

**IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
WESTERN DIVISION**

M. RANDY RICE,
as Chapter 7 Trustee

PLAINTIFF

v.

No. 4:11MC00001 JLH

LUKEN COMMUNICATIONS, LLC;
and HENRY G. LUKEN, III

DEFENDANTS

ORDER

Defendants Luken Communications, LLC, and Henry G. Luken, III, filed a demand for a jury trial and a motion to withdraw the reference of this matter to the bankruptcy court. Luken Communications and Henry Luken are defendants in an adversary proceeding brought by the bankruptcy trustee seeking to recover assets of the debtor which allegedly were fraudulently conveyed by Luken Communications and Henry Luken. Luken Communications and Henry Luken have not made a claim in the bankruptcy estate. They have not voluntarily submitted to the jurisdiction of the bankruptcy court. They have made a timely demand for a trial by jury. They have also moved the Court to withdraw the reference.

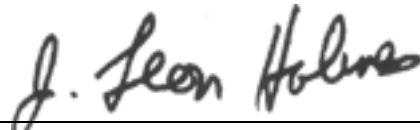
In an Order entered on February 15, 2011, the Court concluded that the reference should be withdrawn with respect to a jury trial but the reference should not be withdrawn immediately because the bankruptcy court could administer the case more efficiently than could the district court due to the bankruptcy court's familiarity with the estate of the debtor and the history of the proceedings. The Court designated the bankruptcy court to conduct all pretrial proceedings and directed that the bankruptcy court notify the district court when the matter was ready for trial.

The bankruptcy court has notified this Court that a pretrial hearing has been conducted, that the parties have filed a Rule 26 report, and that the matters at issue in the adversary proceeding are

sufficiently distinct from the issues in the bankruptcy proceeding that no judicial economy is accomplished by designating the bankruptcy court to preside over the pretrial matters.

The motion to withdraw the reference is therefore GRANTED. Document #2. The reference is hereby withdrawn with respect to *M. Randy Rice, as Chapter 7 Trustee v. Luken Communications, LLC, and Henry G. Luken, III*, United States Bankruptcy Court for the Eastern District of Arkansas, Adversary Proceeding No. 4:10-ap-01253. The Clerk of the bankruptcy court and the Clerk of this Court are directed to take appropriate action to transfer that adversary proceeding to this Court where the proceeding will be docketed as a civil action and scheduled for trial by jury.

IT IS SO ORDERED this 5th of May, 2011.



J. LEON HOLMES
UNITED STATES DISTRICT JUDGE