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Attorneys for: Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In Re:)	Case No. 03-21652
)	
GERALD & ONA LINDSEY, d/b/a)	MOTION FOR APPROVAL OF
SEARCHLIGHT TRUST and RIVER)	COMPROMISE SETTLEMENT
MOUNTAIN RANCH,)	AND NOTICE OF HEARING
)	
Debtors.)	

MOTION TO APPROVE COMPROMISE

COMES NOW the Chapter 7 Trustee, Ford Elsaesser, and moves the court pursuant to FRBP 2002(a)(3) and 9019(a) for an order approving the Stipulation Between Nevak Mining Limited and Ford Elsaesser, Chapter 7 Trustee filed with the Court on May 17, 2004.

- a. Settlement and Compromise. The Chapter 7 Trustee filed an adversary case on March 20, 2004, naming Nevak Mining Limited (hereinafter "Nevak") as a defendant. The Chapter 7 Trustee requested a temporary restraining order regarding assets of named defendants, including Nevak. The Temporary Restraining Order was granted by the Court on April 26, 2004, and a hearing on a request for a preliminary injunction was scheduled for May 17, 2004. Nevak filed its answer and objected to the Temporary Restraining Order and the Preliminary Injunction, claiming that assets of Nevak were not assets of the bankruptcy estate and that the preliminary injunction would irreparably damage Nevak's ongoing business operations. After preliminary discovery was conducted, the parties entered into a stipulation, which is attached hereto and incorporated herein as Exhibit 1. The Trustee, by and through his attorney of record, and Nevak, by and through its attorney, Stephen B. McCrea, have negotiated and reached the Stipulation. The settlement was the result of good faith negotiations and the Trustee believes it to be

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fair and equitable. The stipulation protects the Trustee's potential interest in Nevak and provides the Trustee with information regarding Nevak's ongoing operation, while allowing Nevak the opportunity to proceed with its operation without the limitations placed upon it under the requested preliminary injunction. The parties recognize that litigation of the preliminary injunction might lead to a result less advantageous than the one agreed upon. *Martin v. Kane (In Re A & C Props.)*, 784 F.2d 1377, 1382 (9th Cir. 1986). Based upon all the circumstances, the Trustee believes that the paramount interest of the estate and the creditors is served through this settlement.

- b. Authority for Approving Compromise. The Court has authorization to approve the Trustee's Settlement and Compromise pursuant to FRBP 9019(a).
- c. Retention of Settlement funds. The Trustee shall maintain the \$32,237.87 already in the Trustee's account pending approval of the Court.
- d. Best Interest of the Estate It is in the best interests of the Chapter 7 bankruptcy estate that the settlement and compromise outlined hereinabove be approved.
- e. Objections. Any objections to the Trustee's proposed settlement and compromise shall be filed with the U.S. Bankruptcy Court, 205 N. 4th, Coeur d'Alene, Idaho 83814, Nevak's counsel, Stephen B. McCrea, P.O. Box 1501, Coeur d'Alene, ID 83816, and the attorney for the Chapter 7 Trustee, Barry McHugh, 1400 Northwood Center Court, Suite C, Coeur d'Alene, ID 83814.

Wherefore, the Chapter 7 Trustee prays for an order approving Stipulation Between Nevak Mining Limited and Ford Elsaesser, Chapter 7 Trustee.

NOTICE OF HEARING

PLEASE TAKE NOTICE that the Trustee will bring the Motion for Approval of Compromise on for hearing before the U.S. Bankruptcy Court, Federal Building, 220 E. 5th Street, Moscow, Idaho 83843, on the 15th day of June, 2004, at the hour of 10:00 a.m., Pacific Daylight Savings Time, or as soon thereafter as the matter can be heard.

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

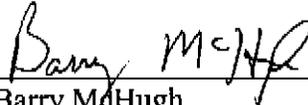
If you do not want the court to grant the relief sought in the motion or if you want the court

to consider your views on the motion, then on or before the date of the hearing you or your attorney must:

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 time and date of the hearing stated above and a copy of your response must be mailed to the United States Trustee.

Or, you can attend the scheduled hearing and present your views or support your filed response at that time.

Dated: this 19th day of May, 2004.



Barry McHugh
Attorney for Chapter 7 Trustee