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UNITED STATES BANKRUPTCY COURT DISTRICT OF ARIZONA

In re Case No. 2:09-bk-09488 DEWEY RANCH HOCKEY, LLC, (Jointly Administered) COYOTES HOLDINGS, LLC, Chapter 11 **DEBTORS' RESPONSE TO CITY OF** COYOTES HOCKEY, LLC, and GLENDALE'S APPLICATION FOR **ORDER TO SHOW CAUSE** ARENA MANAGEMENT GROUP, LLC, Debtors. This Filing Applies to: **Hearing Date: August 5, 2009** Hearing Time: 9:00 a.m. (PDT) All Debtors **Specified Debtors**

DEWEY RANCH HOCKEY, LLC ("Dewey"), COYOTES HOLDINGS, LLC ("Coyotes Holdings"), COYOTES HOCKEY, LLC ("Coyotes Hockey"), and ARENA MANAGEMENT GROUP, LLC ("Arena Management", and together with Dewey, Coyotes Holdings, and Coyotes Hockey, the "Debtors"), debtors-in-possession in the above-captioned Chapter 11 cases (these "Cases"), file this Response to the "Application For Issuance Of An Order To Show Cause Against Moyes And Their Counsel Jennings, Strouss & Salmon, PLC" dated August 2, 2009 [Docket No. 540] (the "Application"), filed by the City of Glendale

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("Glendale"). In support of this Response, the Debtors incorporate the entire record before this Court, and respectfully submit the following:

RESPONSE

- 1. The Application is chock-full of innuendos that the Debtors and their consultants have compromised their fiduciary duties to these estates. Glendale asserts that the Debtors and/or their consultants have interfered with and resisted the Glendale sale process and otherwise have no intention of running a fair and unbiased sale process. There is nothing in the Application to support any allegation -- or even innuendo -- that the Debtors or their consultants have compromised their loyalties to these estates. After all the breathless allegations are fully aired in Court, what will be shown is that some confidential-designated information was inadvertently put in the public record due to mistake of Mr. Moyes' personal counsel, nothing more. As soon as the mistake was brought to the attention of Mr. Moyes' personal counsel, it was remedied. How these facts in any way support the extraordinary relief sought by Glendale to remove the Debtors from a sale process that is well underway (which would only result in delay which benefits Glendale, but certainly not the other creditors of this estate) has not (nor cannot) been shown.
- 2. After presentation of argument, testimony, and evidence regarding the Application, this Court will conclude that there is not a scintilla of proof concerning the Debtors, their counsel, or any of the Debtors' advisors of any involvement in, participation in, or condoning of, any alleged improper conduct raised in the Application. Inflammatory language and unsupported innuendos notwithstanding, there is no merit to Glendale's request to postpone the sale process (whether it be a Glendale or relocation sale), let alone the extraordinary punitive and monetary relief requested.

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3. To the extent the Application is a disguised motion for appointment of a trustee, it is procedurally and substantively deficient and improper and cannot be prosecuted on the basis Glendale has chosen to bring it. The Application seeks relief against Mr. Moyes and his personal counsel. It cannot be the basis of any other relief.

Dated this 4th day of August, 2009.

SQUIRE, SANDERS & DEMPSEY L.L.P.

By: <u>/s/ Thomas J. Salerno</u>

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