

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

IN RE: CASE NO. 10-93904  
EASTERN LIVESTOCK CO., LLC, CHAPTER 11  
DEBTOR JOINTLY ADMINISTERED

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**CREDITORS' JOINDER IN SUPERIOR LIVESTOCK AUCTION, INC.'S  
MOTION TO CONTINUE HEARING ON ADEQUACY OF  
TRUSTEE DISCLOSURE STATEMENT**

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Come Bluegrass Stockyards East, LLC, Bluegrass Stockyards, LLC, Bluegrass-Maysville Stockyards, LLC, Bluegrass Stockyards of Richmond, LLC, Bluegrass South Livestock Market, LLC, Bluegrass Stockyards of Campbellsville, LLC, East Tennessee Livestock Center, Inc., Southeast Livestock Exchange, LLC, Moseley Cattle Auction, LLC, Piedmont Livestock Company, Inc. and Alton Darnell ("Creditors"), creditors and parties in interest herein, by counsel, and hereby join in the Motion to Continue Hearing [ECF No. 1271] (the "Motion") filed by Superior Livestock Auction, Inc. ("Superior") on July 27, 2012. In support of this Joinder to Motion, the Creditors respectfully state as follows:

BACKGROUND and JOINDER IN MOTION

1. James Knauer, the Chapter 11 Trustee appointed in this bankruptcy case (the "Trustee") filed the proposed Trustee's Chapter 11 Plan of Liquidation [ECF No. 1255] (the "Trustee Plan") and the proposed Disclosure Statement for Trustee's Chapter 11 Plan of Liquidation [ECF No. 1256] (the "Trustee Disclosure Statement") on July 23, 2012.
2. A notice of hearing was automatically scheduled on the adequacy of the Trustee Disclosure Statement for September 4, 2012, by an Order and Notice for Hearing on Disclosure Statement entered by the Court on July 26, 2012 [ECF No. 1261] (the "Order"). The Order gave

parties until August 30, 2012, i.e., 5 days before the hearing, to file any objections to the adequacy of the Trustee Disclosure Statement.

3. On July 27, 2012, Superior filed its Motion to Continue Hearing setting out several reasons why the Disclosure Statement hearing should be continued. Creditors agree with Superior's Motion and hereby also request that the Disclosure Statement hearing be continued generally, and held in abeyance, until after ruling on the pending motions scheduled to be heard on August 20, 2012.

4. At long last, the creditor body is finally seeing on paper the touted "Trustee Settlement" that has been in the works since the early months of the case. The "Trustee Settlement" with Fifth Third has been used by the Trustee throughout the case, including being described extensively at the Court hearing in December, 2011 in response to fee objections, and being used as the basis for not having an expedited hearing on Motions to Strike the Trustee's Report of the Court-ordered "independent" investigation.

5. The "threshold issues," which pervade the entire case from its inception to its ultimate conclusion, are set for hearing on August 20. These issues must be fully vetted and ruled on before the creditors should be forced to spend a single moment dealing with the adequacy of the "Trustee Settlement" DS and Plan which are fatally tainted. If, and only if, this Court rules that the Trustee and his Counsel, each with direct conflicts involving both Fifth Third and Wells Fargo, can proceed forward in any fashion whatsoever should the other creditors be forced to expend time and money addressing the inadequacies of this Disclosure Statement and the inadequacies in the facially non-confirmable Plan. The purported settlement which forms the entire basis of the Trustee Plan, which the conflicted Trustee negotiated along with his conflicted Counsel, neither of whom could ever act adversely in any fashion towards Fifth Third or Wells Fargo, is no settlement at all.

6. Unfortunately, there are now only a limited number of exit strategies from this case, moving towards confirmation of the Trustee Plan being only one of them. There is no point in moving forward down a confirmation path on the Trustee's Settlement Plan until after the "threshold issues" are argued and determined.

7. Creditors also join in the motion to expedite a hearing on the timing of these matters. *If* the Trustee and/or his Counsel are permitted to remain in the case will not be known until sometime after August 20. Creditors need more than 8 business days to respond to the inadequacies in the Trustee Disclosure Statement, and should not be forced to deal with it in advance of the fundamental issues already before the Court.

For the foregoing reasons, Creditors join in the Superior Motion to Continue Hearing.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I hereby certify that on July 31, 2012, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on July 31, 2012, a copy of the foregoing pleading was mailed by first-class U.S. mail, postage prepaid and properly addressed, to the following:

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