

IN THE CIRCUIT COURT OF LAFAYETTE COUNTY, MISSISSIPPI

JONES, FUNDERBURG, SESSUMS,
PETERSON & LEE, PLLC

PLAINTIFF

V.

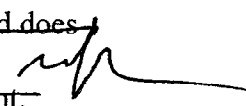
CIVIL ACTION NO. L07-135

RICHARD SCRUGGS, ET AL.

DEFENDANTS

ORDER ON PLAINTIFF'S MOTION FOR SANCTIONS

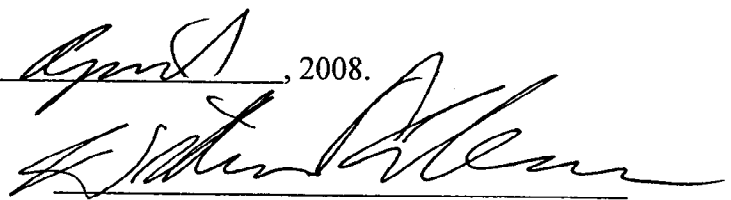
Having considered the pleadings, the evidence and the arguments of counsel, the court finds the plaintiff's motion for sanctions is well taken and should be granted as follows:

IT IS ORDERED that the defendants' answer to the complaint and their motion to stay proceedings and compel arbitration are hereby stricken from the record, and that default shall be entered against the defendants. The court will conduct a hearing to take an account and to determine the amount due the plaintiff under the joint venture agreement, said hearing being necessary to the entry of judgment by default and to carry it into effect. This ruling is made without prejudice to any party's right to raise issues of law, such as whether the facts establish a legal basis for recovery. The parties may conduct discovery regarding the issue of the amount of plaintiff's damages, as well as regarding issues connected to the plaintiff's claim for punitive damages. ~~The default entered does not extend to plaintiff's claim for punitive damages as stated in its First Amended Complaint.~~ 

IT IS ORDERED, FURTHER, that the defendants shall pay the plaintiff's reasonable attorney fees and expenses incurred since July 17, 2007 until and including the date of this Order, said amount to be determined by the court at the hearing on the plaintiff's damages. This Order is without prejudice to the Plaintiff's claim for attorney's fees as stated in the First Amended Complaint.

FILE THIS THE 16 DAY OF
April, 2008
MINUTE BOOK LA PAGE 531540
MARY ALICE BUSBY, CIRCUIT CLERK
BY Advents D.C.

SO ORDERED, this the 16th day of April, 2008.

A handwritten signature in black ink, appearing to read "William F. Coleman", written over a horizontal line.

HONORABLE WILLIAM F. COLEMAN,
CIRCUIT JUDGE