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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA**

CALIFORNIA PIPE RECYCLING,
INC.

Plaintiff,

vs.

SOUTHWEST HOLDINGS, INC.,
et al.,

Defendants.

CASE NO. CV F 08-0236 LJO SMS

**ORDERS TO: (1) SHOW CAUSE AS TO
DECLARATORY RELIEF CLAIM; AND (2)
TO IMPOSE SANCTION**

At the December 10, 2009 telephonic status conference, plaintiff California Pipe Recycling, Inc. (“Cal Pipe”) appeared by Kerry P. Zeiler, Ko & Zeiler. Defendants Joseph Briers, Southwest Pipe Services, Inc. and S.W. Pipe Holdings, Inc. (collectively the “Briers defendants”) and defendant Robbye Waldon (“Mr. Waldron”), trustee of Joseph Briers’ discharged chapter 7 bankruptcy, did not appear but were reached by telephone after the scheduled status conference. Defendant Robert Ingram has been dismissed from this action and was excused from appearing at the status conference.

Based on the representations of the parties’ counsel, the only unresolved issue before this Court is Cal Pipe’s declaratory relief claim that Cal Pipe is a bona fide purchaser for value of the subject conveyor equipment and is not guilty of fraud, misrepresentation or deceit as to third-party creditors of the Briers defendants. As such, this Court ORDERS:

1. The parties, no later than December 21, 2009, to file and serve papers why: (a) Cal Pipe should not be granted declaratory judgment that Cal Pipe is a bona fide purchaser for value of the subject conveyor equipment and is not guilty of fraud, misrepresentation or

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deceit as to third-party creditors of the Briers defendants; and (b) this Court should not close this action; and

2. Counsel for the Briers defendants and Mr. Waldron, no later than December 31, 2009, to: (a) pay \$250 each as a sanction for disobedience of this Court's October 7, 2009 order and to file proof of payment of the sanction; or (b) file objections to such sanction. If counsel file objections, this Court will issue an order to show cause why counsel should not be held in contempt and set a contempt hearing. If counsel pay the \$250 sanction, their checks shall be payable to the Clerk of the Court and shall be received by the Clerk no later than December 31, 2009.

IT IS SO ORDERED.

Dated: December 10, 2009

/s/ Lawrence J. O'Neill
UNITED STATES DISTRICT JUDGE