

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CIVIL MINUTES – GENERAL

Case No. LA CV11-01315 JAK (CWx)

Date July 2, 2012

Title Kenneth Eade v. Investorshub.com, Inc. et al.

Present: The Honorable JOHN A. KRONSTADT, UNITED STATES DISTRICT JUDGE

Andrea Keifer

Alex Joko

Deputy Clerk

Court Reporter / Recorder

Attorneys Present for Plaintiffs:

Attorneys Present for Defendants:

Not Present

Christopher Good

**Proceedings: STATUS CONFERENCE RE DEFENDANT'S MOTION FOR CONTEMPT
AND/OR MONETARY SANCTIONS AGAINST PLAINTIFF (Dkt. 61)**

The status conference is held regarding the status of Plaintiff's debtor examination and whether the stay should be lifted regarding the entry of sanctions, in the amount of \$2,500, which the Court imposed on Plaintiff at the March 26, 2012 hearing and then stayed based on a representation about his ability to pay. There is no appearance by Plaintiff notwithstanding that he was ordered to appear and that his late-filed request to appear telephonically was denied. Plaintiff did send an email to the Court's Clerk notifying her that he will not be making an appearance and will submit on the papers.

Defense counsel informs the Court that Plaintiff's debtor examination concluded approximately one week ago and that: (i) they are awaiting further information to determine whether a lien can be put on Defendant's Maserati because Plaintiff contends the vehicle was part of a bankruptcy, which was awarded to a debtor, but the vehicle has yet to be repossessed; (ii) there have been no efforts made with respect to the liquidation of specified stock, which is in a brokerage account. Plaintiff contends there is no value, but has transferred in excess of 10.5 Million shares within the last few months. Plaintiff did not provide the information regarding the stock value at the debtor examination; (iii) they are not aware of whether a lien can be placed against the property in France. However, Plaintiff has informed them that the proceeds of the sale will be deposited into a City Bank account located in Los Angeles. Defendants have not sought to put a lien on that bank account, but may; (iv) Plaintiff currently makes spousal support payments in the amount of \$3,000 per month, which will cease in September. Currently, \$1500 is going toward the payment of debt on the aforementioned property in France and the other \$1500 is a direct payment to Plaintiff's former spouse; and (v) a further debtor's examination is scheduled within the next two to three weeks so that Plaintiff can provide the documentation that was requested prior to the first debtor examination hearing.

The Court GRANTS Defendant's request to lift the stay on the payment of sanctions by Plaintiff to Defendant in the amount of \$2,500, with the amount to be paid forthwith in light of: (a) Plaintiff's non-appearance today or his failure to take steps timely to request an alternative method to appear, which could have included confirmation of whether he was out of the United States and the reason, given his lack of financial resources; (b) Plaintiff's failure to explain fully the ownership of the Maserati and its current value, if any, to Plaintiff; (c) Plaintiff's failure to explain fully the family law proceeding that may

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have led to the current spousal support obligation or whether he has moved to modify the amount of his spousal support obligation given his claimed changed, financial circumstances; and (d) the submission made by Defendant regarding the shares of stock held by Plaintiff which are valued at approximately \$136,000. Thus, without Plaintiff's presence, this evidence that supports his present ability to pay the \$2,500 was un rebutted.

The Court orders the parties to continue the process with respect to Plaintiff's continued debtor examination hearing and continues the Status Conference to October 1, 2012 at 1:30 p.m. Plaintiff is ordered to appear in person on October 1, 2012. A joint or separate status report(s) are due no later than 12:00 p.m. on September 27, 2012. If the parties conclude that the matter and the amounts due have been satisfied, the Court will likely take the October 1, 2012 hearing off calendar.

IT IS SO ORDERED.

Initials of Preparer _____ : _____ 10
ak _____