

EXHIBIT 1

Stipulation

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

In re:

SHARITY MINISTRIES, INC.,

Debtor.

Chapter 11 (Subchapter V)

Case No: 21-11001 (JTD)

**STIPULATION ALLOWING SETOFF OF CLAIMS BETWEEN DEBTOR
SHARITY MINISTRIES, INC. AND GIBBONS P.C.**

This Stipulation (the “Stipulation”) is made and entered into as of the latest execution date contained at the end of the Stipulation by and among Sharity Ministries, Inc. (“Sharity” or “Debtor”), and Gibbons P.C. (“Gibbons,” and together with the Debtor, the “Parties”), by and through their respective duly authorized undersigned counsel. The Parties agree as follows:

WHEREAS, on July 8, 2021 (the “Petition Date”), the Debtor filed a voluntary petition for relief 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”) commencing the above-captioned Chapter 11 case (the “Chapter 11 Case”);

WHEREAS, the prior to the Petition Date, Gibbons provided legal services (the “Legal Services”) to the Debtor in connection with a New Jersey state court action;

WHEREAS, the Gibbons currently holds a pre-petition claim in the approximate amount of \$16,077.50 (the “Pre-Petition Amount”) for legal services;

WHEREAS, prior to the Petition Date, and substantially contemporaneously with Gibbons commencing Legal Services, the Debtor provided Gibbons with an advance deposit for legal fees

to be incurred in the amount of \$10,000 (the “Advance”) which Advance was not offset or applied to the Legal Services prior to the Petition Date; and

WHEREAS, Gibbons asserts that it may offset the amount of the Advance against the Prepetition Amount in accordance with applicable law and the Bankruptcy Code. In order to avoid unnecessary additional legal fees over such a modest amount, the Parties have entered into this Stipulation to consensually resolve this issue.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the Parties hereby contract, covenant and agree, subject to Court approval as set forth herein, as follows:

STIPULATION

1. Upon approval of this Stipulation by the Bankruptcy Court, the automatic stay of section 362 of the Bankruptcy Code shall be modified and Gibbons shall be permitted to offset the amount of the Prepetition Amount against the Advance pursuant to section 553(a) of the Bankruptcy Code. Gibbons shall be entitled to assert any remaining deficiency claim as a general unsecured claim in the Chapter 11 Case.

2. This Stipulation shall be governed by the laws of New Jersey and shall be construed and interpreted in accordance with its laws, notwithstanding its conflicts of laws principles or any other rule, regulation or principle that would result in the application of any other state’s law.

3. The Parties expressly covenant, warrant and acknowledge to the other that each has the right and authority to execute this Stipulation.

4. This Stipulation shall be binding upon and shall inure to the benefit of the Parties hereto and their legal representatives, predecessors, heirs, successors and assigns.

5. This Stipulation contains the entire agreement between the Parties with respect to its subject matter, is intended as a final expression of the Parties with respect to such terms as are included in this Stipulation, is intended as a complete and exclusive statement of the terms of such agreement and supersedes all negotiations, stipulations, understandings, agreements, representations and warranties, if any, with respect to such subject matter, which precede or accompany the execution of this Stipulation.

6. Nothing contained herein shall operate as an admission of liability of any kind by any Party, except in an action to enforce this Stipulation. Each Party shall bear the cost for their respective attorneys' fees, court costs and related expenses incurred by or on behalf of said Party in connection with their underlying dispute and this Stipulation.

7. The Parties agree that no breach of any provision hereof can be waived except in writing. The waiver of a breach of any provision hereof shall not be deemed a waiver of any other breach of any provision hereof.

8. The Parties mutually acknowledge and represent that they have been fully advised by their respective legal counsel of their rights and responsibilities under this Stipulation, that they have read, know and understand completely the contents hereof, and that they have voluntarily executed the same. The Parties further acknowledge that they have had input into the drafting of this Stipulation, and that any construction of this Stipulation shall not be construed for or against any Party, but rather shall be given a fair and reasonable interpretation, based on the plain language of the Stipulation and the expressed intent of the Parties.

9. In the event that any part of this Stipulation shall be found to be illegal or in violation of public policy, or for any reason unenforceable at law, such finding shall not invalidate any other part hereof.

10. This Stipulation may be executed in several counterparts, each of which shall constitute an original, so that all of which taken together shall constitute one and the same instrument. Signatures transmitted by facsimile or electronic scan shall be considered as one and the same as an original signature.

11. Each Party to this Stipulation shall execute all instruments and documents and take all actions as may be reasonably required to effectuate this Stipulation.

12. Should any disagreement arise out of the interpretation or enforcement of this Stipulation, the Bankruptcy Court shall maintain jurisdiction over any disputes which arise between the Parties.

13. Pursuant to Fed. R. Bankr. P. 6004(h), this Stipulation shall be immediately effective and enforceable upon entry of an order approving this Stipulation.

IN WITNESS WHEREOF, the Parties by and through their duly authorized respective counsel hereby execute this Stipulation, intending to be legally bound.

Dated: August 24, 2021

GIBBONS P.C.

By: /s/ Howard A. Cohen
Howard A. Cohen (DE 4082)
300 Delaware Avenue, Suite 1015
Wilmington, DE 19801-1671
Telephone: (302) 518-6324
Facsimile: (302) 429-6294
E-mail: hcohen@gibbonslaw.com

Attorneys for Gibbons P.C.

LANDIS RATH & COBB LLP

By: /s/ Matthew B. McGuire

Matthew B. McGuire

919 Market Street

Wilmington, DE 19801

Telephone: (302) 467-4416

E-mail: mcguire@lrclaw.com

Attorneys for Debtor