

1 EcoSteel’s counsel was to highlight any and all payments made by EcoSteel to D3. The Court
2 would then review the documents for any transfers from EcoSteel to D3. Also addressed at the
3 hearing was Plaintiff’s request that the bank records be reviewed for any transactions made to
4 EcoSteel’s principals (the Hudsons) and other third party individuals or entities that may have aided
5 EcoSteel in misappropriating the funds. However, the Court did not entertain that request as those
6 individuals were not yet part of the litigation.

7 Thereafter, the District Court granted Plaintiff’s Motion to Amend Complaint (#152) on
8 December 9, 2015. *Minute Order* (#167). Plaintiff then filed its Second Amended Complaint
9 (#169) on December 10, 2015, which added the Hudsons as well as numerous entities believed to be
10 under the Hudsons’ control. The Second Amended Complaint alleges that the Hudsons and
11 numerous other entities they control are the alter egos of Defendant. *Second Amended Complaint*
12 (#169). Plaintiff now requests that the Court review the bank records for any evidence that: (1)
13 EcoSteel transferred the \$2.1 million deposit to the personal accounts of the Hudsons; (2) EcoSteel
14 transferred the \$2.1 million deposit to any account not owned or controlled by EcoSteel; (3)
15 EcoSteel used the \$2.1 million deposit on anything other than expenses directly related to the subject
16 contract; and (4) EcoSteel commingled its funds with those of its alter egos, namely, the Hudsons.

17 The Court has reviewed the documents submitted for *in camera* review and finds that it can
18 only identify one (1) record of a transfer from EcoSteel to D3. The Court also finds that it is unable
19 to make any determination as to which transactions relate to funds that were or were not used in
20 relation to the subject contract and which transfers were to the Hudsons’ or their entities’ accounts.
21 Based on the new allegations contained in Plaintiff’s Second Amended Complaint (#169) claiming
22 that the Hudsons and the entities under their control are EcoSteel’s alter egos, it appears appropriate
23 that the records submitted to the Court for *in camera* review be produced to Plaintiff in their
24 entirety. However, the Court wants to afford Defendants the opportunity to object and be heard
25 before an order producing the bank records to Plaintiff is entered. Accordingly,

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