

Date signed March 21, 2011



Paul Mannes

PAUL MANNES
U. S. BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
at Greenbelt**

| | | |
|---------------------|---|-------------------------|
| IN RE: | : | |
| | : | |
| STEPHEN T. HUDGENS | : | Case No. 10-11453PM |
| | : | Chapter 7 |
| Debtor | : | |
| ----- | : | |
| NATHANIEL X. ARNOLD | : | |
| Plaintiff | : | |
| vs. | : | Adversary No. 10-0547PM |
| | : | |
| STEPHEN T. HUDGENS | : | |
| Defendant | : | |
| ----- | : | |

MEMORANDUM OF DECISION

Before the court is the Trustee’s Notice of Motion to Approve Settlement among Nathaniel X. Arnold, Stephen T. Hudgens, and Chapter 7 Trustee Gary Rosen. A timely Objection was filed to the Notice of Settlement on behalf of Ruth and Jerome Saunders (the “Saunders”), who are parties to an action pending in the Superior Court of the District of Columbia, entitled *Ruth Saunders, et al., vs. Stephen T. Hudgens, et al.*, Civil Action No. 05 CA 003686. As carefully explained by counsel, the Saunders are fearful that an order of this court approving the settlement will have a deleterious impact upon their pending case in the District of Columbia.

The purpose of this Memorandum is to assure one and all that, while the court finds good cause to approve the Trustee’s Motion filed pursuant to Bankruptcy Rule 9019, nothing herein may be taken, in any respect, as a finding that is binding upon the Saunders or that ties the hands

of the Superior Court in any way. By virtue of an Order entered May 6, 2010, granting relief from the automatic stay of 11 U.S.C. § 362(a), the Superior Court was given free rein to try the action described above and all cross and counter-claims to judgment, and the parties similarly were authorized to proceed on any appeal therefrom. A copy of that Order is attached to this Memorandum as Appendix A.

An appropriate order will be entered.

cc:

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Gary A. Rosen, Trustee, One Church Street, Suite 802, Rockville, MD 20850

Hon. Judith N. Macaluso, Judge, Superior Court of the District of Columbia, 500 Indiana Ave.,
N.W. #410, Washington, D.C. 20001-2131

End of Memorandum

SO ORDERED



Paul Mannes

PAUL MANNES
U. S. BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MARYLAND**

| | | |
|----------------------------|---|---------------------|
| In re: Stephen T. Hudgens, |) | Case No. 10 – 11453 |
| Debtor, |) | |
| |) | Chapter 7 |
| _____ |) | |
| |) | Judge Mannes |
| Nathaniel X. Arnold, |) | |
| Plaintiffs |) | |
| |) | |
| v. |) | |
| |) | |
| Stephen T. Hudgens, |) | |
| Defendant. |) | |

ORDER GRANTING ARNOLD’S MOTION FOR RELIEF FROM STAY
(219 Adams St., N.E., Washington, DC)

Movant Nathaniel X. Arnold’s Motion for Relief from the Automatic Stay of 11 U.S.C. §362(a) (Docket #30) and any responses or replies thereto having been read and considered, and counsel having been heard, it is, by the United States Bankruptcy Court for the District of Maryland hereby:

ORDERED, that the Motion be, and the same hereby, is **GRANTED**; and it is further,

ORDERED, that the automatic stay of 11 U.S.C. §362(a) is lifted and shall not apply to the continued litigation of actions consolidated in Civil Division for the Superior Court for the

District of Columbia, captioned *Ruth Saunders, et al. v. Stephen Hudgens, et al.*, Civil Action No.: 2005 CA 003686 B (consolidated with Civil Action No.: 2006 CA 008531) (collectively “Consolidated Actions”) , including the litigation of any Cross-Claims or Counterclaims filed therein and the appeal from any such verdicts or judgments in that action; and it is further,

ORDERED, that this Motion for Relief from Stay does not extend to transfer of any real property which may become property of the bankruptcy estate as a result of verdicts or rulings entered in the subject of the consolidated actions or real property which may be subject to any trust created by or resulting from the Consolidated Actions and that the Trustee shall be kept advised of events which occur in the Consolidated Actions, including any verdicts, judgments, settlements or establishments of any constructive trusts; and it is further,

ORDERED, that this Motion for Relief from Stay does not extend to execution or enforcement of any judgments against Debtor Stephen Hudgens in the consolidated actions, and it is further,

ORDERED, that neither the debtor nor the trustee shall be expected, except to the extent they choose, to participate in the litigation of the trial of the Consolidated Actions, except that the debtor Stephen Hudgens is subject to subpoena as a witness, if compelled pursuant to the Rules of the Superior Court for the District of Columbia; and it is further

ORDERED, that this order is subject to revision or modification as the events of the trial of the Consolidate Action and justice may require.

END OF ORDER.

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