FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
SEP 19 2003
KENNETH S. GARDNER, CLERK
PS REP. - PS

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
Conseco Finance Corp., et al.,[1]	)	Case No. 02-49675
	)	Honorable Carol A. Doyle
Debtors.	)	(Jointly Administered)
	)	
	)	**Hearing Date: September 23, 2003, 1:00 P.M., CT**
	)	

FINANCE COMPANY DEBTORS' RESPONSE TO OBJECTION OF JORDAN PRICE WALL GRAY JONES & CARLTON TO DEBTOR'S REJECTION OF EXECUTORY CONTRACT

The Finance Company Debtors, by and through their undersigned counsel, respectfully request the Court dismiss as late filed or, in the alternative, overrule without merit the *Objection Of Jordan Price Wall Gray Jones & Carlton To Debtor's Rejection Of Executory Contract* (the "Objection") and hereby submit this response (the "Response") in support thereof.

The Finance Company Debtors, in their business judgment, chose not to assume their contract for services (the "Contract") with Jordan Price, Wall, Gray, Jones & Carlton ("Jordan Price"). CFN chose not to have the Finance Company Debtors assign the Contract to them pursuant to the CFN Sale Order, entered by this Court on March 14, 2003. The Finance Company Debtors therefore did not assume the Contract, and it was thus not assigned to CFN.

[1] The Finance Company Debtors comprise the following entities: (i) Conseco Finance Corp. and Conseco Finance Servicing Corp. (collectively, the "CFC Debtors"), (ii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Consumer Discount Company, Conseco Finance Canada Holding Company, Conseco Finance Canada Company, Conseco Finance Loan Company, Rice Park Properties Corporation, Landmark Manufactured Housing, Inc., Conseco Finance Net Interest Margin Finance Corp. I, Conseco Finance Net Interest Margin Finance Corp. II, Green Tree Finance Corp. - Two, Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Green Tree Floorplan Funding Corp., Conseco Agency, Inc., Conseco Agency of Alabama, Inc., Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc. (collectively, the "CFC Subsidiary Debtors"), (iii) Green Tree Finance Corp. - Five and Green Tree Residual Finance Corp. I (collectively, the "New Debtors"), and Conseco Finance Credit Card Funding Corp.

Moreover, by not assuming the Contract, the Finance Company Debtors did not incur any cure obligation. The Objection is therefore moot.

Instead, the Finance Company Debtors rejected the Contract pursuant to the Rejection Procedures Order (as herein defined), a copy of which is attached hereto as Exhibit A. Pursuant to the terms of the Rejection Procedures Order, an objecting "Counterparty must file and serve a written objection so that such objection is filed with this Court and is actually received... no later than fourteen (14) days after the date of service of the Rejection Notice Effective Date (the Rejection Notice Effective Date is defined as the date of the Notice). The Rejection Notice, a copy of which is attached hereto as Exhibit B, was dated April 9, 2003. The Jordan Price Objection was late filed on April 28, 2003.

Moreover, the rejection of the Contract merely anticipated the inevitable rejection that occurred upon the Effective Date of the Finance Company Debtors' Sixth Amended Joint Liquidating Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code (the "Plan). The rejection of the Contract was clearly an exercise of the Finance Company Debtors' reasonable business judgment. As such, the Finance Company Debtors respectfully request that the Court dismiss the Objection as late filed or, in the alternative, overrule the Objection as without merit.

Background

1. On December 17, 2002, the CFC Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Subsequently, on February 3, 2003, each of the CFC Subsidiary Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On June 2, 2003, the New Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. And, on June 24, 2003, Conseco Finance Credit Card Funding Corp. also filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code.

2. On December 19, 2002, the Debtors filed the Sale Motion,[2] which, among other things, provided for the assumption and assignment of certain executory contracts. On January 23, 2003, pursuant to the terms of the Sale Motion, the Finance Company Debtors mailed the "Custom Schedule Regarding Cure Amounts for Executory Contracts and Unexpired Leases that May be Assumed and Assigned Pursuant to the CFC Debtors' Sale Motion" (the "Cure Schedule"). The Cure Schedule detailed the cure amount that would be paid in the event the Finance Company Debtors chose to assume and assign an executory contract pursuant to the Sale Motion (the "Cure Amount").

3. On February 28, 2003, Jordan Price filed an objection to the Sale Motion, alleging, among other things, that the Contract Cure Amount detailed in the Cure Schedule was incorrect. On or about March 4, 2003, the Finance Company Debtors and Jordan Price entered into a certain letter agreement, a copy of which is attached hereto as Exhibit C, (the "Letter Agreement") whereby, among other things, Jordan Price agreed to withdraw its objection and the parties agreed to attempt to negotiate a Cure Amount to be paid in the event the Finance Company Debtors chose to assume the Contract. On March 14, 2003, the Court entered two orders approving the sales of CFC assets to CFN Investment Holdings, LLC ("CFN") and General Electric Capital Corp. ("GECC").

4. On March 20, 2003, the Bankruptcy Court entered an order (i) Authorizing and Approving Procedures for the CFC Debtors' Rejection of Certain (A) Executory Contracts and (B) Unexpired Leases of Non-Residential Real Property Pursuant to Section 365(a) of the

[2] The Sale Motion is captioned "Motion for Order Pursuant to 11 U.S.C. §§ 105(a), 363, 365 and 1146(c) and Fed. R. Bankr. P. 2002, 6004 and 6006 Authorizing and Approving: (I) Asset Purchase Agreement With CFN Investment Holdings, LLC; (II) Sale of Certain of the CFC Debtors' Assets Free and Clear of Liens, Claims and Encumbrances; (III) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Certain Related Relief (the "Sale Motion").

Bankruptcy Code and (ii) Authorizing the Abandonment of Certain Personal Property Pursuant to Section 554 of the Bankruptcy Code (the "Rejection Procedures Order").

5. On April 9, 2003, after carefully reviewing the Contract and determining that they had no further need for it and that neither CFN nor GE wished to purchase it, the Finance Company Debtors rejected the Contract, pursuant to the Rejection Procedures Order.

6. On April 28, 2003, Jordan Price filed the Objection- five (5) days after the expiration of the 14-day objection period provided for in the Rejection Procedures Order. *See* Exhibit D- the Objection.

7. On September 9, 2003, the Bankruptcy Court confirmed the Plan, which became Effective on September 15, 2003. Pursuant to the terms of the Plan, all executory contracts "which the Finance Company Debtors [did not assume and assign or reject] with the approval of the Bankruptcy Court... or that were not the subject of a motion to assume the same pending as of the Effective Date," were deemed rejected as of the Effective Date.

The Objection is Without Merit

A. The Payment of the Cure Amount, and Thus Any Obligation to Negotiate A Cure Amount, Is Moot, Because the Finance Company Debtors Rejected the Contract Pursuant to the Rejection Procedures Order.

8. The Objection alleges that the Finance Company Debtors failed to negotiate a Cure Amount for the Contract in good faith. The Finance Company Debtors' obligation to pay, and thus, negotiate a Cure Amount in good faith is premised upon the Finance Company Debtors' obligations to cure pursuant to section 365(b) of the Bankruptcy Code.[3] Such a cure obligation arises only as a prerequisite to the assumption of the executory contract at issue. 11

[3] For the purposes of this Response, the existence of any such good faith obligation is irrelevant and thus not addressed.

U.S.C. § 365(b). As Jordan Price admitted in the Objection, on April 9, 2003, the Finance Company Debtors rejected the Contract, in accordance with the Rejection Procedures Order. See Objection at ¶ 8. The Finance Company Debtors thus have no cure obligation with respect to the Contract, thereby rendering the Objection moot. The Objection is without merit and should be overruled.

B. The Decision to Assume or Reject an Executory Contract is Solely Within the Reasonable Business Judgment of the Finance Company Debtors.

9. The decision to assume or reject an executory contract is solely within the Finance Company Debtors' reasonable business judgment and Jordan Price may not second-guess that decision. *See, e.g.*, In re Bullet Jet Charter, Inc., 177 B.R. 593, 601 (Bankr. N.D.Ill 1995) (citing In re Del Grosso, 115 B.R. 136, 138 (Bankr. N.D.Ill. 1990) (Squires, J.); Johnson v. Fairco Corp. 61 B.R. 317, 320 (N.D.Ill. 1986)). Under the business judgment standard, the Court must approve the rejection of the Contract, unless, "the debtor acted in bad faith or grossly abused its retained managerial discretion." In re Bullet Jet Charter, 177 B.R. at 601. Only then should the assumption or rejection decision be disturbed. Id. Here, Jordan Price has alleged neither bad faith nor gross abuse of managerial discretion by the Finance Company Debtors.

10. The Plan has always contemplated the sale of substantially all of the CFC assets. The Finance Company Debtors have always intended to assume only those executory contracts and unexpired leases which could be sold pursuant to the Sale Motion or otherwise. The Finance Company Debtors did not assume (and thus did not cure) any executory contracts that (i) were not assumed and assigned pursuant to the orders approving the sales of CFC assets or (ii) the Finance Company Debtors believed in their reasonable business judgment to be otherwise unmarketable. Therefore, the Finance Company Debtors respectfully submit that the decision to reject the Contract was a reasonable exercise of their sound business judgment.

11. For the foregoing reasons, the Finance Company Debtors respectfully request that the Court dismiss the Objection as late filed or, in the alternative, overrule the Objection as without merit and approve the rejection of the Contract.

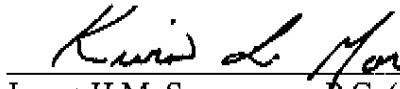
WHEREFORE the Finance Company Debtors respectfully request that the Court (i) dismiss the Objection as late filed or, in the alternative, overrule the Objection as without merit, (ii) approve the rejection of the Contract and (iii) grant such other relief as the Court finds fair and just.

Chicago, Illinois

Dated: September 19, 2003

Respectfully submitted,

KIRKLAND & ELLIS LLP



James H.M. Sprayregen, P.C. (ARDC. No. 6190206)
Anne Marrs Huber (ARDC No. 6226828)
Anup Sathy (ARDC No. 6230191)
Roger J. Higgins (ARDC No. 6257915)
Kevin L. Morris (ARDC No. 6278078)
Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, IL 60601-6636
(312) 861-2000 (telephone)
(312) 861-2200 (facsimile)

Counsel for the Debtors and Debtors-In-Possession

EXHIBIT A

EOD MAR 21 2003

EOD MAR 21 200

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
Conseco, Inc., et al.,[1]	)	Case No. 02-B49672
	)	Honorable Carol A. Doyle
Debtors.	)	(Jointly Administered)
	)	

ORDER (i) AUTHORIZING AND APPROVING PROCEDURES FOR THE CFC DEBTORS' REJECTION OF CERTAIN (A) EXECUTORY CONTRACTS AND (B) UNEXPIRED LEASES OF NON-RESIDENTIAL REAL PROPERTY PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE AND (ii) AUTHORIZING THE ABANDONMENT OF CERTAIN PERSONAL PROPERTY PURSUANT TO SECTION 554 OF THE BANKRUPTCY CODE

Upon the Motion[2] of the Debtors; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and it appearing that the relief requested is essential to the continued operation of the Debtors' businesses; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding within the meaning of 28 U.S.C. §157(b)(2); and it appearing that venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice having been given; and it appearing that no

---

1 The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., Partners Health Group, Inc., Conseco Finance Corp. and Conseco Finance Servicing Corp (collectively, the "Initial Debtors") and (ii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Consumer Discount Company, Conseco Finance Canada Holding Company, Conseco Finance Canada Company, Conseco Finance Loan Company, Rice Park Properties Corporation, Landmark Manufactured Housing, Inc., Conseco Finance Net Interest Margin Finance Corp. I, Conseco Finance Net Interest Margin Finance Corp. II, Green Tree Finance Corp. - Two, Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Green Tree Floorplan Funding Corp., Conseco Agency, Inc., Conseco Agency of Alabama, Inc., Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc. (collectively, the "CFC Subsidiary Debtors").

2 Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

other notice need be given; and after due deliberation and sufficient cause appearing therefore, it is hereby:

ORDERED that the Motion is granted; and it is further

ORDERED that the Debtors' "Contract and Lease Rejection Procedures" in the form attached hereto as Exhibit A for the rejection of executory contracts (the "Contracts") and unexpired leases of non-residential real property (the "Leases") during the Chapter 11 Cases pursuant to section 365 of the Bankruptcy Code are hereby approved; and it is further

ORDERED that as of the Rejection Date, the Debtors shall be deemed to have relinquished possession of the property that is the subject of the applicable Lease or Contract to the relevant Lessor or Contract Party; and it is further

ORDERED, subject to this paragraph, the Rejection Notice Effective Date shall be the date of the Rejection Notice, provided, however, that Lessors and Contract Parties have the right to object to the Rejection Notice Effective Date and, provided, further, notwithstanding the third decretal paragraph above the Rejection Notice Effective Date shall not occur for Leases until the Debtors have surrendered possession of the subject premises; and it is further

ORDERED that any Lessor or Contract Party with rejection and other damage claims arising from the rejection of Leases and Contracts shall file a proof of claim on account of any such claims against the CFC Debtors or their estates on or before the later of (a) the general bar date for filing proofs of claim against the CFC Debtors or (b) sixty (60) days after the Rejection Notice Effective Date, provided, however, that the Debtors and Lessors and Contract Parties (as the case may be) shall be deemed to have reserved all rights regarding the priority of such claims; and it is further

ORDERED that a copy of the Motion and this Order shall be served by overnight mail on all Cure Parties (as defined in the Bidding Procedures Order), within three (3) days of the date hereof; and it is further

ORDERED that all counterparties to any Lease or Contract are prohibited from setting off or otherwise utilizing any monies deposited by the Debtors with such counterparty as a security deposit or pursuant to any other arrangement without further order of this Court; and it is further

ORDERED that counterparties to Leases and Contracts in which the Debtors have abandoned property may dispose of such abandoned property in their sole discretion without further order of the court; and it is further

ORDERED that notwithstanding the possible applicability of Bankruptcy Rules 6006(d), 7062, 9014, or otherwise, this Order shall take effect immediately upon entry; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Fed. R. Bankr. P. 9006(a).

Dated: Chicago, Illinois
March 20, 2003

Honorable Carol A. Doyle
United States Bankruptcy Judge

Exhibit A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	**Chapter 11**
	)	
Conseco, Inc., et al.,[1]	)	**Case No. 02-B49672**
	)	**(Jointly Administered)**
Debtors.	)	
	)	**Honorable Carol A. Doyle**

CONTRACT AND LEASE REJECTION PROCEDURES

These contract and lease rejection procedures (the "Contract and Lease Rejection Procedures") have been approved by the United States Bankruptcy Court for the Northern District of Illinois (the "Court")[2] for the Chapter 11 Cases of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") pursuant to the Motion for Entry of an Order (i) Authorizing and Approving Procedures for the Rejection of Certain (A) Executory Contracts and (B) Unexpired Leases of Non-residential Real Property pursuant to Section 365(a) of the Bankruptcy Code and (ii) Authorizing the Abandonment of Certain Personal Property Pursuant to Section 554 of the Bankruptcy Code (the "Motion"). The Court approved the Contract and Lease Rejection Procedures by order dated March 21, 2003, entitled "Order (i) Authorizing and Approving Procedures for the Rejection of Certain (A) Executory Contracts and (B) Unexpired Leases of Non-residential Real Property pursuant to Section 365(a) of the

[1] The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., Partners Health Group, Inc., Conseco Finance Corp. and Conseco Finance Servicing Corp (collectively, the "Initial Debtors") and (ii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Consumer Discount Company, Conseco Finance Canada Holding Company, Conseco Finance Canada Company, Conseco Finance Loan Company, Rice Park Properties Corporation, Landmark Manufactured Housing, Inc., Conseco Finance Net Interest Margin Finance Corp. I, Conseco Finance Net Interest Margin Finance Corp. II, Green Tree Finance Corp. - Two, Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Green Tree Floorplan Funding Corp., Conseco Agency, Inc., Conseco Agency of Alabama, Inc., Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc. (collectively, the "CFC Subsidiary Debtors").

[2] Capitalized terms not defined herein are as defined in the Motion.

Bankruptcy Code and (ii) Authorizing the Abandonment of Certain Personal Property Pursuant to Section 554 of the Bankruptcy Code" (the "Order").

Contract and Lease Rejection Procedures

1. After the Debtors have determined to reject a particular Contract or Lease, the Debtors shall provide written notice of their intent to reject such Contract or Lease substantially similar to the notice attached hereto (the "Rejection Notice"), specifying the identity and location of the property, if any, that is the subject of the Contract or Lease to be rejected. The Rejection Notice Effective Date shall be the date of the Notice subject to the following proviso: provided, however, that the Lessors and Contract Parties have the right to object to the Rejection Notice Effective Date and, provided, further, that the Rejection Notice Effective Date shall not occur for leases until the Debtors have surrendered the subject premises.

2. Should a party to a Contract or Lease (a "Counterparty") object to the proposed rejection, such Counterparty must file and serve a written objection so that such objection is filed with this Court and is actually received by the following parties (collectively, the "Notice Parties") no later than fourteen (14) days after the date of service of the Rejection Notice Effective Date: (a) counsel for the Debtors, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601, Attn: Roger J. Higgins, Esq.; (b) the United States Trustee, Office of the United States Trustee, 227 West Monroe Street, Suite 3350, Chicago, Illinois 60606; (c) Committee Counsel; and (d) those parties listed on the Debtors' 2002 notice list.

3. The later of (a) the general bar date for the claims against the CFC Debtors or (b) sixty (60) days after the Rejection Notice Effective Date shall be the bar date for the Notice Parties to file proofs of claim for rejection or other damages arising from the rejection of the relevant Contracts or Leases, as the case may be; provided, however, that the Debtors and

Lessors and Contract Parties (as the case may be) shall be deemed to have reserved all rights regarding the priority of such claims.

4. Counterparties to Leases and Contracts in which the Debtors have abandoned property may dispose of such abandoned property in their sole discretion without further order of the court.

5. If no objection is timely filed, then the applicable Contract or Lease will be deemed rejected as of the Rejection Notice Effective Date, without further order of the Court.

6. If an objection to the rejection of a Contract or Lease (an "Objection") is filed, the filing of such Objection shall not delay the consideration of the rejection of any of the Contracts or Leases on Schedule A or Schedule B for which no Objection has been filed, however, the Debtors shall schedule a hearing for the consideration of the Objection only with respect to the Contract or Lease to which the Objection relates.

7. If such Objection is overruled or withdrawn, the order approving the rejection of the applicable Contract or Lease will automatically become final without further act of this Court or otherwise.

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	**Chapter 11**
	)	
Conseco, Inc., et al.,[1]	)	**Case No. 02-B49672**
	)	**Jointly Administered)**
Debtors.	)	**Honorable Carol A. Doyle**
	)	

NOTICE OF INTENT TO REJECT LEASES AND CONTRACTS

TO: Affected Parties Set Forth on Schedules A and B

PLEASE TAKE NOTICE that the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), hereby give notice to the lessors set forth on Schedule A attached hereto (the "Lessor or Lessors", as applicable) and the contract parties set forth on Schedule B attached hereto (the "Contract Party" or "Contract Parties" as applicable) that the Debtors intend to reject the Leases set forth on Schedule A (the "Leases") and the Contracts set forth on Schedule B (the "Contracts").

The rejection of the Leases and the Contracts hereunder shall be effective as of the date of the filing of this Notice; *provided, however*, that any affected Lessor or Contract Party wishing to object to a rejection hereunder, must file and serve such an objection in accordance with the Rejection Procedures attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that the bar date for filing proof of claim for rejection or other damages arising from the rejection of the contracts or leases listed on the schedule(s) attached hereto shall be the later of (a) the general bar date for filing proofs of claims against the CFC Debtors or (b) sixty (60) days after the Rejection Notice Effective Date.

Chicago, Illinois

Dated: April 9, 2003

Respectfully submitted,

KIRKLAND & ELLIS

James H.M. Sprayregen, P.C. (ARDC. No. 6190206)
Richard L. Wynne (Admitted pro hac vice)
Anne Marrs Huber (ARDC No. 6226828)
Anup Sathy (ARDC No. 6230191)
Roger J. Higgins (ARDC No. 6257915)
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601-6636
(312) 861-2000 (telephone)
(312) 861-2200 (facsimile)

Counsel for the Debtors and Debtors- in-Possession

---

[1] The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTIHC, Inc., Partners Health Group, Inc., Conseco Finance Corp. and Conseco Finance Servicing Corp (collectively, the "Initial Debtors") and (ii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Consumer Discount Company, Conseco Finance Canada Holding Company, Conseco Finance Canada Company, Conseco Finance Loan Company, Rice Park Properties Corporation, Landmark Manufactured Housing, Inc., Conseco Finance Net Interest Margin Finance Corp. I, Conseco Finance Net Interest Margin Finance Corp. II, Green Tree Finance Corp. - Two, Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Green Tree Floorplan Funding Corp., Conseco Agency, Inc., Conseco Agency of Alabama, Inc., Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc. (collectively, the "CFC Subsidiary Debtors").

SCHEDULE A

LESSORS
None.

Schedule B- Executory Contracts

Counterparty Name	DBA Name	Street Address	City	State	Zip Code	Primary Contact (Attn:)	Name of Contract
Seller: Asset Backed Securities Corporation,		Eleven Madison Avenue	New York	NY	10010		CSFB Vehicle Trust 2000-B Sale and Servicing Agreement
Trustee: Wilmington Trust Company		Rodney Square North, 1100 N. Market Street	Wimington	DE	19890-0001		CSFB Vehicle Trust 2000-B Sale and Servicing Agreement
Indenture Trustee: U.S. Bank Trust National Association		180 East Fifth Street	St. Paul	MN	55101		CSFB Vehicle Trust 2000-B Sale and Servicing Agreement
Moody's: Moody's Investor Service, Inc.		99 Church Street	New York	NY	10007		CSFB Vehicle Trust 2000-B Sale and Servicing Agreement
Fitch: Fitch, Inc.		One State Street Plaza	New York	NY	10004		CSFB Vehicle Trust 2000-B Sale and Servicing Agreement
AquaPure Water Systems, LLC		140 N. Yeager Ct.	Pelham	AL	35124		AquaPure Water Systems Service Contract
Cedeberg Law Offices		269 West Front Street	Missoula	MT	59807	Claudia Denker	
Jordan, Price, Wall, Gray		P.O. Box 10669	Raleigh	NC	27605	Shawna Y. Staton	
Leath, Bouch, & Crawford		P.O. Box 2416	Columbia	SC	29240	Lindsey Crawford	
Penson & Padgett Law Firm		2810 Remington Green	Tallahassee	FL	32308	Timothy D. Padgett	
Higier, Lauting, Foxman, McKinney & Owen		15851 Dallas Parkway	Addison	TX	75001	Richard A. MicKinney	

Diethrich & Associates	4401 N. 31st	Billing	MT	59101	
Tyler, Cassell, Jackson, Peace & Silver	P.O. Box 11656	Columbia	SC	29210-1656	Jeffrey L. Silver

EOD MAR 21 2003
EOD MAR 21 2003

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
Conseco, Inc., et al.,[1]	)	Case No. 02-B49672
	)	Honorable Carol A. Doyle
Debtors.	)	(Jointly Administered)
	)	

ORDER (i) AUTHORIZING AND APPROVING PROCEDURES FOR THE CFC DEBTORS' REJECTION OF CERTAIN (A) EXECUTORY CONTRACTS AND (B) UNEXPIRED LEASES OF NON-RESIDENTIAL REAL PROPERTY PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE AND (ii) AUTHORIZING THE ABANDONMENT OF CERTAIN PERSONAL PROPERTY PURSUANT TO SECTION 554 OF THE BANKRUPTCY CODE

Upon the Motion[2] of the Debtors; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and it appearing that the relief requested is essential to the continued operation of the Debtors' businesses; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding within the meaning of 28 U.S.C. §157(b)(2); and it appearing that venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice having been given; and it appearing that no

1 The Debtors are the following entities: (i) Conseco, Inc., CIHC, Incorporated, CTHC, Inc., Partners Health Group, Inc., Conseco Finance Corp. and Conseco Finance Servicing Corp (collectively, the "Initial Debtors") and (ii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Consumer Discount Company, Conseco Finance Canada Holding Company, Conseco Finance Canada Company, Conseco Finance Loan Company, Rice Park Properties Corporation, Landmark Manufactured Housing, Inc., Conseco Finance Net Interest Margin Finance Corp. I, Conseco Finance Net Interest Margin Finance Corp. II, Green Tree Finance Corp. - Two, Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Green Tree Floorplan Funding Corp., Conseco Agency, Inc., Conseco Agency of Alabama, Inc., Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc. (collectively, the "CFC Subsidiary Debtors").

2 Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

other notice need be given; and after due deliberation and sufficient cause appearing therefore, it is hereby:

ORDERED that the Motion is granted; and it is further

ORDERED that the Debtors' "Contract and Lease Rejection Procedures" in the form attached hereto as Exhibit A for the rejection of executory contracts (the "Contracts") and unexpired leases of non-residential real property (the "Leases") during the Chapter 11 Cases pursuant to section 365 of the Bankruptcy Code are hereby approved; and it is further

ORDERED that as of the Rejection Date, the Debtors shall be deemed to have relinquished possession of the property that is the subject of the applicable Lease or Contract to the relevant Lessor or Contract Party; and it is further

ORDERED, subject to this paragraph, the Rejection Notice Effective Date shall be the date of the Rejection Notice, provided, however, that Lessors and Contract Parties have the right to object to the Rejection Notice Effective Date and, provided, further, notwithstanding the third decretal paragraph above the Rejection Notice Effective Date shall not occur for Leases until the Debtors have surrendered possession of the subject premises; and it is further

ORDERED that any Lessor or Contract Party with rejection and other damage claims arising from the rejection of Leases and Contracts shall file a proof of claim on account of any such claims against the CFC Debtors or their estates on or before the later of (a) the general bar date for filing proofs of claim against the CFC Debtors or (b) sixty (60) days after the Rejection Notice Effective Date, provided, however, that the Debtors and Lessors and Contract Parties (as the case may be) shall be deemed to have reserved all rights regarding the priority of such claims; and it is further

ORDERED that a copy of the Motion and this Order shall be served by overnight mail on all Cure Parties (as defined in the Bidding Procedures Order), within three (3) days of the date hereof; and it is further

ORDERED that all counterparties to any Lease or Contract are prohibited from setting off or otherwise utilizing any monies deposited by the Debtors with such counterparty as a security deposit or pursuant to any other arrangement without further order of this Court; and it is further

ORDERED that counterparties to Leases and Contracts in which the Debtors have abandoned property may dispose of such abandoned property in their sole discretion without further order of the court; and it is further

ORDERED that notwithstanding the possible applicability of Bankruptcy Rules 6006(d), 7062, 9014, or otherwise, this Order shall take effect immediately upon entry; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Fed. R. Bankr. P. 9006(a).

Dated: Chicago, Illinois
March 20, 2003

Honorable Carol A. Doyle
United States Bankruptcy Judge

Exhibit A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	**Chapter 11**
	)	
Conseco, Inc., et al.,[1]	)	**Case No. 02-B49672**
	)	**(Jointly Administered)**
Debtors.	)	
	)	**Honorable Carol A. Doyle**

CONTRACT AND LEASE REJECTION PROCEDURES

These contract and lease rejection procedures (the "Contract and Lease Rejection Procedures") have been approved by the United States Bankruptcy Court for the Northern District of Illinois (the "Court")[2] for the Chapter 11 Cases of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") pursuant to the Motion for Entry of an Order (i) Authorizing and Approving Procedures for the Rejection of Certain (A) Executory Contracts and (B) Unexpired Leases of Non-residential Real Property pursuant to Section 365(a) of the Bankruptcy Code and (ii) Authorizing the Abandonment of Certain Personal Property Pursuant to Section 554 of the Bankruptcy Code (the "Motion"). The Court approved the Contract and Lease Rejection Procedures by order dated March, 2003, entitled "Order (i) Authorizing and Approving Procedures for the Rejection of Certain (A) Executory Contracts and (B) Unexpired Leases of Non-residential Real Property pursuant to Section 365(a) of the

1 The Debtors are the following entities: (i) Conseco, Inc., CDIC, Incorporated, CTIHC, Inc., Partners Health Group, Inc., Conseco Finance Corp. and Conseco Finance Servicing Corp (collectively, the "Initial Debtors") and (ii) Conseco Finance Corp. - Alabama, Conseco Finance Credit Corp., Conseco Finance Consumer Discount Company, Conseco Finance Canada Holding Company, Conseco Finance Canada Company, Conseco Finance Loan Company, Rice Park Properties Corporation, Landmark Manufactured Housing, Inc., Conseco Finance Net Interest Margin Finance Corp. I, Conseco Finance Net Interest Margin Finance Corp. II, Green Tree Finance Corp. - Two, Conseco Agency of Nevada, Inc., Conseco Agency of New York, Inc., Green Tree Floorplan Funding Corp., Conseco Agency, Inc., Conseco Agency of Alabama, Inc., Conseco Agency of Kentucky, Inc., and Crum-Reed General Agency, Inc. (collectively, the "CFC Subsidiary Debtors").

2 Capitalized terms not defined herein are as defined in the Motion.

Bankruptcy Code and (ii) Authorizing the Abandonment of Certain Personal Property Pursuant to Section 554 of the Bankruptcy Code" (the "Order").

Contract and Lease Rejection Procedures

1. After the Debtors have determined to reject a particular Contract or Lease, the Debtors shall provide written notice of their intent to reject such Contract or Lease substantially similar to the notice attached hereto (the "Rejection Notice"), specifying the identity and location of the property, if any, that is the subject of the Contract or Lease to be rejected. The Rejection Notice Effective Date shall be the date of the Notice subject to the following proviso: provided, however, that the Lessors and Contract Parties have the right to object to the Rejection Notice Effective Date and, provided, further, that the Rejection Notice Effective Date shall not occur for leases until the Debtors have surrendered the subject premises.

2. Should a party to a Contract or Lease (a "Counterparty") object to the proposed rejection, such Counterparty must file and serve a written objection so that such objection is filed with this Court and is actually received by the following parties (collectively, the "Notice Parties") no later than fourteen (14) days after the date of service of the Rejection Notice Effective Date: (a) counsel for the Debtors, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601, Attn: Roger J. Higgins, Esq.; (b) the United States Trustee, Office of the United States Trustee, 227 West Monroe Street, Suite 3350, Chicago, Illinois 60606; (c) Committee Counsel; and (d) those parties listed on the Debtors' 2002 notice list.

3. The later of (a) the general bar date for the claims against the CFC Debtors or (b) sixty (60) days after the Rejection Notice Effective Date shall be the bar date for the Notice Parties to file proofs of claim for rejection or other damages arising from the rejection of the relevant Contracts or Leases, as the case may be; provided, however, that the Debtors and

Lessors and Contract Parties (as the case may be) shall be deemed to have reserved all rights regarding the priority of such claims.

4. Counterparties to Leases and Contracts in which the Debtors have abandoned property may dispose of such abandoned property in their sole discretion without further order of the court.

5. If no objection is timely filed, then the applicable Contract or Lease will be deemed rejected as of the Rejection Notice Effective Date, without further order of the Court.

6. If an objection to the rejection of a Contract or Lease (an "Objection") is filed, the filing of such Objection shall not delay the consideration of the rejection of any of the Contracts or Leases on Schedule A or Schedule B for which no Objection has been filed, however, the Debtors shall schedule a hearing for the consideration of the Objection only with respect to the Contract or Lease to which the Objection relates.

7. If such Objection is overruled or withdrawn, the order approving the rejection of the applicable Contract or Lease will automatically become final without further act of this Court or otherwise.

EXHIBIT C

KIRKLAND & ELLIS
PARTNERSHIPS INCLUDING PROFESSIONAL CORPORATIONS

200 East Randolph Drive
Chicago, Illinois 60601

(312) 861-2000

www.kirkland.com

Facsimile:
(312) 861-2200

Roger J. Higgins
To Call Writer Directly:
(312) 861-2160
Roger_Higgins@chicago.kirkland.com

March 4, 2003

VIA FACSIMILE

Shawna Y. Staton
Jordan, Price, Wall, Gray, Jones & Carlton
P.O. Box 10669
Raleigh, NC 27605

Re: Conseco, Inc., et al., (the "Debtors"), Cure Objection re [*contract title*] (the "Contract")

Dear Shawna:

The Debtors and Jordan, Price, Wall, Gray, Jones & Carlton (the "Counterparty," together with the Debtors, the "Parties") hereby agree that, if the Parties have failed to resolve Counterparty's cure objection (the "Cure Objection"), prior to March 5, 2003 (the "Hearing Date"), the date that the Bankruptcy Court for the Northern District of Illinois (the "Court") is scheduled to hear arguments concerning the approval of a sale of substantially all of the assets of Conseco Finance Corp. ("CFC"), they shall take the following steps to resolve the Cure Objection:

- Debtors shall set aside an amount equal to the amount disputed (the "Disputed Amount") of those contracts Debtors wish to assume and the Counterparty wishes to assign;
- The Parties shall attempt to resolve the Disputed Amount in good faith;
- If the Parties resolve the Disputed Amount by March 24, 2003, the Debtors will file and serve notice that the Cure Objection is resolved and, if no objection thereto is received within ten (10) days of the date of such notice, shall be entitled to assume the Contract to the extent that the Contract may be assumed pursuant to section 365 of the Bankruptcy Code, with no need for a further hearing on the matter; and
- If the Parties fail to resolve the Disputed Amount by March 24, 2003, the Debtors shall file a response to all unresolved cure objections on or about April 4, 2003, and the Cure Objection will be heard at the Omnibus Hearing on April 14, 2003, or such other time as the Court may hear such matters.

KIRKLAND & ELLIS

Pursuant to agreeing to the Cure Procedures, Counterparty shall withdraw the Cure Objection for purposes of determining whether the Sale shall be approved.

Sincerely Yours,

Roger J. Higgins
Kirkland & Ellis
Counsel for the Initial Debtors and Proposed Counsel for the CFC Subsidiary Debtors

Shawna Y. Staton
Jordan, Price, Wall, Gray, Jones & Carlton
P.O. Box 10669
Raleigh, NC 27605

Attorney for Jordan, Price, Wall, Gray, Jones & Carlton

EXHIBIT D

RECD APR 30 2003
FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
APR 29 2003
KENNETH S. GARDNER, CLERK
PS REP. - DR

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
Conseco, Inc., et al., 1	)	Case No. 02 B 49672
	)	(Jointly Administered)
	)	Honorable Carol A. Doyle
Debtors	)	Docket under 02 B 49675 and 02 B 49676

OBJECTION
OF JORDAN PRICE WALL GRAY JONES & CARLTON
TO DEBTOR'S
REJECTION OF EXECUTORY CONTRACT

NOW COMES Jordan Price Wall Gray Jones & Carlton ("Jordan Price"), a contract party of the Debtor as set forth in Schedule B attached to the Debtor's Notice of Intent to Reject Leases and Contracts, and objects to the Debtor's Notice of Intent to reject its Executory Contract with the Debtor.

IN SUPPORT THEREOF, Jordan Price shows the following unto the court:

1. Jordan Price was served with a Custom Schedule regarding the cure amount for Executory Contracts and Unexpired leases that may be assumed and assigned pursuant to the CFC Debtors' Sale Motion.

2. The Custom Schedule indicated a cure amount for Jordan Price of $104,672.03.

3. Jordan Price and counsel for the Debtor discussed the discrepancy between the indicated cure amount and the actual cure amount which was believed at that time to be approximately $423,906.91.

4. Counsel for the Debtor suggested that Jordan Price file an Objection to the Cure Amount. Jordan Price filed an Objection to the Cure Amount on or about February 28, 2003.

5. In response to the Objection, the parties agreed that the Debtors would set aside an amount equal to the amount disputed and that the parties would attempt to resolve the disputed amount in good faith. If the parties were unable to reach a resolution, then the Debtors would file a response to the unresolved cure objection and the matter would be heard on April 14, 2003. A copy of the written agreement on Kirkland & Ellis letterhead signed by the parties setting forth these and other terms is attached hereto as **EXHIBIT A** and incorporated by reference herein.

2872

6. As indicated on page two of the agreement, Jordan Price withdrew its cure objection for purposes of determining whether the sale would be approved based upon representations from counsel for the Debtor that a good faith effort would be made to resolve the dispute.

7. The Debtor and its counsel made no effort to resolve the dispute as promised in the written agreement attached hereto.

8. Rather than attempting to resolve the dispute as promised, the Debtor filed a Notice of Intent to Reject its Contract with Jordan Price.

9. The Debtor's proposed rejection of its contract with Jordan Price would breach its post-petition agreement with Jordan Price.

WHEREFORE, Jordan Price respectfully prays that the Debtor's proposed rejection of its contract with Jordan Price be DENIED.

DATED: 4-28-03

JORDAN PRICE WALL GRAY JONES & CARLTON

By: Shawna Y. Staton

Shawna Y. Staton
State Bar No. 16512
P.O. Box 10669
Raleigh, NC 27605
(919) 828-2501

Exhibit A

KIRKLAND & ELLIS

PARTNERSHIPS INCLUDING PROFESSIONAL CORPORATIONS

200 East Randolph Drive
Chicago, Illinois 60601

(312) 861-2000

www.kirkland.com

Facsimile:
(312) 861-2200

Roger J. Higgins
To Call Writer Directly:
(312) 861-2160
Roger_Higgins@chicago.kirkland.com

March 4, 2003

VIA FACSIMILE

Shawna Y. Staton
Jordan, Price, Wall, Gray, Jones & Carlton
P.O. Box 10669
Raleigh, NC 27605

Re: Conseco, Inc., et al., (the "Debtors"), Cure Objection re [*contract title*] (the "Contract")

Dear Shawna:

The Debtors and Jordan, Price, Wall, Gray, Jones & Carlton (the "Counterparty," together with the Debtors, the "Parties") hereby agree that, if the Parties have failed to resolve Counterparty's cure objection (the "Cure Objection"), prior to March 5, 2003 (the "Hearing Date"), the date that the Bankruptcy Court for the Northern District of Illinois (the "Court") is scheduled to hear arguments concerning the approval of a sale of substantially all of the assets of Conseco Finance Corp. ("CFC"), they shall take the following steps to resolve the Cure Objection:

- Debtors shall set aside an amount equal to the amount disputed (the "Disputed Amount") of those contracts Debtors wish to assume and the Counterparty wishes to assign;
- The Parties shall attempt to resolve the Disputed Amount in good faith;
- If the Parties resolve the Disputed Amount by March 24, 2003, the Debtors will file and serve notice that the Cure Objection is resolved and, if no objection thereto is received within ten (10) days of the date of such notice, shall be entitled to assume the Contract to the extent that the Contract may be assumed pursuant to section 365 of the Bankruptcy Code, with no need for a further hearing on the matter; and
- If the Parties fail to resolve the Disputed Amount by March 24, 2003, the Debtors shall file a response to all unresolved cure objections on or about April 4, 2003, and the Cure Objection will be heard at the Omnibus Hearing on April 14, 2003, or such other time as the Court may hear such matters.

KIRKLAND & ELLIS

Pursuant to agreeing to the Cure Procedures, Counterparty shall withdraw the Cure Objection for purposes of determining whether the Sale shall be approved.

Sincerely Yours,

Roger J. Higgins
Kirkland & Ellis
Counsel for the Initial Debtors and Proposed Counsel for the CFC Subsidiary Debtors

Shawna Y. Staton
Jordan, Price, Wall, Gray, Jones & Carlton
P.O. Box 10669
Raleigh, NC 27605

Attorney for Jordan, Price, Wall, Gray, Jones & Carlton

EOD APR 30 2003

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
APR 29 2003
KENNETH S. GARDNER, CLERK
PS REP. - DR

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
Conseco, Inc., et al., 1	)	Case No. 02 B 49672
	)	(Jointly Administered)
	)	Honorable Carol A. Doyle
Debtors	)	Docket under 02 B 49675 and 02 B 49676

CERTIFICATE OF SERVICE

I, Shawna Staton, do hereby certify that on the 28th day of April, 2003, I served a copy of the Objection of Jordan Price Wall Gray Jones & Carlton to Debtor's Rejection of Executory Contract attached hereto, upon the parties listed below by mailing a copy thereto to each such party at the address indicated below with its proper postage attached and deposited in an official depository under the exclusive care and custody of the United States Postal Service

Mr. Roger J. Higgins
Kirkland & Ellis
200 East Randolph Drive
Chicago, IL 60601-6636

Shawna Y. Staton

270