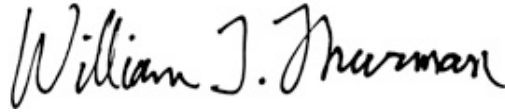


This order is SIGNED.

Dated: May 6, 2015



**WILLIAM T. THURMAN
U.S. Bankruptcy Judge**



eeo

Prepared and Submitted By:

Annette W. Jarvis (Utah State Bar No. 01649)
Peggy Hunt (Utah State Bar No. 06060)
Michael F. Thomson (Utah State Bar No. 09707)
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Attorneys for Debtor Naartjie Custom Kids, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

NAARTJIE CUSTOM KIDS, INC.,

Debtor.

Case No. 14-29666

Chapter 11

Judge William T. Thurman

ORDER GRANTING JOINT MOTION OF THE DEBTOR AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019, FOR THE ENTRY OF AN ORDER APPROVING A SETTLEMENT WITH SYNCLAIRE BRANDS, INC.

Upon the joint Motion¹ of the Debtor and the Official Committee of Unsecured Creditors (the “Committee”) in the above-captioned Chapter 11 Case seeking, pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), Rules 9014 and 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Local Rules of this Court, for entry of an Order approving that certain settlement (the “Settlement”) among the Debtor, the Committee and Synclaire Brands, Inc., a creditor in the above-captioned bankruptcy case (“Synclaire”), as memorialized by the Stipulation attached hereto as **Exhibit A**; and the Court having determined that the relief sought in the Motion is in the best interest of the Debtor, its estate and creditors, and other parties-in-interest; and the Court having jurisdiction to consider the Motion and the relief requested therein; and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that proper and adequate notice of the Motion and of the hearing on the Motion has been given as demonstrated by the *Notice of Hearing* [Docket No. 455] and the *Certificate of Service* for the Notice of Hearing [Docket No. 456], and that no other or further notice is necessary; and no objections to the Motion having been asserted; and a hearing having been held on the Motion on April 28, 2015, at which time the Court entered its findings of fact and conclusions of law on the record, which findings and conclusions are incorporated herein by reference, it is hereby **ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is **GRANTED**;
2. The Settlement memorialized in the Stipulation attached hereto as **Exhibit A** is **APPROVED**; and

¹ Docket No. 454. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

3. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

End of Order_____

DESIGNATION OF PARTIES TO BE SERVED

Service of the foregoing Order shall be served to the parties in the manner designated below:

By Electronic Service: I certify that the parties of record in this case, as identified below, are registered CM/ECF users in this bankruptcy case.

- Jeffrey M Armington armington.jeff@dorsey.com
- Darwin H. Bingham dbingham@scalleyreading.net, cat@scalleyreading.net
- Dustin P. Branch dustin.branch@kattenlaw.com, donna.carolo@kattenlaw.com;lora.anderson@kattenlaw.com
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- Andrew S. Conway Aconway@taubman.com
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- Tyler M. Hawkins hawkinst@ballardspahr.com, saltlakedocketclerk@ballardspahr.com;brownd@ballardspahr.com
- Annette W. Jarvis jarvis.annette@dorsey.com, smith.ron@dorsey.com;slc.lit@dorsey.com;brown.patricia@dorsey.com
- Michael R. Johnson mjohnson@rqn.com, dburton@rqn.com;docket@rqn.com
- Teddy M. Kapur tkapur@pszjlaw.com
- Peter J. Kuhn tr Peter.J.Kuhn@usdoj.gov, James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
- Bria E LaSalle Mertens blmertens@stoel.com, docketclerk@stoel.com
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- United States Trustee USTPRegion19.SK.ECF@usdoj.gov
- Gale K. x6Francis txbk13@utah.gov

By U.S. Mail – In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice:

Exhibit A

1 Michael R. Johnson, Esq. (A7070)
David H. Leigh, Esq. (A9433)
2 **RAY QUINNEY & NEBEKER P.C.**
36 South State Street, 14th Floor
3 Salt Lake City, Utah 84111
Telephone: (801) 532-1500
4 Facsimile: (801) 532-7543
Email: mjohnson@rqn.com
5 Email: dleigh@rqn.com

6 Jeffrey N. Pomerantz (CA Bar No. 143717)
Bradford J. Sandler (DE Bar No. 4142)
7 Teddy M. Kapur (CA Bar No. 242486)
8 **PACHULSKI STANG ZIEHL & JONES LLP**
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9 Los Angeles, CA 90067
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10 Facsimile: (310) 201-0760
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11 bsandler@pszilaw.com
12 tkapur@pszilaw.com

13 *Attorneys for the Official Committee of*
14 *Unsecured Creditors of Naartjie Custom Kids, Inc.*

Annette W. Jarvis (A1649)
Peggy Hunt (A6060)
Michael F. Thomson (A9707)
Jeffrey M. Armington (A14050)
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Attorneys for Debtor Naartjie Custom Kids, Inc.

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

15 IN THE UNITED STATES BANKRUPTCY COURT
16 FOR THE DISTRICT OF UTAH

| | |
|---|--|
| 17 In re: 18 NAARTJIE CUSTOM KIDS, INC., 19 20 Debtor. | Bankruptcy Case No 14-29666 Chapter 11 Chief Judge William T. Thurman [Filed Electronically] |
|---|--|

21 **STIPULATION AMONG OFFICIAL COMMITTEE OF UNSECURED CREDITORS, THE**
22 **DEBTOR AND SYNCLAIRE BRANDS, INC. RESOLVING CLAIM NO. 163 AND**
23 **TERMINATING THE U.S. MERCHANDISE LICENSE AGREEMENT**

24 Naartjie Custom Kids, Inc., the debtor-in-possession (the "Debtor") in the above-entitled case
25 (the "Case"), the Official Committee of Unsecured Creditors (the "Committee") appointed in the
26 Case, and Synclaire Brands, Inc., a creditor in the Case ("Synclaire," and together with the Debtor
27 and the Committee, the "Parties") hereby stipulate (the "Stipulation"), by and through their counsel,
28 as follows:

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

RECITALS

1
2 A. Synclaire and the Debtor entered into a certain U.S. Merchandise License Agreement,
3 dated February 1, 2011 (as amended, the "License Agreement"). The expiration date for the License
4 Agreement is December 31, 2015. The License Agreement calls for Synclaire to pay the Debtor
5 certain Guaranteed Minimum Payments in the amount of \$50,000 for 2014 (the "2014 Guaranteed
6 Minimum Payment") and \$75,000 for 2015 (the "2015 Guaranteed Minimum Payment"). Synclaire
7 has not paid any portion of the 2014 Guaranteed Minimum Payment or the 2015 Guaranteed
8 Minimum Payment.

9 B. On September 12, 2014 (the "Petition Date"), the Debtor filed a voluntary petition
10 with this Court under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") and
11 thereby commenced this Case. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the
12 Debtor is continuing to operate its business and manage its properties and assets as a debtor in
13 possession.

14 C. On September 22, 2014, the Office of the United States Trustee appointed the
15 Committee pursuant to section 1102 of the Bankruptcy Code. [Docket No. 69, as amended by
16 Docket No. 82]

17 D. On January 14, 2015, Synclaire filed a proof of claim in the sum of \$177,867.75 that
18 was designated as an administrative claim under section 503(b)(9) of the Bankruptcy Code and as
19 Claim No. 163 in the claims register maintained by the Court (the "Proof of Claim").

20 E. The Parties have agreed that in full and final satisfaction of all amounts owed or
21 claimed to be owed from the Debtor to Synclaire, including in full satisfaction of all amounts
22 claimed to be due under the Proof of Claim, the Proof of Claim shall be deemed an allowed Section
23 503(b) administration claim in the reduced total amount of \$100,000; the Parties have agreed to
24 terminate the License Agreement; and the Debtor has agreed to waive Synclaire's obligation to pay
25 the 2014 Guaranteed Minimum Payment and the 2015 Guaranteed Minimum Payment.

26 **NOW, THEREFORE, IT IS HEREBY STIPULATED** in consideration of the mutual
27 promises contained in this Stipulation, and for other good and valuable consideration, the receipt and
28

1 sufficiency of which are hereby acknowledged, and the Parties intending to be legally bound by this
2 Stipulation, the Parties hereby agree as follows:

3 AGREEMENT

4 1. The Proof of Claim shall be deemed an allowed Section 503(b) administration claim
5 in the reduced total amount of \$100,000, which shall be paid on a *parri passu* basis with all other
6 Section 503(b) claims in the Case.

7 2. The License Agreement shall be deemed terminated upon the Bankruptcy Court's
8 approval of this Stipulation.

9 3. Synclaire shall have no obligation to pay the 2014 Guaranteed Minimum Payment or
10 the 2015 Guaranteed Minimum Payment.

11 4. The Parties and their employees, agents, and owners, each hereby waive, withdraw,
12 release, remise, forgive, acquit, settle, compromise and forever discharge any and all claims,
13 demands, debts, liabilities, contracts, obligations, accounts, torts, causes of action, or claims for
14 relief of whatever kind or nature that they may have against the other and its employees, agents, and
15 owners, based on any grounds (including, but not limited to tort and breach of contract), whether
16 known or unknown, suspected or unsuspected, or liquidated or unliquidated (the "Release"),
17 provided however, that the Release granted by the Committee is solely with respect to claims that
18 the Committee has in its representative capacity for the Debtor's estate and not with respect to
19 claims held by individual members of the Committee.

20 5. Synclaire warrants and represents that it is the sole owner of the Proof of Claim, and
21 the Proof of Claim has not been assigned or transferred to any third party.

22 6. This Stipulation shall become effective upon (i) receipt by the Committee of a fully-
23 executed copy of this Stipulation; and (ii) approval by the Bankruptcy Court of this Stipulation.

24 7. This Stipulation contains the entire understanding of the Parties hereto and supersede
25 all prior understandings and agreements, whether written or oral, between the Parties.

26 8. Each party to this Stipulation warrants and represents that he, she or it has the power
27 and authority to execute, deliver and perform its obligations under this Stipulation.
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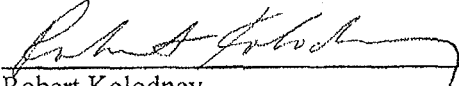
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9. The provisions of this Stipulation shall inure to the benefit of the Parties, as well as their successors and assigns.

10. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation.

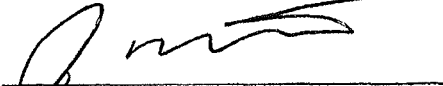
Dated: March __, 2015

KANE KESSLER, P.C.

By: 
Robert Kolodney
Counsel for Synclair Brands, Inc.

Dated: March 30, 2015

DORSEY & WHITNEY LLP

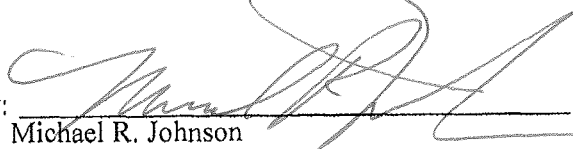
By: 
Annette W. Jarvis
Peggy Hunt
Michael F. Thomson
Jeffrey M. Armington
Counsel for the Debtor Naartjie Custom Kids, Inc.

Dated: March 30, 2015

PACHULSKI STANG ZIEHL & JONES LLP
10100 Santa Monica Blvd. 13th Floor
Los Angeles, CA 90067

--and--

RAY QUINNEY & NEBEKER P.C.

By: 
Michael R. Johnson
David H. Leigh
Counsel for the Official Committee of Unsecured Creditors

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