

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF GEORGIA  
SAVANNAH DIVISION**

**IN RE:** | **CHAPTER 7 CASE NO.**  
|  
**MASTER LENDING GROUP, LLC Debtor.** | **23-40569-EJC**

**OBJECTION to TRUSTEE’S MOTION  
to APPROVE COMPROMISE/SETTLEMENT**

**JAMES E. JONES**, a creditor in the above-referenced case (“Creditor”), by and through undersigned counsel, herewith timely objects to Trustee’s Motion to Approve Compromise / Settlement (Doc. # 269) (“Trustee’s Motion”), and in support thereof shows:

***I. Introduction***

1. This is an unusual objection, because it is filed more as a placeholder than to substantively object to any one or multiple provisions within the proposed settlement of all claims by and between the Chapter 7 Estate and Judy Hirsch, the wife of the late Greg Hirsch, the sole Member, Owner, and Architect of the Debtor LLC. As is detailed below, the Objection is lodged because Creditor and many, if not all, other creditors lack sufficient information which bears upon the terms of the settlement to enable them to make as informed of a decision as to that which they are each entitled by principles of equity and jurisprudence which govern proceedings

in cases such as this. By virtue of this Objection, Creditor is (effectively) moving this Court to postpone any adjudication of the question of Settlement approval for a period of no less than sixty (60) days and to require that the Trustee make certain disclosures and take certain actions which will enable Creditor and all other creditors to make informed decisions about whether or not to approve or disapprove of the proposed settlement set forth in the Trustee's Motion.

**II. Argument & Citation to Authority**

**A. Further Disclosure by the Trustee is a Necessity**

1. *Bankruptcy Rule 9019(a)* provides that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Current 11<sup>th</sup> Circuit law requires this Court consider the following when evaluating a proposed settlement:

- (a) The probability of success in the litigation;
- (b) the difficulties, if any, to be encountered in the matter of collection;
- (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; AND
- (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises.<sup>1</sup>

---

<sup>1</sup> *In Re: Chira*, 567 F.3d 1307, 1312 (11<sup>th</sup> Cir. 2013) (citing *In re Justice Oaks II, Ltd.*, 898 F.2d 1544, 1549 (11<sup>th</sup> Cir. 2024.07.29 - Objection to Trustee's Motion to Approve Settlement) U.S. Bankruptcy Court, S.D. Ga. Savannah Division Chapter 7 Case # 23-40569-EJC Page 2 of 8

2. From the information provided in the Motion and attachments, as well as from all information disclosed by the Trustee and her counsel to date, Creditor lacks sufficient information to make an informed decision as to the settlement proposed.

3. There are numerous undisclosed items which will impact the amount of monies which the Trustee will seek to be paid out of these putative settlement proceeds, including:

- a. an itemized amount of Trustee's fees and costs from the start of the case through the date of the filing of this Motion or through the date an actual disclosure can be made to creditors;
- b. Trustee's lawyers' fees and costs from the start of the case through the date of the filing of this Motion or through the date an actual disclosure can be made to creditors;
- c. forensic Accounting Fees and costs from the start of the case through the date of the filing of this Motion or through the date an actual disclosure can be made to creditors,, and
- d. other administrative expenses incurred from the start of the case through the date of the filing of this Motion or through the date

an actual disclosure can be made to creditors not covered by a. –  
c. above.;

4. Each of the foregoing will have a direct impact on the total of settlement proceeds which will actually flow to the benefit of creditors. This information is required for any creditor to be able to make an informed decision as to the Trustee's Motion and the proposed settlement.

***B. Knowledge of Intended Treatment of Claims is a Necessity***

5. Creditor further objects to the proposed settlement because it requires Creditor (and all creditors in this case) to decide in the absence of knowing how their respective claims will be treated by the Trustee.

6. As proposed, the Trustee retains all rights to object to creditors' claims, which is an obligation to the Estate that Creditor understands that Trustee cannot waive or forego.

7. This is a case which involves over 100 claims for approximately \$43,000,000.00 in individual loans of money from creditors to the Debtor, some of which are evidenced by Promissory Notes, and some of which may not. In many cases, the Trustee and not the creditors, may be the only custodian of the Promissory Notes or other documents (1099s) without which creditors may be unable to avoid

objections to their claims.<sup>2</sup>

8. *Rebus sic stantibus*, creditors are presently required to approve or disapprove of the proposed settlement in the total absence of any reasonable expectation as to how the Trustee intends to treat their respective claims or whether the Trustee holds information necessary to allow their claims without objection. Because the settlement provides that each creditor must waive his/her/its claims against Judy Hirsch, the recovery from the settlement proceeds *vis-a-vis* the Proof of Claim may well be the only avenue of recovery that any creditor ever sees. This underscores the vitality of the need for information as to the Trustee's proposed claim treatment as being a central component in enabling creditors to make an informed decision on the settlement as proposed.

9. In advance of having to formally decide whether to approve or object to the settlement, it would be in the best interests of all creditors for the Court to require that the Trustee conduct claims conferences with each creditor or counsel to go over the claims and whether the supporting documentation filed with or missing from each will draw an objection, and if so, then whether and/or how the basis for said putative objection can be obviated. These conferences could be conducted via phone within the next thirty (30) to sixty (60) days. Moreover, these conferences will

---

2 Upon information and belief, the Trustee is the true and correct party to be in possession of all records, 2024.07.29 - Objection to Trustee's Motion to Approve Settlement Page 5 of 8  
U.S. Bankruptcy Court, S.D. Ga. Savannah Division  
Chapter 7 Case # 23-40569-EJC

obviate thousands of dollars not only in future administrative expenses and Trustee's attorneys' fees and costs for the Estate arising out of Objections to Claims and hearings thereon, but it will also save attorneys' fees and costs for each of the creditors who engage counsel to respond to the Trustee's objections and foster judicial economy by reducing Court time for adjudication of resolvable claim disputes.

10. The settlement asks creditors to settle \$43,000,000.00 in claims for a little over \$7,000,000.00, which is \$0.16 on every dollar. While Trustee's lawyer will tell the Court that is a fabulous deal in a case having characteristics similar to this one, such an opinion does not obviate the fundamental entitlement that a party being asked to make a legal decision which will forgo valuable legal rights and (likely) waive rights to collect well over 75% of monies at issue is entitled to make as informed of a decision as is reasonably possible.

11. In our case at bar, tens of millions of dollars are at stake and ride on these creditors' decisions. They are entitled to be as informed as reasonably possible prior to having to commit.

12. Accordingly, and for the foregoing reasons, Creditor objects to the Court approving the proposed settlement at present and requests that the Court grant the

relief requested hereinabove and withhold adjudication of the Motion until a later date.

**III. Conclusion**

13. This United States Bankruptcy Court is a Court of equity charged with ensuring that its processes and cases conducted hereunder are conducted in such a manner so as to afford all litigants and parties reasonable access to vital information which will enable them to make informed decisions on major case events. Hereinabove, Creditor, for himself and for the benefit of all creditors in this case, implores this Court to consider the foregoing and afford the relief requested.

WHEREFORE, Creditor prays that this Court will withhold adjudication of Trustee's Motion until the foregoing relief is afforded.

This day, July 29, 2024.

GANNAM, GNANN & STEINMETZ, LLC

*C.J. Steinmetz III*

Post Office Box 10085  
Savannah, Georgia 31412-0285  
T: 912.232.1192  
E: [cjs@qgsattorneys.com](mailto:cjs@qgsattorneys.com)

By: CHRISTIAN J. STEINMETZ III  
Georgia Bar No. 278260

ATTORNEYS FOR CREDITOR

## CERTIFICATE OF SERVICE

This certifies that a copy of the foregoing was on this day served upon:

Tiffany Caron, Esq.  
Chapter 7 Trustee

Matt Mills, Esq.  
Asst U.S. Trustee

Neil Gordon, Esq.  
Atty for Chapter 7 Trustee

and all other registered participants of the Electronic Case Filing System via Notice of Electronic Filing.

Served on this day, July 29, 2024.

GANNAM, GNANN & STEINMETZ, LLC

*C.J. Steinmetz III*

Post Office Box 10085  
Savannah, Georgia 31412-0285  
T: 912.232.1192  
E: [cjs@qgsattorneys.com](mailto:cjs@qgsattorneys.com)

By: CHRISTIAN J. STEINMETZ III  
Georgia Bar No. 278260

ATTORNEYS FOR CREDITOR