

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

IN RE:) Chapter 11
)
Steve and Celeste Murphy,) Case No. 13-80740
)
) Judge: Hon. Thomas M. Lynch
Debtors.)

**ORDER APPROVING SALE
OF 23 MEMBERSHIP INTERESTS TO THE
WAYNE H. ERICKSON REVOCABLE TRUST
AND APPROVING SHORTENED NOTICE AS TO SAME**

On June 22, 2016, the Debtor's Motion for Sale of Assets under 11 U.S.C. § 363(f) [Dkt. 287] (the "Motion") came on for hearing before the Court, and the Court continued the hearing to June 27, 2016, and then to June 28, 2016. The hearing and continued hearing shall collectively be referred to as the "Hearing." The Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court has jurisdiction to rule upon the request. Sufficient notice of the Motion was provided to all creditors and other interested parties in accordance with all relevant provisions of the bankruptcy code and rules and prior Orders, and no additional notices are required. All parties in interest were also afforded reasonable opportunity to object to the Motion and to be heard in regard to the requested relief. At the Hearing, the Debtor advised the Court that the Debtor and Wayne Erickson have agreed that the Wayne H. Erickson Revocable Trust, dated January 6, 2009, is the purchaser and that the Debtors will deliver at closing a release in favor of the Non-Debtor Members, the LLCs and their agents, attorneys and accountants, that conforms with paragraph 8 of the Joint Stipulation (the "Purchase Agreement"). At the Hearing, the Debtor also advised the Court that QuickLiquidity, LLC, and its affiliates (collectively "QL") entered into a settlement with QL in which the Debtor agreed to pay QL up

to \$325,000 as a general unsecured claim in satisfaction of all claims QL has against the Debtors and the Estate, as well as the LLCs and the Non-Debtor Members of the LLCs (the “NDM”). Based on that settlement, QL filed a Notice of Withdrawal of its Objection to the Sale. The Settlement Agreement (attached hereto as Exhibit “A”) between QL and the Debtors and the Estate, subject to Court approval, evidences that settlement. No other party has objected to this pending motion or the relief requested therein.

Based upon the record, including the sworn testimony of the Debtor, Steve Murphy, adopting his attorney’s proffer of fact, the Court finds that:

A. The purchaser, the Wayne H. Erickson Revocable Trust, dated January 6, 2009, as assignee of Wayne Erickson (collectively “Erickson” or “Purchaser”), is the approved purchaser of Debtor Steve Murphy’s Membership Interests in the 23 limited liability companies per the Limited Liability Company Membership Interest Purchase Agreements, attached hereto collectively as Exhibit “B” (the “Membership Interests”), for which it will make a cash payment at closing of \$10,000,000.00;

B. The Debtors have articulated sound business justification for the sale;

C. The Purchaser purchased for value, in good faith, and without notice of adverse claims to title;

D. The sale was conducted at arm’s length, upon reasonable and fair notice, for fair and reasonable value, without fraud or collusion, and was made in good faith;

E. The Purchaser provided the highest and best bona fide offer for the Debtor’s Membership Interests and the sale of such Membership Interests on the terms of the Purchase Agreement is in the best interest of this Estate, its creditors, and other parties in interest;

F. All provisions of the Bankruptcy Code governing the sale of property outside of the ordinary course of business and free and clear of liens, claims, encumbrances and other interests have been satisfied; and

G. The Purchaser proceeded in good faith and is a good faith purchaser within the meaning of 11 U.S.C. § 363(m).

Accordingly, based upon the record and the findings stated above,

IT IS ORDERED that:

1. The Debtor's Motion is granted, and the sale of the Membership Interests to the Wayne H. Erickson Revocable Trust, dated January 6, 2009, as assignee of Wayne Erickson, pursuant to the Purchase Agreement, is approved pursuant to 11 U.S.C. §§ 105(a), 363(b), 363(f), 363(m), and 363(n) as a sale free and clear of claims, liens, and other interests as provided under 11 U.S.C. § 363(f), with such claims, liens and other interests attaching to the proceeds of sale subject to the same validity, enforceability, priority, force and effect as existed prior to the sale.
2. Any objections to the Motion, to the extent not withdrawn or otherwise addressed by this Order, are overruled. Any party who did not object, or withdrew its objection, is deemed to have consented to the sale pursuant to 11 U.S.C. § 363(f)(1).
3. The Debtor's entry into the Purchase Agreement is approved.
4. Erickson is a good faith purchaser within the meaning of 11 U.S.C. § 363(m).
5. The closing of the sale to Erickson as the Purchaser shall occur on or before June 30, 2016.
6. The Debtor is authorized and directed to execute, deliver, exchange, and perform under all documents (including bills of sale, agreements, releases, certificates, assignments,

releases, and other instruments) as are necessary or appropriate to consummate the sale and transfer of the Debtor's Membership Interests in accordance with this Order and the Purchase Agreement.

7. Nothing in this Order shall work to the prejudice of the rights of the Debtor or other party in interest to object to any claims filed in this case, and all defenses to any claims, interests, rights, or encumbrances, together with all issues as to the validity, extent, or priority of such claims, interests, rights, or encumbrances, are expressly reserved for further hearing and shall be resolved through appropriate proceedings after the closing of the sale. The reference in this Order to any specific claimants shall not be regarded as operating to the detriment of any claimants not specifically named, all of which shall be resolved in subsequent proceedings as provided above.

8. This Order shall constitute a release of all liens, claims, and other interests within the meaning of 11 U.S.C. § 363(f) as to the Membership Interests transferred pursuant to the Purchase Agreement effective as of the closing of the sale. Upon closing, any claim which might have been raised as to the Membership Interests themselves or which may possibly exist as to the Membership Interests is terminated and extinguished, subject only to the provisions of this Order regarding the attachment of such claims to the proceeds of sale. If the proposed sale fails to close for any reason, the Membership Interests shall remain subject to all liens, claims, and other interests.

9. All sales proceeds will be deposited into the Debtor-in-Possession account of the Debtors or an interest bearing escrow account, provided that the funds may only be released pursuant to a court order and the Debtor's attorney is the only signatory on the account.

10. This Order is binding on all filing agents and officers, all escrow agents, all title agents, all title insurance companies, all administrative agencies, all government departments and units, all Secretaries of State, and all federal, state, or local (or subdivision thereof) officials and all other persons or entities who may be required by operation of law, or by the duties of their office or by contract, to accept, file, register, or otherwise record or release any documents or instruments or who may be required to report or insure any title or state of title in, to, or as regards the (all such persons or entities being "Recording Officers"). All Recording Officers are authorized and specifically directed to strike recorded claims (if any) against the transferred assets in conformity with the terms of this Order.

11. The Court shall retain jurisdiction (a) to enforce and implement the terms and provisions of this Order, the Purchase Agreement as approved by the Court and all amendments thereto and any waivers or consents thereunder, and of each of the agreements, instruments, and documents executed in connection therewith; (b) to bar the enforcement of any liens, claims or other liabilities, against Erickson or Purchaser relating to the purchase or actions in connection with the sale (or proposed sale) of the Membership Interests; (c) to compel delivery of the Membership Interests to Purchaser in accordance with the Purchase Agreement; or (d) to interpret, implement, and enforce the provisions of this Order.

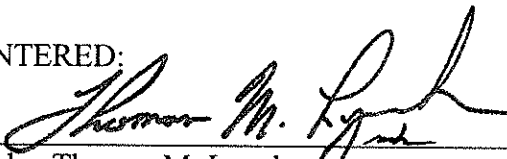
12. Good cause exists for the shortened notice and the Debtor's Motion as to Shortened Notice is granted.

13. This Order shall be effective upon entry, and the stay imposed by Rule 6004(h), Fed. R. Bankr. P., is waived.

Date:

JUN 29 2016

ENTERED:



Judge Thomas M. Lynch

EXHIBIT "A"

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement" or "Settlement Agreement") is entered into by and between Steve and Celeste Murphy (the "Debtors") and the Bankruptcy Estate of *In re: Steve and Celeste Murphy*, Case No. 13-80740 (the "Estate"); QuickLiquidity, LLC, and QuickLiquidity XXI, LLC (collectively, "QL"); and Wayne Erickson and George Ralph (the "Non-Debtor Members").

RECITALS:

A. Pursuant to a Joint Stipulation regarding Sale of Membership Interests (the "Joint Stipulation"), entered into between the Non-Debtor Members, George Ralph ("Ralph") and Wayne Erickson ("Erickson"), and the Debtors, which was approved by this Court by Order entered on December 30, 2015 [Dkt. 242], the Debtors were permitted to market Debtor Steve Murphy's Membership Interests in those LLCs set forth in the Joint Stipulation.

B. The Joint Stipulation required that the Debtors present a bona fide offer accompanied by a firm commitment letter to the extent financing was involved and comply with the other provisions of the Joint Stipulation in order to be allowed to sell Debtor Steve Murphy's Membership Interests, which right expires on June 30, 2016.

C. On March 2, 2016, Debtor filed a Motion for Orders [Dkt. 250] (the "Motion for Orders"), seeking approval to sell Debtor Steve Murphy's LLC interest in each of 23 (the "LLCs") of the 31 LLCs to QL for \$15,000,000.00, without any evidence that QL had the financial ability to close.

D. On March 22, 2016, the Non-Debtor Members, Ralph and Erickson, filed their objection to Debtor's Motion for Orders [Dkt. 255; 256].

E. On April 1, 2016, this Court entered an Agreed Order [Dkt. 261] (the "4/1/16 Order").

F. On May 18, 2016, the Debtors filed their Motion to Sell Certain of the Debtor's LLC Membership Interests and to Shorten Notice [Dkt. 269] ("Motion to Sell").

G. On June 3, 2016, each of Ralph and Erickson filed their Objections to Debtor's Motion to Sell on the basis that, among other things, QL had not made a bona fide third party offer as required by the Joint Stipulation [Dkt. 276; 277].

H. On June 3, 2016, Erickson filed his Notice of Non-Contingent, AS IS, Offer to Purchase (the "Erickson Offer") [Dkt. 282].

I. On June 6, 2016, the Debtors accepted the Erickson Offer.

J. On June 7, 2016, the Debtors terminated all agreements with QL and its affiliated entities.

K. On June 8, 2016, the Debtors filed its Motion for Orders Authorizing the Sale of 23 LLC Membership Interests Free and Clear of All Liens, Claims, and Encumbrances and to Shorten Notice to that Given [Dkt. 287] (the "Motion for Orders as to Erickson").

L. On June 17, 2016, QL objected [Dkt. 299] to that Motion for Orders as to Erickson asserting (among other things) that it made a bona fide third party offer, that it had provided proof of ability to close as required by the 4/1/16 Order, that it was entitled to reimbursement of \$100,000.00 for its due diligence, and that it was entitled to be paid \$450,000.00 for a break-up fee at the Erickson closing (the "QL Objection"). QL also asserted that the Non-Debtor Members (Erickson and Ralph) interfered with the due diligence process and threatened litigation. The Non-Debtor Members denied all such allegations.

M. Ralph, Erickson, and the Debtors do not dispute that QL is entitled to the \$100,000.00 reimbursement for due diligence as provided by the 4/1/16 Order and each of the same agree to not oppose QL's request for the allowance of an administrative claim in the amount of \$100,000.00 as reimbursement of due diligence expenses (the "QL Administrative Claim"). The Debtors and QL reached an agreement to resolve the dispute as to whether QL is a bona fide purchaser as required by the Joint Stipulation and the 4/1/16 Order and is thereby entitled to be paid an agreed upon amount of \$225,000.00 as a break-up fee at the closing of the sale to Erickson as provided by the 4/1/16 Order by way of the agreement set forth below.

N. To resolve all disputes between them, QL will release the Debtors, the Estate, the LLCs, the Non-Debtor Members of the LLCs, and their agents, accountants and lawyers from any and all matters in exchange for the consideration as set forth below and will withdraw the QL Objection.

O. Erickson has advised the Debtors and the Estate that Erickson will not close on the purchase of the Membership Interests without this Court's approval of this Settlement Agreement and QL's release as set forth below.

P. This Agreement is expressly subject to Bankruptcy Court approval for which the Court has shortened notice, and approval of this Agreement came on for hearing before the Honorable Judge Thomas M. Lynch on Monday, June 27, 2016, and June 28, 2016.

AGREEMENT:

NOW, THEREFORE, in consideration of the above recitals and to fully and finally resolve all of the disputes between QL, on the one hand, and the Debtors and the Estate, on the other hand, the parties agree as follows:

1. The foregoing recitals are incorporated herein as part of this Agreement.
2. QL shall:
 - (a) be deemed to have withdrawn its Objection [Dkt. 299] to the sale of the LLC Membership Interests to Erickson;

- (b) be deemed to have reduced its break-up fee as set forth in the 4/1/16 Order from \$450,000.00 to \$225,000.00 for which QL will file a general unsecured claim in the amount of \$225,000.00. In the event the Bankruptcy Court does not enter an Order allowing QL the entire \$100,000.00 due diligence reimbursement as an administrative claim pursuant to 11 U.S.C. § 503(b), then QL may file a general unsecured claim in such amount to make up the difference between the \$100,000.00 amount and the allowed amount, but in no event to exceed \$325,000.00;
- (c) file a motion for allowance of the \$100,000.00 reimbursement for its due diligence expenses as an administrative claim;
- (d) on behalf of itself and all of its affiliated entities, officers, directors, agents, successors and assigns, be deemed to have fully released the Debtors, the Estate, the Non-Debtor Members (Erickson and Ralph), the LLCs, and any and all of their employees, agents, lawyers, accountants, successors and assigns, of and from any and all matters and claims, known or unknown, existing as of the date the Order is entered approving this Agreement or in any way relating to the LLCs.

3. The Debtors and the Estate shall:

- (a) upon entry of an Order approving the same (in whole or in part), pay to QL the amount of the QL Administrative Claim as approved by the Court;
- (b) pay to QL the sum of \$225,000.00 as a general unsecured claim pursuant to a confirmed Plan of Reorganization; provided, further, if the Court does not approve the QL Administrative Claim, then the general unsecured claim of QL shall be \$325,000.00;
- (c) immediately seek Bankruptcy Court approval of this Agreement;
- (d) be deemed to release and discharge QL and all of its affiliated entities and any and all of its agents, lawyers and accountants, of and from any and all matters or claims, known or unknown, existing as of the date the Order is entered approving this Agreement or in any way relating to the LLCs.

4. Release of QL by Ralph and Erickson. Upon the entry of an Order approving this Agreement, each of Ralph and Erickson shall be deemed to release and discharge QL and all of its affiliated entities and any and all of its agents, lawyers and accountants, of and from any and all matters or claims, known or unknown, existing as of the date the Order is entered approving this Agreement or in any way relating to the LLCs

5. QL shall have an allowed unsecured claim in the amount of at least \$225,000.00, but not to exceed \$325,000.00, the calculation for which is set forth in paragraph 2(b) above. Erickson agrees to purchase (immediately following the closing of his purchase per the Erickson

Offer) from QL \$112,500.00 of QL's allowed general unsecured claim, and QL shall sign all necessary documents to effectuate that sale and transfer.

6. This Agreement may be executed in one or more counterparts, any of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile or electronically transmitted signatures shall be deemed to have the full force and effect of original ink signatures.

7. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Agreement. The parties consent to the jurisdiction of the Bankruptcy Court to resolve any disputes or controversies between the parties arising from or related to this Agreement. Any motion or application brought before the Bankruptcy Court to resolve a dispute arising from or related to this Agreement shall be brought on proper notice in accordance with relevant Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Illinois, Western Division (the "Local Rules").

8. The parties acknowledge that this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof.

9. This Agreement shall be governed by the laws of the State of Illinois and shall be construed and interpreted in accordance with its laws, notwithstanding its conflict of laws, principles or any other rule or regulation that would result in the application of any other state's law.

10. Negotiations and understandings with respect to the subject matter of this Agreement are canceled and superseded by this Agreement.

11. The Debtors will promptly file the necessary documents to seek the approval of the Bankruptcy Court for this Agreement. If the Bankruptcy Court does not approve this Agreement for any reason, this Agreement shall in all respects be considered null and void.

12. The parties understand and agree that this Agreement is being made to avoid the uncertainty, time, trouble, and expense of litigation and that such settlement shall not be taken as an admission of liability on the part of anyone, but rather, such liability has been and is expressly denied. Each party agrees to bear its own costs, except as otherwise provided in this Agreement.

13. QL and the Debtors represent and warrant that they have each had an opportunity to review fully the provisions of this Agreement with attorneys of their own choice. As a result, the parties hereto acknowledge and agree as follows: (a) that any rule of law which provides that ambiguities are to be construed against the drafting party shall not be employed in the interpretation of this Agreement; and (b) that each party signing this Agreement is entering into this Agreement knowingly, voluntarily, and of its own free will.

14. The Debtors and the Estate agree that any Plan of Reorganization filed by them shall pay in cash 100% of all allowed claims upon confirmation of such Plan.

QUICKLIQUIDITY LLC

DEBTORS:

By: _____
Its: _____

Steve Murphy

QUICKLIQUIDITY XXI, LLC

Celeste Murphy

By: _____
Its: _____

NON-DEBTOR MEMBERS:

Wayne Erickson

George Ralph

EXHIBIT "B"

**LIMITED LIABILITY COMPANY
MEMBERSHIP INTEREST PURCHASE AGREEMENT**

This agreement (the "Agreement") is made this 28 day of June, 2016, by and between Wayne H. Erickson as trustee of the Wayne H. Erickson Revocable Trust dated January 6, 2009, as assignee of Wayne H. Erickson ("Buyer") and Steven S. Murphy ("Seller") as Debtor in Possession in the Chapter 11 case in the Northern District of Illinois, Western Division, titled *In re: Steve and Celeste Murphy, Debtors*, Case No. 13-80740 (the "Bankruptcy Case") with respect to the purchase and sale of membership interests owned by the Seller in twenty-three (23) limited liability companies (collectively the "LLCs" referenced in attached Exhibit A), which purchase is hereinafter referred to as the "Transaction."

RECITALS:

Whereas, there is a Stipulation dated December 7, 2015, and approved by the Bankruptcy Court on December 30, 2015 (referenced in attached Exhibit B) signed by all relevant members of the LLCs which permits the transfer of Seller's membership interests in the LLCs to a third party, subject to approval of the Bankruptcy Court in the Bankruptcy Case; and

Whereas, the afore-described Stipulation grants a right of first refusal to other applicable owners of member interests in the LLCs to purchase as set forth therein; and

Whereas, Buyer is willing to purchase the membership interests of Seller pursuant to all terms set forth in the afore-described Stipulation, including the right of first refusal.

Now, therefore, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, it is hereby AGREED by and between the parties as follows:

AGREEMENT:

1. Recitals. The recitals set forth above are fully incorporated herein by reference.
2. Assets Purchased. The assets being purchased and sold free and clear of all liens at Closing (as defined herein) consist of the membership interest of Seller in the 23 limited liability companies set forth in Exhibit A attached hereto.
3. Purchase Price. Buyer shall pay to Seller (or as directed by Court Order in the Bankruptcy Case) the sum of Ten Million Dollars (\$10,000,000.00) cash at Closing (as defined herein) for 100% of Seller's membership interests in the 23 LLCs set forth in Exhibit A, free and clear of all liens.
4. Closing. The closing date ("Closing") shall be on or before June 30, 2016, at the law offices of Reno & Zahm, LLP, or such other location as mutually agreed upon by the parties, at 10:00 a.m. CDT.
5. Deliverables at Closing.
 - a. Seller shall provide the following at Closing, in form satisfactory to the Buyer:
 - i. Evidence of non-exercise of right of first refusal set forth in the Stipulation;

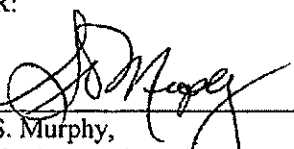
- ii. Final and non-appealable Order in the Bankruptcy Case approving sale of 100% interest of the Seller in the 23 LLCs set forth in Exhibit A;
 - iii. Fully executed documents transferring said ownership to the Buyer, or to Buyer's designee (limited to either an entity owned by the Buyer or trust for the benefit of the Buyer);
 - iv. Any and all other documents necessary to be executed by Seller to effectuate transfer of Seller's ownership interest in the LLC memberships set forth in Exhibit A;
 - v. A release in form and substance acceptable to Buyer.
- b. Buyer shall provide the following at Closing, in form satisfactory to the Seller:
- i. Cash or certified check payable to the order of the Seller, or wire transfer to the account of the Seller, or such other payee as may be directed by Order of the Bankruptcy Court, as payment in full for all sums due Seller for Buyer receiving 100% of the Seller's membership interests in the 23 LLCs set forth in Schedule 2, free and clear of all liens and encumbrances.

6. Miscellaneous.

- a. This Agreement shall in all respects be construed in accordance with and governed by the substantive laws of the State of Illinois and the Bankruptcy Code, as applicable, without reference to its choice of law rules and the parties agree that any litigation relating hereto shall be commenced in the applicable courts in Winnebago County, Illinois.
- b. Both parties agree to cooperate in the execution of any and all documentation as necessary to effectuate the Transaction set forth in this Agreement.
- c. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof.
- d. This Agreement and various rights and obligations arising hereunder shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.


Executed at Rockford, Illinois, the day and year first above written.

SELLER:



Steven S. Murphy,
Debtor in Possession, *in re*: Steve and Celeste
Murphy, Debtors, Case No. 13-80740

BUYER:



Wayne H. Erickson, as trustee of the Wayne H.
Erickson Revocable Trust dated January 6, 2009

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% owned, Para. re Sale, State Juris., and Member Interest

	A	B	C	D	E	F
1	Description		%	OA	St.	Stip
2	GNI of Alford,	xx	40	11.1	III	E40,R20
3	GNI of Appleton East, LLC,	xx	40	11.1	WI	E30,R30
4	GNI of Chippewa Falls,	xx	40	11.1	WI	E40,R20
5	GNI of Eleventh, LLC,	xx	40	12.1	III	E40,R20
6	GNI of Essington LLC	xx	25	4.6	III	E75
7	GNI of Fort Atkinson, LLC	xx	40	11.1	WI	E40,R20
8	GNI of Grand River owns GNI of Roscoe	xx	40	4.5	MI,	E50, R10
9	GNI of Joy, LLC,	xx	40	4.5	MI	E40,R20
10	GNI of Lahzar, LLC,	xx	40	11.1	MI	E40,R20
11	GNI of Larkin LLC	xx	25	4.6	III	E75
12	GNI of Little Chute, LLC	xx	40	11.1	WI	E40,R20
13	GNI of Marinette, LLC	xx	40	11.1	WI	E40,R20
14	GNI of Paddock Lake, LLC owns GNI Riverford, Eau Claire	GNIR, GNIE	40	4.5	WI	E30,R30
15	GNI of Riverford					
16	GNI of Eau Claire					
17	GNI of Park Ridge, LLC	xx	40	11.1	WI	E30,R30
18	GNI of Pera, LLC	xx	40	11.1	III	E40,R20
19	GNI of Shawano, LLC	xx	40	11.1	WI	E40,R20
20	GNI of Sparta, LLC	xx	40	11.1	WI	E40,R20
21	GNI of State, LLC	xx	40	11.1	III	E30,R30
22	GNI of Surgeon Bay, LLC	xx	40	11.1	WI	E40,R20
23	GNI of Watertown, LLC	xx	40	4.5	WI	E40,R20
24	GNI of Wausau North, LLC	xx	40	11.1	WI	E40,R20
25	GNI of Wayne owns GNI of GB Main, GNI of Beloit, GNI of Appleton	gnia, gnib, gnigb	40	4.5	MI	E50, R10
26	GNI GB Main					
27	GNI Beloit					
28	GNI Appleton					
29	GNI of Winona LLC	xx	40	11.1	Minn	E40,R20
30						
31	Col. E - "E" indicates Erickson's interest, "R" indicates Ralph's					
32	Interest, "JST" indicates James Sjagried Trusts Interest, "NI"					
33	Indicates Nevard Investments LLC interest.					

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

In re: } Chapter: 11
Steve and Celeste Murphy, } Case No. 13-80740
Debtors } Judge: Hon. Thomas M. Lynch

STEVE AND CELESTE MURPHY, }
Plaintiffs }
v. } Adversary No. 15-96048
WAYNE ERICKSON, }
GEORGE RALPH TRUST, }
and NEVARD INVESTMENTS }
LLC }
Debtors }

JOINT STIPULATION REGARDING SALE OF MEMBERSHIP INTERESTS

Wayne H. Erickson ("Erickson"), George R. Ralph ("Ralph"), James Siegfried Trust ("ST"), Nevard Investments LLC ("Nevard") and Steven S. Murphy ("Murphy") (or collectively, the "Members") stipulate and agree as follows as set forth in this stipulation ("Agreement"):

1. Membership Interests. Exhibit A attached hereto correctly reflects each of the 31 limited liability companies (the "LLCs") in which the Members own Membership Interests.

2. Prohibited Sales. Each of the operating agreements ("Operating Agreements") of the LLCs prohibit the conveyance of a Membership Interest in the LLC by a Member of the LLC without the unanimous consent of the Members in each LLC except for a Permitted Transfer to a Permitted Transferee as defined in most of the Operating Agreements.

3. Assent Sales Period. In consideration of the grant of first refusal rights by Murphy to the Members other than Murphy as set forth in paragraph four (4) of this Agreement,

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the Members other than Murphy hereby waive their rights for a period of six (6) months from January 1, 2016 under each of the respective Operating Agreements to prohibit Murphy's transfer of his Membership Interest in any of the limited liability companies listed on attached Exhibit A.

4. **Right of First Refusal.** In consideration of the waiver granted by the Members other than Murphy to Murphy as set forth in paragraph three (3) of this Agreement, and for a period of six (6) months from January 1, 2016, Murphy grants the Members other than Murphy a right of first refusal to acquire the Murphy Interest in any of the limited liability companies listed on attached Exhibit A upon the same terms and conditions that Murphy is willing to accept from a bona fide third party offer. A bona fide third party offer means an offer accompanied by reasonable evidence of the offering party's ability to perform, such as a firm commitment letter to the extent any financing is involved and approval for said offer and sale by the Bankruptcy Court in Case 13-80740 (the "Court"). The Members other than Murphy shall have 15 days after receipt of notice of a bona fide third party offer in which to exercise their first right of refusal by written notice to Murphy. The Members other than Murphy may exercise their right of first refusal offer jointly or severally. If exercised jointly, the percentages interest allocable to each shall be as identified in the joint notice. If exercised severally, then the percentages interest allocable to each shall be based on their proportionate share of the membership interests which they already own in connection with the LLC interest being sold. For example, if the LLC in question is owned 40% by Murphy, 40% by Erickson and 20% by Ralph, then the 40% interest of Murphy being sold would be allocated 26.67% to Erickson and 13.33% to Ralph. Many of the Members other than Murphy exercise the option, then they exercise shall be to purchase the entire interest offered. If the notice of exercise results in the purchase of less than the entire Murphy membership interest, the notice shall be ineffective because any notice must be for the purchase of the entire interest being offered for sale.

5. **No Waiver.** With the exception of the six month waiver set forth in paragraph three (3) above, nothing in this Agreement constitutes a waiver of the rights of the Members to insist upon strict compliance of any other provisions of the Operating Agreements. Nor does this Agreement constitute a waiver of any right of the Members other than Murphy to insist upon strict compliance of all terms of the Operating Agreements by any third party purchaser of Murphy's interests in any of the limited liability companies or with respect to any attempted transfer of Murphy's interests outside of the bankruptcy proceedings pending under Case No. 13-80740.

6. **Agreement to Be Bound.** As indicated in Paragraph 4, any proposed sale of the Murphy Interest in the LLC's will be pursuant to a sale procedure and offering approved by the Court in the Case, which will require the purchaser's written agreement to be bound by the terms and conditions of the existing Operating Agreement for each LLC interest acquired. Until such

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written agreement, the Purchaser shall be deemed an economic interest holder only, and upon signing such written agreement the Purchaser will become a Member who will then be entitled to vote and receive all the benefits of the Murphy membership interest in the LLC's. As part of the sale procedure, the right of first refusal reflected herein will be disclosed to any potential 3rd party.

7. Matters Resolved. The Court is currently pending (a) the above-referenced Adversary Proceeding; (b) Debtor's Motion to Set Hearing on Adequacy of Disclosure Statement [Dkt. 115], Debtor's First Amended Disclosure Statement [Dkt. 120] and related Objections [Dkt. 133, 135]; (c) Debtor's Motion to Assume Executory Contracts [Dkt. 169] and related Responses thereto [Dkt. 170, 171]; and (d) Debtor's Motion to Authorize Debtor to Market Properties [Dkt. 190]. This Joint Stipulation is intended to fully and finally resolve all of these pending matters, and the parties hereto agree that as a result of this Stipulation, and subject to approval of the Court as provided in paragraph 9 below, the parties shall cause the following to occur immediately upon entry of said Order of the Court:

- (a) Debtor's Motion to Set Hearing on Adequacy of Disclosure Statement, Debtor's First Amended Disclosure Statement, and Erickson's and Ralph's related Objections shall be withdrawn;
- (b) Debtor's Motion to Assume Executory Contracts and Erickson's and Ralph's Responses shall be withdrawn and related pleadings shall be withdrawn;
- (c) Debtor's Motion to Authorize Debtor to Market Properties shall be withdrawn; and
- (d) The Adversary Proceeding shall be dismissed, with prejudice, with each party to bear its own costs and fees.


8. Release. The Debtors and Murphy on the one hand and the Members, the LLCs, and their officers, agents, employees or related entities, accountants, lawyers and the like on the other, hereby fully and completely release any and all claims that may exist against each other relating to or concerning in any way matters pertaining to the LLCs, the operation of the LLCs, business matters of the LLCs, their duties, obligations or performance of tasks or services for the LLCs and this release is full, complete, and final of any and all claims, disputes, liabilities, known or unknown.


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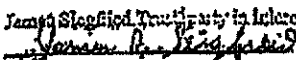
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9. Court Approval of this Stipulation. This Stipulation is effective upon the entry of an Order approving the same, which the Debtors shall promptly seek to obtain in compliance with Bankruptcy Rule 9019.

Dated this 7th day of December, 2015.


By Justin Casel, One of the attorneys

George Ralph, party in interest

By Scott L. Sullivan, His attorney

James Stappford, party in interest

Newark Investments LLC, party in interest

Steven B. Murphy

By Michael J. Davis, His attorney

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9. Court Approval of this Stipulation. This Stipulation is effective upon the entry of an Order approving the same, which the Debtor shall promptly seek to obtain in compliance with Bankruptcy Rule 9019.

Dated this 7th day of December, 2015.

Wayne Erickson, party in interest

By Jade Caspel, One of His attorneys

George Ralph, party in interest

By Scott C. Sullivan, His attorney

Jamea Siegfried Trust, party in interest

Navard Investments LLC, party in interest

Steven S. Murphy

By Michael J. Davis, His attorney

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Exhibit A for LLC's
% owned, Para. re Sale, State Juris., and Member Interest

	A	B	C	D	E
1	Description	%	OA	St.	Stip
2	Belvidere Luckow LLC,	30	11.1	III	E40,R30
3	Belvidere Ventores, LLC,	33 1/3	11.1	III	E50,JST16..66
4	GNI of Alford,	40	11.1	III	E40,R20
5	GNI of Appleton East, LLC,	40	11.1	WI	E30,R30
6	GNI of Chippewa Falls,	40	11.1	WI	E40,R20
7	GNI of Eflovenh, LLC,	40	12.1	III	E40,R20
8	GNI of Essington LLC	25	4.6	III	E75
9	GNI of Fort Atkinson, LLC	40	11.1	WI	E40,R20
10	GNI of Grand River owns GNI of Roscoe	40	4.5	MI	E50, R10
11	GNI of Hoffman Estates LLC	40	11.1	III	E30,R30
12	GNI of Joy, LLC,	40	4.5	MI	E40,R20
13	GNI of Lahser, LLC,	40	11.1	MI	E40,R20
14	GNI of Larkin LLC	25	4.6	III	E75
15	GNI of Little Chute, LLC	40	11.1	WI	E40,R20
16	GNI of Marinette, LLC	40	11.1	WI	E40,R20
17	GNI of Paddock Lake, LLC owns GNI Riverford, Eau Claire	40	4.5	WI	E30,R30
18	GNI of Park Ridge, LLC	40	11.1	WI	E30,R30
19	GNI of Peru, LLC	40	11.1	III	E40,R20
20	GNI of Shawano, LLC	40	11.1	WI	E40,R20
21	GNI of Sparta, LLC	40	11.1	WI	E40,R20
22	GNI of Stone, LLC	40	11.1	III	E30,R30
23	GNI of Sturgeon Bay, LLC	40	11.1	WI	E40,R20
24	GNI of Van Boro	40	11.1	MI	E40,R20
25	GNI of Watertown, LLC	40	4.5	WI	E40,R20
26	GNI of Wausau North, LLC	40	11.1	WI	E40,R20
27	GNI of Wayne owns GNI of GB Main, GNI of Beloit	40	4.5	MI	E50, R10
28	GNI of Winona LLC	40	11.1	Mim	E40,R20
29	Gullford Investments LLC	40	11.1	III	E40,R20
30	Trainer Investments LLC	30	11.1	III	E30,R30, NI10
31	Venture I LLC	28	11.1	III	E38,R28,NI6
32	Venture II LLC	30	11.1	III	E40,R30
33					
34	Col. E - "E" indicates Erickson's interest, "R" indicates Ralph's				
35	interest, "JST" indicates James Siegfried Trusts interest, "NI"				
36	indicates Nevard Investments LLC interest.				

**LIMITED LIABILITY COMPANY
MEMBERSHIP INTEREST PURCHASE AGREEMENT**

This agreement (the "Agreement") is made this 28 day of June, 2016, by and between Wayne H. Erickson as trustee of the Wayne H. Erickson Revocable Trust dated January 6, 2009, as assignee of Wayne H. Erickson ("Buyer") and SSCM Investments, LLC f/k/a SMurphy, LLC + *Steven Murphy, Individual* ("Seller") with respect to the purchase and sale of membership interests owned by the Seller in GNI of Little Chute, LLC, a Wisconsin limited liability company (collectively the "LLC"), which purchase is hereinafter referred to as the "Transaction." *SM*

RECITALS:

Whereas, Steven S. Murphy ("Murphy") is the owner of 100% of the membership interest of Seller;

Whereas, Murphy is the Debtor in Possession in the Chapter 11 case in the Northern District of Illinois, Western Division, titled *In re: Steve and Celeste Murphy, Debtors*, Case No. 13-80740 (the "Bankruptcy Case");

Whereas, there is a Stipulation dated December 7, 2015, and approved by the Bankruptcy Court on December 30, 2015 (referenced in attached Exhibit A) which permits the transfer of Murphy's membership interests in the LLC to a third party, subject to approval of the Bankruptcy Court in the Bankruptcy Case;

Whereas, the afore-described Stipulation grants a right of first refusal to other applicable owners of member interests in the LLCs to purchase as set forth therein; and

Whereas, Buyer is willing to purchase the membership interests of Seller pursuant to all terms set forth in the afore-described Stipulation, including the right of first refusal; and

Whereas, Buyer and Murphy have already entered into a Limited Liability Company Membership Interest Purchase Agreement for the purchase of Murphy's interest in twenty-two (22) other limited liability companies ("Purchase Agreement").

Now, therefore, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, it is hereby AGREED by and between the parties as follows:

AGREEMENT:

1. **Recitals.** The recitals set forth above are fully incorporated herein by reference.
2. **Assets Purchased.** The assets being purchased and sold free and clear of all liens at Closing (as defined herein) consist of the membership interest of Seller in GNI of Little Chute, LLC.
3. **Ownership.** Murphy is the owner of 100% of the membership interest of Seller.
4. **Purchase Price.** Buyer's payment for 100% of Seller's membership interests in the LLC, free and clear of all liens, shall be included within the purchase price set forth within the Purchase Agreement.

5. Closing. The closing date ("Closing") shall be on or before June 30, 2016, at the law offices of Reno & Zahm, LLP, or such other location as mutually agreed upon by the parties, at 10:00 a.m. CDT.

6. Deliverables at Closing.

- a. Seller shall provide the following at Closing, in form satisfactory to the Buyer:
 - i. Evidence of non-exercise of right of first refusal set forth in the Stipulation;
 - ii. Final and non-appealable Order in the Bankruptcy Case approving sale of 100% interest of Murphy in the LLC;
 - iii. Fully executed documents transferring said ownership to the Buyer, or to Buyer's designee (limited to either an entity owned by the Buyer or trust for the benefit of the Buyer);
 - iv. Any and all other documents necessary to be executed by Seller to effectuate transfer of Seller's ownership interest in the LLC;
 - v. A release in form and substance acceptable to Buyer.
- b. Buyer shall provide the following at Closing, in form satisfactory to the Seller:
 - i. Cash or certified check payable to the order of the Seller, or wire transfer to the account of the Seller, or such other payee as may be directed by Order of the Bankruptcy Court, as payment in full for all sums due Seller for Buyer receiving 100% of the Seller's membership interests in the LLC, free and clear of all liens and encumbrances.

7. Miscellaneous.

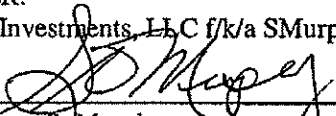
- a. This Agreement shall in all respects be construed in accordance with and governed by the substantive laws of the State of Illinois and the Bankruptcy Code, as applicable, without reference to its choice of law rules and the parties agree that any litigation relating hereto shall be commenced in the applicable courts in Winnebago County, Illinois.
- b. Both parties agree to cooperate in the execution of any and all documentation as necessary to effectuate the Transaction set forth in this Agreement.
- c. This Agreement embodies the entire agreement and understanding of the parties with respect to the subject matter hereof.
- d. This Agreement and various rights and obligations arising hereunder shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and permitted assigns.

[Signature page to follow]

Executed at Rockford, Illinois, the day and year first above written.

SELLER:

SSCM Investments, LLC f/k/a SMurphy, LLC



By: Steven S. Murphy

Its: Manager

+ Individually

BUYER:



Wayne H. Erickson as trustee of the Wayne H. Erickson Revocable Trust dated January 6, 2009