

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

|                    |   |                          |
|--------------------|---|--------------------------|
| In re:             | ) | Chapter 11               |
|                    | ) |                          |
| GROEB FARMS, INC., | ) | Case No. 13-58200-wsd    |
|                    | ) |                          |
| Debtor.            | ) | Honorable Walter Shapero |

**MOTION OF THE GENERAL UNSECURED CLAIMS LITIGATION  
TRUSTEE FOR ENTRY OF AN ORDER FURTHER EXTENDING  
THE DEADLINE TO OBJECT TO THE ALLOWANCE OF CLAIMS**

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The General Unsecured Claims Litigation Trustee in the above referenced case, (the “GUC Trustee”), files this motion (this “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit 1**, further extending the deadline to object to the allowance of any claim against the Debtor. In support of this Motion, the GUC Trustee respectfully states as follows.

**Jurisdiction and Venue**

1. This Court has jurisdiction pursuant to 28 U.S.C. § 1334, as well as pursuant to Article VIII of the *Second Amended Plan of Reorganization of Groeb Farms, Inc. Pursuant to Chapter 11 of the Bankruptcy Code*, dated November 8, 2013 [Docket No. 213] (the “Plan”).<sup>1</sup> This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.

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<sup>1</sup> Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Plan.



2. Venue in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409(a).

3. The statutory bases for the relief requested in this Motion are sections 105 and 502 of title 11 of the United States Code (the “Bankruptcy Code”), rules 3007 and 9006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rule 9006-1(b) of the Local Rules of the United States Bankruptcy Court for the Eastern District of Michigan (the “Local Rules”).

### **Relief Requested**

4. By this Motion, the GUC Trustee requests entry of an order further extending the deadline (the “Claims Objection Deadline”) by which the GUC Trustee may file objections to the allowance of claims (the “Claims”)<sup>2</sup> by an additional six months through and including December 31, 2015. This is the GUC Trustee’s third request for an extension of the Claims Objection Deadline.

5. The GUC Trustee notes that it has filed this Motion prior to the expiration of the current deadline to object to claims prescribed by Article VIII.E. of the Plan. *See* Plan, Art. VIII.E (“Any objections to Claims shall be Filed on or before the Claims Objection Deadline.”), and Art. I.A.18. (“Claims Objection Deadline” means the deadline for objecting to a Claim, which shall be on the date that is the later of: (a) 180 days after the Effective Date . . .”).

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<sup>2</sup> As used herein, the term “Claim” is defined as broadly as possible to also include, without limitation, the meaning of the term “Claim,” as such term is defined in Article I.A.(20) of the Plan, which incorporates the meaning of the term “claim” as defined in section 101(15) of the Bankruptcy Code.

### **Background**

6. On October 1, 2013 (the “Petition Date”), the Debtor filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code.

7. On December 20, 2013, the Court entered an order [Docket No. 375] (the “Confirmation Order”) confirming the Plan. On December 31, 2013, the Debtors filed a *Notice of Effective Date of Debtor’s Second Amended Plan of Reorganization of Groeb Farms, Inc.* [Docket No. 380] (the “Effective Date Notice”). The Effective Date of the Plan was December 31, 2013.

8. In accordance with the terms of the Plan, the General Unsecured Claims Litigation Trust 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, 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.

9. To date, the GUC Trust has analyzed and begun prosecuting chapter 5 avoidance causes of action, which is currently in progress. The GUC Trust has also identified and filed objections or motions regarding several categories of claims that were paid, satisfied or discharged under the Plan including those filed by holders of (i) convenience claims; (ii) equity interests; and (iii) subordinated noteholders, as well as filing objections to duplicate, amended, and superseded claims. While the GUC Trust has made progress as far as reconciling claims, there are still significant unsecured claims asserted by former directors and officers and honey

producers that will be resolved upon resolution of the litigation described in *The General Unsecured Claims Litigation Trustee's Motion for an Order to Approve (1) Stipulation and Settlement Agreement by, Between, and Among the General Unsecured Claims Litigation Trustee, Proposed Class Representatives, Producer/Packer Claimants and the Groeb Parties, (2) Class Action Settlement Agreement and Release, and (3) Settlement and Release Agreement Between Federal Insurance Company, Groeb Farms, Inc., Natural American Foods, Inc., General Unsecured Claims Litigation Trustee, Troy L. Groeb, Robert Feerick, Thomas Jenkins and Michael Bailey, Pursuant to Sections 363(b) And 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019(a)* [Docket No. 511], which was recently approved by this Court on April 13, 2015 [Docket No. 518]. Specifically, the settlement described therein will need approval by the District Court, which has not yet occurred, in order for the claim releases in favor of the GUC Trust set forth therein to become effective. In addition, with respect to trade claimants who entered into new trade agreements, the Reorganized Debtor is paying a portion of their pre-petition claims over a period of 18 months pursuant to the Plan, which will result in significant additional unsecured claim reductions. After the relevant time lapses, the GUC Trust will file the appropriate motion or objection before this Court to reduce the asserted trade claims by the amounts paid post confirmation.

10. Accordingly, because there are significant unsecured claims that will be reduced in the future, the GUC Trust respectfully submits that it is appropriate for the claims objection deadline to be extended for an additional six months through and including December 31, 2015.

### **Basis For Relief**

#### **A. Cause Exists to Extend the Claims Objection Deadline.**

11. Bankruptcy Rule 9006(b) provides that the court may extend unexpired time periods “for cause shown.” Fed. R. Bankr. P. 9006(b)(1). In addition, section 105(a) of the Bankruptcy Code provides that “[a] court may issue any order that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). Accordingly, this Court is authorized to extend the Claims Objection Deadline for cause.

12. An extension of the Claims Objection Deadline is necessary to allow the GUC Trustee sufficient time to finalize ongoing negotiations, or, if those negotiations ultimately prove unsuccessful, to file timely objections to such Claims, as appropriate. Accordingly, the GUC Trustee respectfully requests that the Court extend the Claims Objection Deadline by an additional 180 days to complete the GUC Trustee’s review, analysis, and negotiations.

13. The extension of the Claims Objection Deadline is not sought for purposes of delay and should not prejudice claimants. Granting the extension will permit the GUC Trustee to continue to resolve Claims consensually and efficiently because the GUC Trustee may resolve disputes regarding Claims without further order of the Court pursuant to Section VIII.B. of the Plan.

14. Given the number of Claims filed and the extensive reconciliation process and the pending effective date of the Settlement Agreement, the GUC Trustee respectfully submits that the requested extension of the Claims Objection Deadline is just and appropriate

under the circumstances and that “cause” exists under Bankruptcy Rule 9006(a) to grant the relief requested herein.

15. Relief similar to that requested herein has been granted in recent cases in this district.<sup>3</sup> *See, e.g., In re Gainey Corporation*, Case No. 08-09092 (Bankr. W.D. Mich. 2013); and *In re Midcom Communications, Inc.*, Case No. 97-59044 (Bankr. E.D. Mich. 1999).

### **Notice**

16. The GUC Trustee has provided notice of this Motion to: (a) the Office of the U.S. Trustee for the Eastern District of Michigan; (b) counsel to the Debtor; (c) and any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the GUC Trustee respectfully submits that no further notice is necessary.

### **No Prior Request**

17. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the GUC Trustee respectfully requests that the Court enter an order, substantially in the form attached hereto as **Exhibit 1**, granting the relief requested herein and such other and further relief as the Court deems appropriate.

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<sup>3</sup> Because of the voluminous nature of the orders cited herein, they are not attached to this Motion. Copies of these orders are available on request of the GUC Trustee’s counsel.

Dated: May 1, 2015

**DYKEMA GOSSETT PLLC**

/s/ Sheryl Toby

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and

**PACHULSKI STANG ZIEHL & JONES LLP**

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*Counsel to the General Unsecured Claims Litigation  
Trustee*

**Exhibit 1**

**Proposed Order**



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

|                    |   |                          |
|--------------------|---|--------------------------|
| In re:             | ) | Chapter 11               |
|                    | ) |                          |
| GROEB FARMS, INC., | ) | Case No. 13-58200-wsd    |
|                    | ) |                          |
| Debtor.            | ) | Honorable Walter Shapero |

**ORDER FURTHER EXTENDING THE DEADLINE TO  
OBJECT TO THE ALLOWANCE OF CLAIMS**

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Upon the motion (the “Motion”)<sup>1</sup> of the General Unsecured Claims Litigation Trustee in the above referenced case, (the “GUC Trustee”), for the entry of an order (this “Order”) further extending the deadline to object to the allowance of Claims against the Reorganized Debtors, all as more fully set forth in the Motion; and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Reorganized Debtor’s estate, its creditors, and other parties in interest; and the GUC Trustee having provided appropriate notice under the circumstances of the Motion and the opportunity for a hearing on the Motion, and that no other or further notice is

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

required; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, Accordingly, it is hereby:

ORDERED that, the Motion is granted as set forth herein;

ORDERED that, the Claims Objection Deadline is extended through and including December 31, 2015;

ORDERED that, the relief granted herein is without prejudice to the GUC Trustee's right to seek further extensions of the Claims Objection Deadline;

ORDERED that, the GUC Trustee is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion;

ORDERED that, notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, terms and conditions of this Order shall be immediately effective and enforceable upon its entry;

ORDERED that, to the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in this case, the terms of this Order shall govern;

ORDERED that, the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

**Exhibit 2**

**Notice of Motion and Opportunity To Object**

**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 GUC Trustee 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.                                  | ) |                            |

**NOTICE OF MOTION AND OPPORTUNITY TO OBJECT**

On May 1, 2015, the General Unsecured Claims Litigation Trustee (the “GUC Trustee”) in the above-captioned adversary case, filed the *MOTION OF THE GENERAL UNSECURED CLAIMS LITIGATION TRUSTEE FOR ENTRY OF AN ORDER FURTHER EXTENDING THE DEADLINE TO OBJECT TO THE ALLOWANCE OF CLAIMS* (the “Motion”) with the United States Bankruptcy Court For The Eastern District Of Michigan, Southern Division, 211 West Fort Street, Detroit, Michigan 48226 (the “Bankruptcy Court”). A copy of the Motion is attached hereto.

**Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

If you do not want the Court to grant the relief sought in the Motion, or if you want the Court to consider your views on the Motion, within 14 days you or your attorney must:

1. File with the Court a written response or an answer, explaining your position at:<sup>2</sup>

United States Bankruptcy Court  
211 W. Fort Street, Suite 210  
Detroit, MI 48226

If you mail your response to the Court for filing, you must mail it early enough so the Court will **receive** it on or before the date stated above. All attorneys are required to file pleadings electronically.

You must also mail a copy to:

(i) counsel to the GUC Trustee:

Pachulski Stang Ziehl & Jones LLP  
Attn: Bradford J. Sandler, Esq.  
919 North Market Street, 17<sup>th</sup> Floor  
Wilmington, DE 19801

(ii) local counsel to the GUC Trustee

Dykema Gossett PLLC,  
Attn: Sheryl L. Toby, Esq.  
39577 Woodward Ave., Suite 300  
Bloomfield Hills, Michigan 48304

The Office of the United States Trustee  
Attn: Kelley Callard, Esq.  
211 West Fort Street, Suite 700  
Detroit, Michigan 72886

2. If a response or answer is timely filed and served, the clerk will schedule a hearing on the motion and you will be served with a notice of the date, time, and location of the hearing.

**If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter an order granting the relief.**

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<sup>2</sup> Responses or answer must comply with Fed. R. Civ. P. 8(b), (c) and (e).

Dated: May 1, 2015

**DYKEMA GOSSETT PLLC**

/s/ Sheryl L. Toby

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*Counsel to the General Unsecured Claims Litigation  
Trustee*

**Exhibit 4**

**Certificate of Service**

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

|                    |   |                          |
|--------------------|---|--------------------------|
| In re:             | ) | Chapter 11               |
|                    | ) |                          |
| GROEB FARMS, INC., | ) | Case No. 13-58200-wsd    |
|                    | ) |                          |
| Debtor.            | ) | Honorable Walter Shapero |

**CERTIFICATE OF SERVICE**

I hereby certify that on May 1, 2015, I electronically filed the MOTION OF THE GENERAL UNSECURED CLAIMS LITIGATION TRUSTEE FOR ENTRY OF AN ORDER FURTHER EXTENDING THE DEADLINE TO OBJECT TO THE ALLOWANCE OF CLAIMS using the ECF system which will send notification of such filing to all ECF participants in this matter.

**DYKEMA GOSSETT PLLC**

By: /s/ Sheryl L. Toby  
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