

JURISDICTION

1. This Court has jurisdiction over this Motion under 28 U. S. C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U. S. C. § 157(b)(2)(A)(B)(O).

2. Venue of these cases and this Motion is proper in this District pursuant to 28 U. S. C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are Fed. R. Bankr. P. 9019 and 11 U. S. C. § 105(a).

BACKGROUND

3. On June 14, 2004 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (these “Chapter 11 Cases”). The Debtors continue in possession of their properties and are operating and managing their businesses as debtors and debtors-in-possession pursuant to Bankruptcy Code §§1107(a) and 1108.

4. On December 30, 2004, this Court entered an Order confirming the Debtors’ proposed plan of reorganization (the “Plan²”) and such Plan became effective pursuant to its terms on January 28, 2005.

5. As of the Petition Date, Koenig was a judgment creditor against the Debtors in the 16th Judicial Circuit in and for Monroe County, Florida, Case No. CA-K-01-867 in the approximate amount \$116,046.88, which judgment was the subject of an appeal pending in the Third District Court of Appeals for the State of Florida.

6. The Bankruptcy Court set November 17, 2004, as the bar date (the “Bar Date”) for creditors to file a proof of claim in these Chapter 11 Cases.

7. A dispute exists as to whether Koenig received proper and adequate notice of the Bar Date.

2 All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

8. On December 16, 2004, Koenig filed a motion for enlargement of time to file proof of claim and authorization to file proof of claim after the Bar Date (the “Enlargement Motion,” CM/ECF#1004).

9. On January 18, 2005, the Debtors objected to this Enlargement Motion (the “Objection,” CM/ECF#1157), and Koenig filed a reply to the Debtors’ Objection and a hearing was held on January 25, 2005, on the Enlargement Motion.

10. This Court scheduled an evidentiary hearing to be held on March 7, 2005, at 2:30 p.m. with regard to this matter.

11. By this Motion, the Parties wish to resolve all disputes between them as follows:

The Resolution

- i. Koenig is granted an Allowed Claim in these Chapter 11 Cases in the amount of \$58,023.44, which shall be treated as a Class 7 general unsecured claim.
 - ii. Any and all other claims filed in these Chapter 11 Cases by Koenig shall be disallowed in their entirety.
12. Counsel for Koenig has approved the terms of this resolution.

RELIEF REQUESTED

13. By this Motion, the Movants seek an Order approving this resolution on the terms set forth herein pursuant to Fed. R. Bankr. P. 9019(a).

14. In determining whether a compromise is in the best interests of a debtor’s estate, courts under the purview of the Court of Appeals for the Third Circuit, have considered the following four factors: (i) the probability of success in the litigation; (ii) the difficulties, if any, to be encountered in the matter of collection; (iii) the complexity of the litigation involved and the expense, inconvenience and delay necessarily attending it; and (iv) the paramount interest of the creditors. In re Neshaminy Office Bldg. Assocs., 62 B.R. 798, 803 (E.D. Pa. 1986). See also In

re Pennsylvania Truck Lines, Inc., 150 B.R. 595, 598 (E.D. Pa. 1992), aff'd, 8 F.3d 812 (3d Cir. 1993).

15. The Debtors respectfully submit that, in their business judgment, the proposed resolution, as set forth herein, is in the best interests of the Debtors, their estates and their creditors.

WHEREFORE, the Movants respectfully request that this Court enter the Agreed Order attached hereto or grant such other and further relief as is just and proper.

Pittsburgh, Pennsylvania
Dated: February 28, 2005

CAMPBELL & LEVINE, LLC

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