

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION**

In re: ) Chapter 11  
)  
PALM BEACH FINANCE PARTNERS, L.P., a ) Case No. 09-36379-BKC-PGH  
Delaware limited partnership, and PALM BEACH )  
FINANCE II, L.P., a Delaware limited ) Hon. Paul G. Hyman, Jr.  
partnership, )  
)  
Debtors. )  
)  
\_\_\_\_\_ )

**NOTICE OF PROPOSED CONFIDENTIAL SETTLEMENT AND *IN CAMERA*  
HEARING ON APPROVAL OF THE CONFIDENTIAL SETTLEMENT**

**TO: CREDITORS AND OTHER PARTIES IN INTEREST**

PLEASE TAKE NOTICE that Barry Mukamal, as Trustee (the “*Trustee*”) of the Palm Beach Finance Partners (“*PBFP*”) Liquidating Trust and the Palm Beach Finance II, L.P. (“*PBFII*” and, together with PBFP, “*Debtors*”) Liquidating Trust (together, the “*Liquidating Trusts*”) has reached an agreement to settle the claims and causes of action asserted against defendants Atradius Trade Credit Insurance, Inc. (“*Atradius*”) and Christensen Group, Inc. d/b/a Christensen Group Insurance Resources International (“*CG*” and, together with Atradius, the “*Defendants*”, and together with the Trustee, the “*Parties*”) in Adversary Proceeding No. 11-092886 (the “*Adversary Proceeding*”), pending in the United States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division (the “*Bankruptcy Court*”).

This Notice is being sent to you because the records of the Debtors and Liquidating Trusts reveal that you may be affected by the terms of the settlement agreement (the “*Settlement Agreement*”) between the Trustee and Defendants. The Bankruptcy Court has authorized the Trustee to file a motion to approve the Settlement Agreement (the “*Approval Motion*”) under seal.

An *in camera* hearing (the “*Hearing*”) for the Bankruptcy Court to consider approval of the Settlement Agreement pursuant to the Approval Motion has been scheduled on September 10, 2013, at 1:30 p.m.

**IF YOU WISH TO FILE AN OBJECTION OR OTHER WRITTEN SUBMISSION WITH RESPECT TO BANKRUPTCY COURT APPROVAL OF THE SETTLEMENT AGREEMENT, YOU MUST DO SO BY SEPTEMBER 3, 2013, PURSUANT TO THE EXPRESS INSTRUCTIONS SET FORTH IN SECTION III BELOW.**

**IF YOU DO NOT WISH TO OBJECT TO BANKRUPTCY COURT APPROVAL OF THE SETTLEMENT AGREEMENT, YOU DO NOT NEED TO TAKE ANY ACTION.**

Your rights and options with respect to the Settlement Agreement and Approval Motion are explained in this Notice.

**I. FACTUAL SUMMARY OF THE ADVERSARY PROCEEDING AND CONFIDENTIAL SETTLEMENT AGREEMENT.**

On November 30, 2009, the Debtors filed voluntary Chapter 11 petitions in the Bankruptcy Court.

On October 21, 2010, the Bankruptcy Court entered its Order Confirming Second Amended Plan of Liquidation. Pursuant to the confirmed Plan, the Liquidating Trusts were created and the Trustee was appointed as liquidating trustee.

On November 22, 2011, the Trustee, on behalf of the Liquidating Trusts, filed the Adversary Proceeding against Defendants alleging causes of action for: (a) rescission; (b) unjust enrichment; (c) negligence; (d) fraudulent transfer under 11 U.S.C. § 548(a)(1)(B); and (e) fraudulent transfer under Florida Fraudulent Transfer Law, Title XLI, C 726.105.

Defendants dispute and deny all claims alleged in the Adversary Proceeding, deny any liability to the Debtors, their estates and the Liquidating Trusts, and have asserted affirmative defenses.

The Parties have reached an agreement to settle the Adversary Proceeding in accordance with the terms of the Settlement Agreement, which require that the Parties keep the settlement terms confidential to the extent permitted by the Court.

On August 19, 2013, the Bankruptcy Court entered an order [ECF No. 1923, docketed on August 20, 2013] (the “*Notice Order*”) authorizing the Trustee to file the Approval Motion and Settlement Agreement under seal so that these documents are not available for public access. Pursuant to the Notice Order, the Bankruptcy Court scheduled the Hearing and established procedures for providing this Notice to parties in interest concerning the Approval Motion and the Hearing.

**II. DESCRIPTION OF THE CONFIDENTIAL SETTLEMENT AGREEMENT.**

Pursuant to the Approval Motion, the Trustee has asserted that he believes the Settlement Agreement is in the best interests of the Debtors, their estates, and the Liquidating Trusts, because: (a) it avoids the risk, delay and expense of what would be certain to be legally and factually complex litigation; (b) it avoids the expenditure of funds to prosecute the claims against Defendants, which would ultimately lead to more funds being available to distribute to creditors; and (c) it avoids the risk, delay, and cost of an appeal by Defendants if the Trustee is successful at the trial level, and a retrial if Defendants’ appeal is successful, and vice versa. The other terms and conditions of the Settlement Agreement are provided therein.

### **III. HOW TO RECEIVE A COPY OF THE APPROVAL MOTION AND SETTLEMENT AGREEMENT AND FILE ANY OBJECTION TO OR OTHER WRITTEN SUBMISSION RELATING TO SAME.**

As explained above, the Bankruptcy Court has authorized the Trustee to file the Approval Motion and Settlement Agreement under seal due to their confidential nature. If you wish to receive a copy of the Approval Motion and Settlement Agreement, you must execute a Notarized Agreement to be Bound by Confidentiality Agreement (the “*Agreement to be Bound*”) pursuant to which you will be bound to the terms of a Confidentiality Agreement executed by the Parties (the “*Confidentiality Agreement*”) in the forms approved by the Bankruptcy Court in the Notice Order. Pursuant to the Agreement to be Bound, you will agree: (a) not to disclose the terms of the Approval Motion and Settlement Agreement, or the information disclosed during the *in camera* hearing on the Approval Motion, to any other person (except for other persons that have executed an Agreement to be Bound) for any reason other than as provided therein; (b) not to provide the Approval Motion or Settlement Agreement to any other person for any reason; and (c) to use the Approval Motion and the Settlement Agreement solely to (i) decide whether you would like to make a written submission to the Bankruptcy Court regarding approval of the Settlement Agreement and (ii) prepare and file such written submission. If you enter into the Confidentiality Agreement, you may also attend and participate at the Hearing.

If you would like to receive the Confidentiality Agreement and related form Agreement to be Bound, you may request a copy in writing from the Trustee’s counsel, Edward J. Estrada, Reed Smith LLP, 599 Lexington Avenue, New York, New York 10022, Telephone: (212) 521-5400, Facsimile: (212) 521-5450, eestrada@reedsmith.com. Upon proper execution of the Agreement to be Bound and return thereof to the Trustee’s counsel, counsel shall deliver a copy of the Approval Motion and Settlement Agreement to you.

If, upon review of the Approval Motion and Settlement Agreement, you wish to file an objection or other submission with respect thereto, you are required to file such objection or other submission under seal pursuant to the Bankruptcy Court’s rules and procedures, and to serve such submission by U.S. Mail or overnight delivery solely on the following Parties:

Edward J. Estrada  
Reed Smith LLP  
599 Lexington Avenue  
New York, New York 10022

Anthony C. Porcelli  
Polsinelli PC  
161 N. Clark Street, Suite 4200  
Chicago, Illinois 60601

Michael S. Budwick  
Meland Russin & Budwick, P.A.  
3200 Southeast Financial Center  
200 South Biscayne Boulevard  
Miami, FL 33131

Steven E. Seward  
Seese, P.A.  
One East Broward Blvd., Suite 700  
Ft. Lauderdale, Florida 33301

Geoffrey Varga  
Kinetic Partners  
675 Third Avenue, Floor 21  
New York, NY 10017

Guy G. Gebhardt  
Office of the United States Trustee  
51 SW First Avenue, Room 1204  
Miami, Florida 33130

Ryan Fogg  
Cole, Scott & Kissane, P.A.  
1645 Palm Beach Lakes Blvd., 2<sup>nd</sup> Floor  
West Palm Beach, Florida 33401

Failure to file your objection or other submission, if any, under seal or otherwise comply with the terms of the Confidentiality Agreement may give rise to liability against you.