a) repatriate and cause to be transferred all Loan Proceeds (as defined in the Preliminary Injunction), and all assets acquired by or traceable to such Loan Proceeds, in his actual or constructive possession, or under this control to the Receiver (the Plaintiff in this action);
- (b) provide a complete accounting to the Receiver of all Loan Proceeds; and
- (c) provide the Receiver copies of all bank statements, canceled checks (front and back), deposit slips and wire transfer advices for account number 700001605 at First Community Bank in Mobile, Alabama in the name of Nohemy Saxon and all other accounts into which Saxon transferred, or caused to be transferred, any portion of the Loan Proceeds.

SO ORDERED this 22^d day of February, 2001 at 10:45 o'clock, A.M.



HONORABLE GORDON J. QUIST
UNITED STATES DISTRICT JUDGE