

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION - DETROIT**

In re:)	Chapter 11
)	
GROEB FARMS, INC.,)	Case No. 13-58200-wsd
)	Honorable Walter Shapero
Debtor.)	
Official Committee of Unsecured Creditors of)	
Groeb Farms, Inc.,)	
)	
Plaintiff,)	
v.)	Adv. Proc. No. 13-5410-wsd
)	
Troy Groeb, Ernest L. Groeb, E. Jeanne Groeb)	
Living Trust, Groeb Farms LLC, Ernest L.)	
Groeb Jr. Trust B,)	
)	
Defendants.)	

**STIPULATION BY AND AMONG PLAINTIFF AND DEFENDANTS
EXTENDING TIME TO RESPOND TO COMPLAINT**

This Stipulation (the “Stipulation”) is entered into by and among Ernest L. Groeb, Jr. (“E. Groeb”), Troy Groeb (“T. Groeb”), Groeb Farms, LLC (“Groeb LLC”), the E. Jeanne Groeb Living Trust (“JG Trust”), and the Ernest L. Groeb Jr. Trust B (“EG Trust”, and collectively with E. Groeb, T. Groeb, Groeb LLC, and the JG Trust, the “Groeb Parties”), on the one hand, and the General Unsecured Claims Litigation Trustee (the “GUC Trustee”), on the other hand.

WHEREAS, on December 5, 2013, the Official Committee of Unsecured Creditors (the “Committee”) in the above captioned bankruptcy case (Case No. 13-58200-wsd) filed an adversary proceeding (Case No. 13-05410) against the Groeb Parties and certain others,



seeking, among other things, equitable subordination and recharacterization of certain claims filed by the Groeb Parties (the “Equitable Subordination Complaint”); and

WHEREAS, in accordance with the terms of the Debtor’s Second Amended Plan of Reorganization, confirmed in Case No. 13-58200-wsd, the General Unsecured Claims Litigation Trust¹ was created for the purpose, among other things, of pursuing or liquidating the General Unsecured Claims Litigation Trust Assets, distributing the General Unsecured Claims Litigation Trust Distributable Proceeds if any, and reconciling and objecting to General Unsecured Claims as provided for in the Plan. The GUC Trustee has the power to act on behalf of the GUC Trust; and

WHEREAS, the parties have entered into a Settlement and Release Agreement which, among other matters, settles the Equitable Subordination Complaint subject to certain conditions; and

WHEREAS, the Settlement and Release Agreement is conditioned upon Court approval of settlement agreements in other litigation which approval process is expected to take at least 180 days; and

WHEREAS, the Court approved the Settlement and Release Agreement on January 15, 2014 (Docket No. 406); and

WHEREAS, the conditions of the Settlement and Release Agreement have yet to be met and the parties hereto desire to extend the deadline to respond to the Complaint in an

¹ Capitalized terms not defined herein have the meanings given to them in the Plan.

effort to maintain the status quo in this action while the parties work to obtain other approvals;
and

WHEREAS, the Clerk has entered default with respect to certain parties (the “Defaults”) which should be vacated in light of the pending Settlement and Release Agreement;
and

WHEREAS, the Court has entered an Order to Show Cause directing the Plaintiff to Show Cause which is returnable on March 20, 2014 (the “OSC”); and

WHEREAS, the parties hereto desire to extend certain deadlines related to Case 13-05410, vacate the Defaults and respond to the OSC;

NOW, THEREFORE, in full consideration of the foregoing and of the mutual agreements contained herein, and intending to be legally bound, the Parties agree as follows:

1. Groeb Parties’ Response Deadline

The Deadline for the Groeb Parties to respond to the Equitable Subordination Complaint is extended until and including September 15, 2014. This Deadline may be further extended by agreement of the parties.

2. Vacation of Clerk entry of Default with respect to Certain Parties.

The Clerk’s entries of Default at Docket Nos. 6 and 14 are vacated.

3. Order to Show Cause

The Parties shall immediately file the Stipulation and seek to have an Order entered establishing that the Order to Show Cause is satisfied and no further response or appearance is required.

THE GROEB PARTIES

/s/ Matthew T. Gensburg
Matthew T. Gensburg, Esquire
Greenberg Traurig, LLP
77 West Wacker Drive, Suite 3100
Chicago, IL 60601
Telephone: (312) 456-8400
Facsimile: (312) 456-8435
Email addresses: gensburgm@gtlaw.com

Counsel to the Groeb Parties

DYKEMA GOSSETT PLLC

/s/ Sheryl Toby
Sheryl Toby (P39114)
39577 Woodward Avenue, Suite 300
Bloomfield Hills, Michigan 48304
Telephone: (248) 203-0522
Email: stoby@dykema.com

and

PACHULSKI STANG ZIEHL & JONES LLP

Bradford J. Sandler
James E. O'Neill
919 North Market Street
17th Floor
Wilmington, DE 19801
Telephone: (302) 778-6424
Facsimile: (302) 652-4400
Emails: bsandler@pszjlaw.com;
joneill@pszjlaw.com

Counsel to the GUC Trustee

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Groeb Jr. Trust B,)	
)	
Defendants.)	

Upon the Stipulation by and among Ernest L. Groeb, Jr. (“E. Groeb”), Troy Groeb (“T. Groeb”), Groeb Farms, LLC (“Groeb LLC”), the E. Jeanne Groeb Living Trust (“JG Trust”), and the Ernest L. Groeb Jr. Trust B (“EG Trust,” and collectively with E. Groeb, T. Groeb, Groeb LLC, and the JG Trust, the “Groeb Parties”), on the one hand, and the General Unsecured Claims Litigation Trustee (the “GUC Trustee”), on the other hand; and it appearing that approval of the Stipulation is in the best interest of the estate and its creditors; and adequate notice of the Stipulation having been given under the circumstances; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that

(a) the Stipulation is APPROVED and its terms are incorporated in this Order as if fully set forth herein;

(b) the Order to Show Cause entered by the Court on March 3, 2013 [Docket No. 16] has been addressed and is satisfied and no further response or appearance is necessary;

(c) the Clerk's entries of Default [Docket Nos. 6 and 14] are withdrawn and vacated;

(d) this Order shall be immediately enforceable and effective upon its entry; and

(e) this Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

Date: _____, 2014

Honorable Walter J. Shapero
United States Bankruptcy Judge