

STATE OF ALABAMA)
)
COUNTY OF SHELBY)

TRUSTEE'S QUITCLAIM DEED

1996-04337

WHEREAS, Sam Anselmo Fiorella filed a voluntary petition for relief under Chapter 7 of Title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Alabama, Northern Division, on January 8, 1991, designated as Bankruptcy Case No: 91-00030; and

WHEREAS, Bob Rodgers was duly appointed as Trustee for Sam Anselmo Fiorella in the above-described Chapter 7 bankruptcy proceeding on January 8, 1991, and has continued to serve as such Trustee; and

WHEREAS, on July 18, 1991, the United States of America and Bob Rodgers as Trustee in the Chapter 7 bankruptcy proceeding of Sam Anselmo Fiorella, as plaintiffs, filed an adversary proceeding, being designated as Adversary Proceeding Case No: AP91-80073, in the United States Bankruptcy Court for the Northern District of Alabama, Northern Division, seeking a determination of the Defendants' interest in certain real property and the validity, priority, and extent of liens and claims therein; and

WHEREAS, on or about February 10, 1992, the United States of America and Bob Rodgers, as Trustee of the Chapter 7 Estate of Sam Anselmo Fiorella, as plaintiffs, filed a second adversary proceeding in the above-referenced bankruptcy case against the Defendants, Case No: AP92-80026, seeking a determination of the now deceased Debtor's interest in certain additional real property, and collectively with the First Adversary Proceeding; and

WHEREAS, on January 11, 1996, the Bankruptcy Court for the Northern District of Alabama, Northern Division, entered an Order approving the compromise and settlement of the above-referenced adversary proceedings, a copy of said Order is attached hereto and marked for identification purposes as EXHIBIT A; and

Samalia Thomas
1859 Chandlers Ave
Pelham, AL 35124

02/09/1996-04337
12:50 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
012 MCD 37.00

WHEREAS, this instrument is prepared in accordance with the terms of the Orders of the United States Bankruptcy Court for the Northern District of Alabama, Northern Division, in the Chapter 7 Bankruptcy case of Sam Anselmo Fiorella, Case Number: 91-00030, and this instrument is also prepared in accordance with the terms of the Order of the United States Bankruptcy Court for the Northern District of Alabama, Northern Division, dated January 11, 1996, in Adversary Proceeding Case Number: AP91-80073 and Adversary Proceeding Case Number: AP92-80026.

KNOW ALL MEN BY THESE PRESENTS, that I, Bob Rodgers, as Trustee of the Chapter 7 Bankruptcy Estate of Sam Anselmo Fiorella, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars and other good and valuable consideration to me in hand paid by Melina Fiorella and Samelia Fiorella, the receipt whereof is hereby acknowledged, do hereby remise, release and forever Quitclaim unto the said Melina Fiorella and Samelia Fiorella, all of my right, title and interest in and to the following described real estate situated in Shelby County, Alabama, to-wit:

Chandalar So. First Sect., Lot 3 BK 5, Pg. 106,
Sec. 1, T20S, R3W, Municipality Pelham DD 149.27 x
126 DB 292 P 242.

TO HAVE AND TO HOLD the above granted premises unto the said Melina Fiorella and Samelia Fiorella, their heirs and assigns forever.

And I, Bob Rodgers, as Bankruptcy Trustee of the Chapter 7 Estate of Sam Anselmo Fiorella, do for my heirs, executors and administrators covenant with the said Grantees, their heirs and assigns, that by authority of the Court Order of the United States Bankruptcy Court for the Northern District of Alabama, Northern Division, dated January 11, 1996, the above-described real estate is conveyed free and clear of all liens, with all liens attaching to the proceeds of the sale; that I have a good right to sell and convey the same as aforesaid.

IN WITNESS WHEREOF, I, Bob Rodgers, as Trustee of the Chapter 7 Bankruptcy Estate of Sam Anselmo Fiorella, have hereunto set my hand and seal, this the 25th day of January, 1996.


_____(SEAL)
BOB RODGERS, AS TRUSTEE
OF THE BANKRUPTCY ESTATE OF
SAM ANSELMO FIORELLA

NO TITLE OPINION REQUESTED AND NONE GIVEN

STATE OF ALABAMA)
)
COUNTY OF MORGAN) ACKNOWLEDGMENT

I, the undersigned authority, a Notary Public, in and for said County, in said State, hereby certify that Bob Rodgers, as Trustee of the Bankruptcy Estate of Sam Anselmo Fiorella, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he executed the same voluntarily on the day the same bears date.

GIVEN under my hand and official seal this 25th day of January, 1996.



NOTARY PUBLIC
MY COMMISSION EXPIRES 3/19/97

NO TITLE OPINION REQUESTED AND NONE GIVEN

THIS INSTRUMENT PREPARED BY:
William L. Chenault, III
P. O. Box 1906
Decatur, Alabama 35602

GRANTEES' ADDRESS:
Samelia Fiorella
1859 Chandcroft Drive
Pelham, Alabama 35124

Melina Fiorella
3328 Pembroke Lane
Hoover, Alabama 35243

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA

In re:

SAM ANSELMO FIORELLA,

Debtor.

BK CASE NO. 91-00030
CHAPTER 7

UNITED STATES OF AMERICA, and
BOB RODGERS, Trustee,

Plaintiffs,

v.

A.P. No. 92-80026
A.P. No. 91-80073

SAM A. FIORELLA, SAMELIA FIORELLA
a/k/a SAMELIA THOMAS, MELINA
FIORELLA a/k/a MELINA DAVIS,

Defendants.

ORDER APPROVING COMPROMISE AND SETTLEMENT

At Birmingham in said District, before the Honorable Tamara O. Mitchell, United States Bankruptcy Judge:

This case having come before the Court on December 11, 1995, upon the Motion for Approval of Settlement Agreement (the "Motion") between the United States of America (the "United States") and Bob Rodgers (the "Trustee")(collectively, the "Plaintiffs") and Samelia Fiorella a/k/a Samelia Thomas, and Melina Fiorella a/k/a Melina Davis (collectively, the "Defendants"); due notice of hearing having been given to all creditors and parties in interest; Cynthia Lewis Stier appearing as counsel for the United States; Robert B. Rubin appearing as counsel for the Defendants; and Bob Rodgers appearing as the Trustee; and after considering the Motion, the pleadings of

6. The Plaintiffs and the Defendants have agreed to resolve all claims and disputes, including all issues arising in the Adversary Proceedings, upon the terms and conditions set forth in the Motion, and as further detailed in letters between the parties dated July 27, 1995, and August 24, 1995 (the "Settlement Letters"), which are attached hereto as Exhibits A and B, respectively.

7. The Trustee's total fee of \$4,000.00 will be paid from the proceeds of the sale of the Anniston Property. This fee will be paid first prior to distribution of the Anniston Proceeds as set forth in the Settlement Letters.

8. In analyzing the Settlement, the Court has considered the following factors: (i) the probability of success in litigation; (ii) the complexity of the litigation involved; (iii) the expense, inconvenience, and delay necessarily attending the litigation (including the possibility that denial of this settlement will cause the depletion of assets); and (iv) the paramount interest of creditors in a proper deference to their reasonable views in the premises. Upon consideration of these factors, the Court is of the opinion that the settlement is reasonable and is in the best interest of the creditors of this bankruptcy estate.

IT IS THEREFORE ORDERED, ADJUDGED, and DECREED that:

A. Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, the Motion is hereby **GRANTED**;

B. The settlement set forth in the Motion is hereby **APPROVED**; and

C The parties are authorized to execute any and all documents and to perform any and all acts necessary or appropriate to effectuate the compromise and settlement described herein.

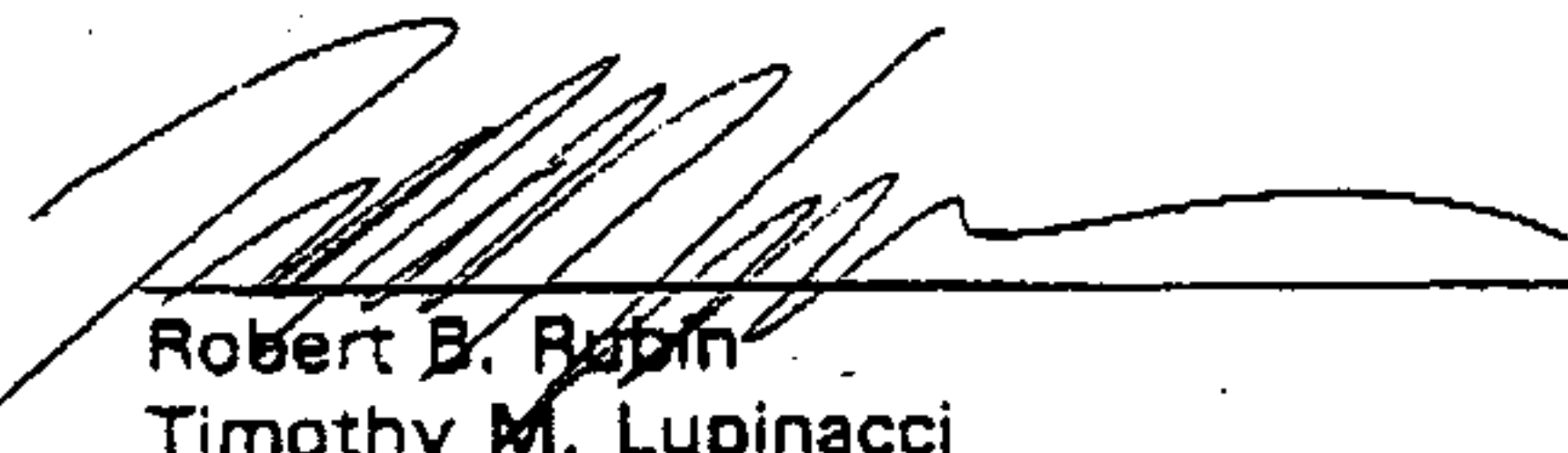
DONE this the 11th day of January, 1996


TAMARA O. MITCHELL
UNITED STATES BANKRUPTCY JUDGE

AGREED TO AND ACCEPTED BY:


Cynthia M. Stier
on behalf of United States of America


Bob Rodgers, Trustee


Robert B. Rubin
Timothy M. Lupinacci
as counsel for Samelia Thomas and Melina Fiorella

xc: Debtor
Ferris S. Ritchey, Jr., Attorney for Debtor/Defendant
Robert Rubin, Attorney for Samelia Fiorella & Melina Fiorella
Bob Rodgers, Trustee
Cindy Steir, Attorney for United States of America
Jack Caddell, Attorney for Trustee



U.S. Department of Justice

Tax Division

Office of Review

Post Office Box 310

Ben Franklin Station

Washington, D.C. 20044

LCA:MDKarl:mac
5-1-2813-CMN9157211

July 27, 1995

Robert B. Rubin, Esquire
Burr & Forman
Southtrust Tower, Suite 3100
420 North 20th Street
Birmingham, Alabama 35203-3202

Re: Sam Anselmo Fiorella, Debtor, Bankr. No. 91-00030;
United States v. Sam Anselmo Fiorella, et al.
Adv. Proc. Nos. 91-80073 and 91-80026 (USBC N.D. AL)

Dear Mr. Rubin:

This is in reference to your telephone conversation on July 26, 1995, with Cindy Stier and the undersigned with respect to the proposed settlement of the above-entitled adversary proceedings.

If Melina Fiorella and Samelia Fiorella (hereinafter collectively referred to as the "Fiorellas") were to submit an offer as set forth below, the undersigned would accept such offer on behalf of the Attorney General:

(1) The properties encompassed within this settlement are limited to the following properties:

- (a) the Highway 280 Property;
- (b) the Highway 31 Property;
- (c) the Pell City Property;
- (d) the Southside Property;
- (e) the proceeds from the sale of the Anniston Property, with interest thereon (the "Anniston Proceeds");
- (f) Samelia Fiorella Thomas' residence located at 1859 Chandcroft Drive, Pelham, Alabama 35124 (the "Chandcroft Residence"); and



(g) Melina Fiorella's residence located at 3328 Pembroke Lane, Hoover, Alabama 35243 (the "Pembroke Residence").

(2) The Fiorellas will retain the Highway 280 Property, the Pell City Property, the Southside Property, the Chandcroft Residence, and the Pembroke Residence and will also receive 50% of the Anniston Proceeds (hereinafter collectively referred to as the "Retained Properties"). The United States will receive the Highway 31 Property and the remaining 50% of the Anniston Proceeds.

(3) The Fiorellas will pay to the United States the sum of \$125,000 within 90 days of acceptance of the offer.

(4) The Fiorellas will execute and deliver a statutory warranty deed to the United States conveying fee simple title to the Highway 31 Property, free and clear of all liens, mortgages, leases, and any other interest of any kind and held by any person or entity, except for (i) the Lease Agreement with James D. Wadsworth and (ii) the Commercial Lease with Guy J. Smith and Nell T. Smith. If desired by the United States, the Fiorellas will also execute and deliver a written assignment of the foregoing leases. The Fiorellas will provide the United States access to the Highway 31 Property for inspection during normal business hours, provided that the Government gives the Fiorellas reasonable advance notice of the inspection. The Deed from Dorothy W. Batchelor and Barnes H. Batchelor to Melina Fiorella Trust will be recorded in conjunction with the settlement.

(5) The bankruptcy trustee (the "Trustee") will execute and deliver to the Fiorellas a quit claim deed covering all of the Retained Properties.

(6) The Internal Revenue Service will discharge the Retained Properties from the federal tax liens against Sam Fiorella.

(7) The Trustee will be liable for any federal income tax resulting from the transfer of the Highway 31 Property to the United States.

(8) The Fiorellas acknowledge that the unpaid federal income and excise tax liabilities of Sam Fiorella, after application of all sums received by the Government pursuant to this settlement, will remain outstanding.

(9) Each party will bear its own costs, including any attorneys fees or other expenses of litigation.

(10) This settlement is subject to approval of the bankruptcy court and the trustee.

records in this case and argument of counsel, and due deliberation thereon, the Court hereby **FINDS** and **CONCLUDES** as follows:

1. On or about July 18, 1991, Plaintiffs filed an adversary proceeding in the above referenced bankruptcy case against the Defendants (A.P. No. 91-80073), seeking a determination of the Defendants' interest in certain real property (the "Real Property") and the validity, priority, and extent of liens and claims therein (the "First Adversary Proceeding").

2. On or about September 5, 1991, the Defendants filed an answer and counterclaim in the First Adversary Proceeding, asserting various affirmative defenses, including that the Defendants' interest in the Real Property was superior to any interest claimed by the Plaintiffs.

3. On or about February 10, 1992, Plaintiffs filed a second adversary proceeding in the above-reference bankruptcy case against the Defendants (A.P. No. 92-80026), seeking a determination of the now deceased Debtor's interest in certain additional real property (the "Second Adversary Proceeding", and collectively with the First Adversary Proceeding, the "Adversary Proceedings").

4. On or about March 10, 1992, the Defendants filed an answer in the Second Adversary Proceeding, denying all material allegations asserted in the complaint.

5. On or about April 15, 1992, the Court issued an Order consolidating the Adversary Proceedings.

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Please advise us as to whether the Fiorellas wish to submit an offer as set forth above. You may so advise us by signing this letter where indicated and returning the letter to this office.

Sincerely yours,

LORETTA C. ARGRETT
Assistant Attorney General
Tax Division

By:


MILAN D. KARLAN
Chief, Office of Review

The terms set forth above in paragraphs (1) - (10) constitute my offer on behalf of Melina Fiorella and Samelia Fiorella to settle the above-entitled adversary proceedings.


ROBERT B. RUBIN, ESQUIRE


Date



U.S. Department of Justice

Tax Division

Please reply to: P.O. Box 14198
Ben Franklin Station
Washington, D.C. 20044

LCA:SS:CLStier:fiorella.rub
5-1-2813
CMN 9157211

August 24, 1995

Sent by fax to (205) 458-5100

Robert B. Rubin, Esquire
Burr & Foreman
420 North Twentieth Street
Birmingham, Alabama 35203

In Re: Sam Anselmo Fiorella, Debtor, Bk. No. 91-00030,
United States v. Sam Anselmo Fiorella, et al.
Adv. Proc. Nos. 91-80073 and 92-80026 (Bankr. N.D. Ala.)

Dear Mr. Rubin:

This letter is intended to supplement our July 27, 1995, letter to you setting forth the terms of an offer which, if it were to be submitted, would be accepted by the undersigned on behalf of the Attorney General of the United States.

We understand that you are prepared to submit such an offer with the following additional terms:

1. In the event that the Fiorellas do not pay the sum of \$125,000 within 90 days of the acceptance of this offer, the United States will have the right to enforce the terms of the settlement, including the right to sell any of the "Retained Properties", to obtain the unpaid balance of the \$125,000 cash payment, plus statutory interest commencing ninety-one days after acceptance of the offer.
2. It is understood that the adversary proceedings referenced above (AP Nos. 91-80073 and 92-80026) will not be dismissed and the "Retained Properties" will not be discharged from the federal tax liens of Sam Fiorella until the United States receives the \$125,000 cash payment.

Please advise us to whether the Fiorellas wish to submit an offer as set forth in our letter of July 27, 1995, as modified by the additional terms set forth above. You may so advise us by signing this letter where indicated and returning the letter to this office.

RECEIVED

AUG 28 1995

U.S. DEPT. OF JUSTICE



If you have any questions concerning this matter, please contact Cindy Lewis Stier at (202) 514-5890.

Sincerely yours,

LORETTA C. ARGRETT
Assistant Attorney General
Tax Division

By:


MILAN D. KARLAN
Chief, Office of Review
Tax Division

The terms set forth in paragraphs 1 through 10 of the Tax Division's letter of July 27, 1995, as modified by the additional terms set forth above in this letter, constitute my offer on behalf of Melina Fiorella and Samelia Fiorella to settle the above entitled adversary proceedings.


ROBERT B. ROBIN, ESQUIRE

Sept. 29, 1995
Date

cc: Caryl Privett, Esquire
United States Attorney
Robert S. Vance Federal Building
and Courthouse
1800 Fifth Avenue North, Room 200
Birmingham, Alabama 35203-2198

Attention: Richard O'Neal

John B. Harper, Esquire
District Counsel
Internal Revenue Service
Room 340
500 South 22nd Street
Birmingham, Alabama 35233

(Your reference: CC:SE:BIR-GL-45-91)

Inst # 1996-04337
- 2 -

02/09/1996-04337
12:50 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
012 HCD 37.00