

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

In re:
KLEERDEX COMPANY
c/o Mr. John Seiner
100 Gaither Drive
Mt. Laurel, NJ 08054

Plaintiff(s)

vs.

GEORGE O. LITTLETON
314 Laurel Woods Lane
Helena, Al 35080

Defendant(s)

BK Case No. 01-03878-TBB-7

AP No. 01-00270

CERTIFICATE OF JUDGMENT

I, RICHARD K. MAUK, Acting Clerk of the United States Bankruptcy Court for the Northern District of Alabama, do hereby certify that on June 19, 2002, a Judgment was rendered in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division in the above-styled cause wherein it was **ORDERED** by the Court that:

Kleerdex Company obtained a Judgment against George O. Littleton with waiver of exemptions for the sum of FORTY EIGHT THOUSAND, ONE HUNDRED FORTY SIX DOLLARS AND 15/100---(\$48,146.15) Dollars, and also the sum of ONE HUNDRED FIFTY---(\$150.00) Dollars, cost of said suit, and interest at the rate of 2.07% per annum from date of said Judgment.

Matthew Grill is the Attorney of Record for Kleerdex Company in said cause.

Given under my hand and seal of this Court on July 1, 2002.

**RICHARD K. MAUK, Acting Clerk
United States Bankruptcy Court**

By *Deane O. Burt*
Deputy Clerk

Maynard Cooper + Gale P.C.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

ENTERED

JUN 19 2002

Clerk, U.S. Bankruptcy Court
Northern District of Alabama
By CE

In re:

GEORGE O. LITTLETON, and
ANGELA M. LITTLETON,

Debtors.

KLEERDEX COMPANY,

Plaintiff,

v.

GEORGE O. LITTLETON,

Defendant.

Case No. 01-03878-TBB-7

Adversary Proceeding
No.: AP 01-270

CONSENT JUDGMENT

This matter came before the court upon the parties' presentation to the Court of a settlement, the terms of which are embodied in this Order.

HISTORY

1. Littleton filed a proceeding under Chapter 7 of the United States Bankruptcy Code on or about June 1, 2001, before the United States Bankruptcy Court for the Northern District of Alabama (the "Bankruptcy Court"), bearing bankruptcy case number 01-03878-TBB-7 (the "Bankruptcy Case").

2. Kleerdex filed an adversary proceeding on September 6, 2001, in Littleton's Bankruptcy Case, bearing adversary proceeding number 01-270 (the "Adversary Proceeding") in which Kleerdex seeks an order from the Bankruptcy Court declaring that Littleton's debt to Kleerdex in the approximate amount of \$48,146.15 (the "Debt") is excepted from Littleton's Chapter 7 discharge pursuant to 11 U.S.C. § 523(a)(2), (4) and (6).

3. The parties have entered into a Settlement Agreement and Release (the "Settlement Agreement"), the primary terms of which are summarized by this Order.

RELIEF ORDERED

Based on the foregoing, it is hereby **ORDERED, ADJUDGED, and DECREED** as follows:

4. That Littleton's Debt to Kleerdex is hereby SPECIFICALLY EXCEPTED FROM DISCHARGE pursuant to 11 U.S.C. § 523(a)(2), (4) and (6) of the Bankruptcy Code, and a monetary judgment (the "Judgment") is hereby entered in favor of Kleerdex and against Littleton in the amount of \$48,146.15 (the "Judgment Sum").

5. If for so long as each of the foregoing forbearance conditions as defined below is satisfied and a default under the Settlement Agreement does not occur, Kleerdex agrees that it shall forbear from executing the Judgment. Kleerdex's forbearance from execution of the Judgment in no way limits Kleerdex's right to record the Judgment.

6. Each of the following conditions shall constitute a forbearance condition, and each shall be satisfied as a condition of Kleerdex's agreement to forbear. In satisfaction of the Judgment, Littleton shall pay the sum of \$25,000.00 (the "Settlement Amount") as a full and final settlement of the Debt.

- a. Littleton shall duly execute and deliver to Kleerdex the Settlement Agreement;
- b. Littleton shall make a minimum monthly payment of \$150.00 payable to Kleerdex on or before June 1, 2002;
- c. Commencing on the 15th day of July 2002 and continuing on the 15th day of each month thereafter, Littleton shall make monthly payments of no less than \$150.00 payable to Kleerdex until the Settlement Amount has been paid in full.
- d. The funds shall be sent to the following address:

Kleerdex Company
c/o Mr. John Seiner
100 Gaither Drive
Mount Laurel, New Jersey 08054

Each payment shall be sent so as to be received by Kleerdex on or before the 15th day of each month. If at the close of business on the 15th day of any month Kleerdex has not received a payment from Littleton of at least \$150.00, or if Littleton has otherwise defaulted under the Agreement, Kleerdex shall send a notice of default to Littleton's counsel, Donna J. Beaulieu, which notice may be sent by fax and/or overnight mail to:

Donna J. Beaulieu
2166 Highway 31 South, Suite 6
Pelham, Alabama 35124
Fax No. (205) 733-0042

Any change in address or counsel for Littleton must be sent in writing, certified mail, return receipt requested, to Kleerdex immediately upon such

change, and absent such notification to Kleerdex any notice of default sent by Kleerdex will be deemed effective if given in accordance with the terms of this paragraph. Five (5) days after the sending of notice of default to Littleton, Kleerdex may take all actions allowed by law to collect the Judgment Sum, less any payments made by or on behalf of Littleton pursuant to the Judgment, unless prior to the fifth (5th) day Kleerdex has received a payment from Littleton of not less than \$200.00, which amount includes an agreed upon \$50.00 late fee. An interest rate of 7% per annum will apply to the outstanding balance and be added to Littleton's obligation. Littleton may at any time elect to prepay or accelerate payments.

- e. Littleton shall release any and all claims that he has against Kleerdex, as more fully described in paragraph 7 of the Settlement Agreement.
- f. Littleton shall not breach any promise, covenant or obligation contained in this Agreement.


7. Littleton shall provide to Kleerdex, at the address set forth above, regular financial reports as Kleerdex may require, including without limitation copies of annual state and federal tax returns and sworn financial statements on at least an annual basis. Littleton shall provide Kleerdex with said materials within a reasonable time following Kleerdex's request, not to exceed two weeks; provided however, that Littleton shall provide Kleerdex with annual state and federal tax returns and sworn financial statements simultaneously with the filing of said tax returns with the appropriate governmental entity. Beginning January 1, 2003, should Littleton's income in any year show a gain over the previous year's level (a "Gain"), Littleton will pay to Kleerdex, as a

supplement to the monthly payments set forth in paragraph 4 above, the sum of 15% of Littleton's Gain, net of taxes, toward reduction of the Settlement Amount (or any lesser percentage that would satisfy the then-remaining Settlement Amount obligation in full) (the "Gain Payments"). The Gain Payments will be paid in equal monthly installments that will be added to the \$150.00 base amount.

8. Littleton's payment of the Settlement Amount to Kleerdex will constitute a complete satisfaction of all debt owed by Littleton to Kleerdex pursuant to or related to this Judgment, including, but not limited to, principal, interest, late charges, and reasonable attorneys' fees. Littleton is entitled to pay the remaining indebtedness in advance at any time. Littleton shall pay any costs that Kleerdex incurs, including but not limited to attorneys' fees, as a result of having to enforce the Judgment to which this Agreement relates.

9. The parties agree that valuable consideration has been given as a part of this agreement, including but not limited to, Kleerdex's agreement to forbear its right to collect upon its Judgment.

Done this the 19th day of June, 2002.



Thomas B. Bennett
United States Bankruptcy Judge

cc: Donna J. Beaulieu
Matthew W. Grill