

UNITED STATES BANKRUPTCY COURT District of Delaware, Wilmington Division		PROOF OF CLAIM
Name of Debtor: QUANTUM FOODS, LLC	Case Number: 14-10318-KJC	E-Filed on 12/02/2015 Claim # 446
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Creekstone Farms Premium Beef, LLC		COURT USE ONLY
Name and address where notices should be sent: Creekstone Farms Premium Beef, LLC Attn: c/o Borges & Associates, LLC 575 Underhill Blvd. Suite 118 , Syosset New York 11791 Telephone number: (516) 677-8200 email: bankruptcy@borgeslawllc.com		<input checked="" type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: <u>445</u> (If known) Filed on: <u>12/2/2015</u>
Name and address where payment should be sent (if different from above): Telephone number: email:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
1. Amount of Claim as of Date Case Filed: \$ <u>25,000.00</u>		
If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>502(h) Settlement Pay</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor: _____	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5). Amount entitled to priority: \$ _____
<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____). Amount entitled to Administrative Expense under 11 U.S.C. §503(b)(9) \$ _____
*Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.		
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		

7. Documents: Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor.
- I am the creditor's authorized agent.
- I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.)
- I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Wanda Borges
 Title: Attorney in Fact
 Company: Borges & Associates, LLC
 Address and telephone number (if different from notice address above):

 Telephone number: _____ email: _____

Wanda Borges 12/02/2015
 (Signature) (Date)

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

Attachment 1 - DOC Main 1333 _ Order Approving Settlement.pdf

Description -

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>QUANTUM FOODS, LLC, <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 14-10318 (KJC)</p> <p>Jointly Administered</p> <p>Re: Docket Nos. 1301 & 1328</p>
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**ORDER APPROVING SETTLEMENT
AGREEMENT PURSUANT TO FED. R. BANKR. P. 9019**

Upon the *Motion of the Official Committee of Unsecured Creditors for Approval of Settlement Agreement Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure* (the “*Motion*”)² filed by the Official Committee of Unsecured Creditors (the “*Committee*”) for entry of an order approving the Settlement Agreement attached hereto as *Exhibit 1*, all as more fully set forth in the Motion; it appearing to the Court that: (a) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court finding that notice of the Motion given by the Committee is appropriate under the circumstances; and the Court being fully advised in the premises and having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors’ estates and their creditors, IT IS HEREBY ORDERED that:

1. The Motion is hereby GRANTED.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quantum Foods, LLC (9437); Quantum Foods 213-D, LLC (1862); Quantum Culinary, LLC (1302); GDC Logistics, LLC (1997); Choice One Foods, LLC (9512). The Debtors’ mailing address is c/o Quantum Foods, LLC, 750 South Schmidt Road, Bolingbrook, Illinois 60440.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

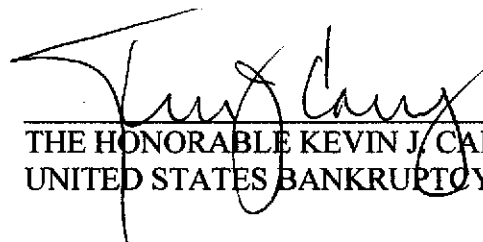
2. The Committee is authorized to enter into the Settlement Agreement attached hereto as *Exhibit 1* with Creekstone Farms Premium Beef, LLC (the "*Recipient*"), and such Settlement Agreement is approved, effective immediately, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

3. The Committee and the Recipient are hereby permitted to execute any other documents necessary or convenient to effectuate the Settlement Agreement.

4. The Committee and the Recipient are hereby permitted to execute any other documents necessary or convenient to effectuate the Settlement Agreement.

5. This Court shall retain jurisdiction with respect to any matters, claims, right or disputes from or related to the Settlement Agreement or the implementation of this Order.

Dated: Mar 18, 2015



THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this "*Settlement Agreement*") is made as of October 7, 2015, by and between The Official Committee of Unsecured Creditors of Quantum Foods, LLC (the "*Committee*"), acting on behalf of Quantum Foods, LLC and its affiliate debtors¹ (collectively, the "*Debtors*"), and Creekstone Farms Premium Beef, LLC (the "*Transferee*," and together with the Committee, the "*Parties*").

RECITALS

WHEREAS, on February 18, 2014 (the "*Petition Date*"), the Debtors each commenced cases under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*"), in the United States Bankruptcy Court for the District of Delaware (the "*Court*") under the lead Case No. 14-10318 (the "*Cases*");

WHEREAS, on February 27, 2014, the Office of the United States Trustee formed the Committee to represent the interests of the Debtors' unsecured creditors;

WHEREAS, on July 14, 2014, the Court entered an order authorizing the Committee to prosecute causes of action on behalf of the Debtors and granting the Committee standing to pursue such claims (the "*Standing Order*").

WHEREAS, on July 15, 2014, the Court entered an order authorizing the Committee's retention of Freeborn & Peters LLP ("*Freeborn*") as Special Litigation Counsel to the Committee *nunc pro tunc* to June 9, 2014;

WHEREAS, pursuant to the Standing Order, the Committee is vested with, *inter alia*, standing to pursue certain causes of action on behalf of the Debtors' estates, including the Avoidance Claims (defined below);

WHEREAS, the Committee asserts that the Debtors hold certain claims against the Transferee for avoidable transfers made by the Debtors during the applicable period preceding the filing of the Cases (the "*Avoidance Claims*");

WHEREAS, on or about July 17, 2014, the Committee sent a demand letter to the Transferee via U.S. mail, asserting an Avoidance Claim and seeking the recovery of \$158,399.14 in transfers (the "*Transfers*") made to the Transferee by the Debtors in the ninety (90) day period prior to the Petition Date;

WHEREAS, on or about October 30, 2014, the Transferee filed a proof of claim (the "*Proof of Claim*"), identified as number 193, in the total amount of \$123,062.13 and which asserted a claim pursuant to 11 U.S.C. § 503(b)(9) in the amount of \$111,263.89 (the "*503(b)(9) Claim*");

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number are: Quantum Foods, LLC (9437); Quantum Foods 213-D, LLC (1862); Quantum Culinary, LLC (1302); GDC Logistics, LLC (1997); and Choice One Foods, LLC (9512).

WHEREAS, on or about July 10, 2015, the Transferee filed a motion for allowance and payment of its 503(b)(9) Claim (the "*Administrative Claim Motion*"), filed as ECF No. 1161 in the Debtors' bankruptcy cases;

WHEREAS, the Transferee denies the Committee's allegations and has asserted certain defenses to the Avoidance Claims; and

WHEREAS, the Parties have exchanged information, negotiated and now desire to resolve all matters respecting the Avoidance Claims against the Transferee, upon the terms and conditions set forth below.

NOW THEREFORE, for good and valuable consideration, it is hereby stipulated, consented to and agreed by and between the Parties as follows:

1. The Transferee shall deliver to the Committee, for transmittal to the Debtors, the sum of \$25,000.00 (the "*Settlement Sum*"), in full satisfaction of the Avoidance Claims related to the Transfers against the Transferee.

2. The Settlement Sum shall be paid by check, issued by the Transferee and delivered to the following address within fourteen (14) days of the execution of this Settlement Agreement as follows:

Payable to: "Freeborn & Peters Trust Account"
Delivered to: Elizabeth L. Janczak, Esq.
Freeborn & Peters LLP
311 South Wacker Drive, Suite 3000
Chicago, Illinois 60606

3. Upon execution of this Settlement Agreement and subject to the provisions of this Settlement Agreement, the Committee, on behalf of the Debtors and their estates, shall be deemed to have released, waived, and discharged the Transferee from any and all liabilities, obligations, actions, suits, judgments, claims, causes of action and demands, known or unknown, whatsoever at law or in equity arising from, in connection with or related to the Avoidance Claims respecting the Transfers.

4. Upon execution of this Settlement Agreement and subject to the provisions of this Settlement Agreement, the Transferee shall be deemed to have released, waived and discharged the Debtors and their estates, the Committee, and their respective professionals from any and all liabilities, obligations, actions, suits, judgments, claims, causes of action and demands, known or unknown, whatsoever at law or in equity, arising on or before the date of this Settlement Agreement, including the 503(b)(9) Claim, with the exception that the Transferee's claim no. 193 filed on October 30, 2014 in the amount of \$123,062.13 shall be a general unsecured claim with no portion thereof being deemed an administrative claim under 503(b)(9), and the Transferee shall be permitted to file an additional proof of claim pursuant to 11 U.S.C. § 502(h) for the Settlement Sum.

5. Notwithstanding anything contained to the contrary herein, if the Debtors are compelled by an order of a court of competent jurisdiction or required for any other reason to return, disgorge, or repay any portion of the Settlement Sum, or if the payment of any portion of

the Settlement Sum is avoided by the Transferee or any other person or entity acting on behalf of a Transferee or its respective estate, then the releases given by each party to this Settlement Agreement shall be deemed ineffective and the full amount of the Debtors' claims against the Transferee shall be reinstated without any further order of the Court, subject to credit for the payment made pursuant to paragraphs 1 and 2 herein to the extent allowed by law. However, under such circumstance, the Transferee shall be entitled to assert any and all applicable defenses to the reinstated claim.

6. This Settlement Agreement may be executed in counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same.

7. The undersigned represent and warrant that they have full authority to execute this Settlement Agreement on behalf of their respective Party or client and have obtained all necessary approvals. This Settlement Agreement is the resolution of disputed claims and nothing herein shall be deemed an admission against either party.

8. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties' respective assigns and successors, including trustees and receivers.

9. This Settlement Agreement may be signed and transmitted electronically or by facsimile, which shall be deemed to have the full force and effect of original ink signatures.


10. This Settlement Agreement shall become effective after an order approving the Settlement Agreement is entered. Should the Court not enter an order approving this Settlement Agreement, if necessary, the Debtors shall return all sums paid to them from the Transferee.

11. Within seven (7) days after entry of an order by the Court approving this Settlement Agreement, the Transferee shall: (a) withdraw the Administrative Claim Motion, and (b) amend its claim no. 193 filed on October 14, 2014, by removing the 503(b)(9) portion so that the amended claim shall be a general unsecured claim in the sum of \$123,062.13.

**OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
QUANTUM FOODS, LLC**

**CREEKSTONE FARMS PREMIUM
BEEF, LLC**

By: 
Its Special Litigation Counsel

By: 
Its Counsel

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