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Attorneys for Gil A. Miller, Chapter 11 Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:

WATERFORD FUNDING, LLC *et al.*,

Debtors.

GIL A. MILLER, as the Chapter 11 Trustee,
WATERFORD FUNDING, LLC, *et al.*,

Plaintiffs,

v.

BRENT WOODSON,

Defendant.

**TRUSTEE'S RESPONSE TO
ORDER TO SHOW CAUSE, AND
REQUEST TO HOLD FURTHER
ORDER'S TO SHOW CAUSE**

Bankr. Case No. 09-22584
(Substantively Consolidated)

Chapter 11

The Honorable R. Kimball Mosier

Adv. Proc. No. 11-02084

[FILED ELECTRONICALLY]

Gil A. Miller, the duly-appointed Chapter 11 Trustee (the "Trustee") for Waterford Funding, LLC ("Waterford Funding"), Waterford Services, LLC, Waterford Loan Fund, LLC ("Loan Fund"), Waterford Perdido, LLC, Waterford Candwich, LLC and Investment Recovery, L.C. (collectively, "Debtors" or "Waterford") by and through his undersigned counsel, hereby

responds to the Court's Order to Show Cause Why Proceeding Should Not be Dismissed for Lack of Prosecution as follows:

1. Waterford initiated the above-captioned adversary proceeding (the "Adversary Proceeding") on January 5, 2011, seeking to avoid and recover transfers made to the Defendant.

2. Since the Trustee's appointment the Trustee has spent substantial time gathering the assets of the substantively consolidated estate and investigating the various claims that estate may have against various individuals and entities, including the Defendant.

3. The Trustee attempted to effectuate service of the Summons and Complaint at the time the Complaint was filed, later in January and again in April 2011. Unfortunately, each of the Trustee's mailings was returned and the Trustee's efforts to locate the Defendant were to that point unsuccessful.

4. Based upon further information recently obtained by the Trustee with respect to the Defendant's location, on June 17, 2011, the Trustee again requested the reissuance of the Summons and on June 20, 2011, attempted to effectuate service of the Summons and Complaint.

5. The Trustee is diligently working to resolve this matter and hopes to either reach a settlement with the Defendant (at which time the appropriate motion under Bankruptcy Rule 9019 will be filed in the main case) or to move forward with the Adversary Proceeding. Thus, the Trustee respectfully requests that no order to show cause be issued in this Adversary Proceeding for a period of sixty (60) days.

DATED this 5th day of July, 2011.

/s/ Benjamin J. Kotter
Peggy Hunt
Benjamin J. Kotter
Paul J. Justensen
Attorneys for Gil A. Miller, the Chapter 11 Trustee

CERTIFICATE OF SERVICE

I hereby certify that on the 5th day of July, 2011, the foregoing **TRUSTEE'S RESPONSE TO ORDER TO SHOW CAUSE** was electronically filed with the Court to be served via the Court's ECF/CM system upon the following:

- Mary Margaret Hunt hunt.peggy@dorsey.com,
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- Nathan Seim seim.nathan@dorsey.com

/s/ Benjamin J. Kotter