

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re

BESTWALL LLC,¹

Debtor.

Chapter 11

Case No. 17-31795

**MOTION OF THE DEBTOR FOR AN ORDER AUTHORIZING IT TO SELL
MIDLAND INSURANCE CLAIM, PURSUANT TO SECTIONS 105(a) AND 363(b)
OF THE BANKRUPTCY CODE AND THE TERMS OF ASSIGNMENT AGREEMENT**

Bestwall LLC, as debtor and debtor in possession (the "Debtor"), hereby files this Motion, pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 6004(f)(1) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for an order authorizing the Debtor to sell and assign a certain claim in an insurance liquidation, as described herein, and respectfully represents as follows:

Background

1. On November 2, 2017 (the "Petition Date"), the Debtor commenced this reorganization case by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

2. The Debtor is a North Carolina limited liability company. It owns real property in Mt. Holly, North Carolina and is the parent company of certain non-debtor subsidiaries that manufacture and distribute industrial plaster products. As of the Petition Date,

¹ The last four digits of the Debtor's taxpayer identification number are 5815. The Debtor's address is 100 Peachtree Street, N.W., Atlanta, Georgia 30303.

the Debtor was a defendant in tens of thousands of asbestos-related lawsuits pending in the courts of nearly every state and certain territories of the United States.

3. The Debtor is authorized to continue to manage its property and operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. On November 16, 2017, the Court entered an order [Docket No. 97] appointing an official committee of asbestos claimants (the "Asbestos Committee") in this chapter 11 case.

Facts Relevant to This Motion

The Debtor's Policy with Midland Insurance Company and the Liquidation Proceedings

5. In 1982, the Debtor's predecessor, the former Georgia-Pacific LLC, a Delaware limited liability company f/k/a Georgia Pacific Corp. ("Old GP"), purchased a one-year, \$5,000,000 excess insurance policy (the "Midland Policy") from Midland Insurance Company ("Midland"), a New York corporation licensed as a stock casualty insurer in the State of New York. The Midland Policy insured certain asbestos and other liabilities of Old GP.

6. On April 3, 1986, the Supreme Court of the State of New York, County of New York (the "New York Court") entered an order of liquidation (the "Liquidation Order"), placing Midland under the legal supervision and control of the Superintendent of Insurance of the State of New York (the Superintendent and all of its successors, collectively, the "Liquidator"). Pursuant to the Liquidation Order, (a) the New York Court charged the Liquidator with facilitating the liquidation of Midland's business and affairs and (b) all of Midland's outstanding policy and other insurance obligations terminated on May 3, 1986. Midland's liquidation proceedings (the "Liquidation Proceedings") remain pending before

the New York Court under a case captioned In re Liquidation of Midland Insurance Company, Case Number 41294/86.

7. Old GP timely asserted a claim with respect to the Midland Policy (the "Midland Claim") in the amount of \$5,000,000 in the Liquidation Proceedings. On January 4, 2013, the New York Court entered an order (the "Claim Allowance Order") allowing the Midland Claim in the total amount of \$5,000,000 and accepting the claim as a class two claim in the Liquidation Proceedings.² The Claim Allowance Order is attached hereto as part of Exhibit A, described below.

8. In 2013, Old GP received an initial distribution with respect to the Midland Claim in the amount of \$1,250,000 (the "Initial Distribution") — i.e., an amount equal to 25% of its total claim against Midland. The potential for and timing of any additional distributions are uncertain.

9. As a result of a corporate restructuring, on July 31, 2017, Old GP ceased to exist, and the Debtor, among other things, succeeded to certain of Old GP's assets, including the Midland Claim.³

The Sale and Assignment of the Midland Claim

10. In December 2017, Liquidity Solutions, Inc. (the "Purchaser") contacted the Debtor and offered to purchase the Midland Claim. The Debtor evaluated the Purchaser's initial offer with the benefit of experienced counsel that has assisted the Debtor in connection

² Pursuant to section 7434 of the New York Insurance Law, class two claims are "[a]ll claims under policies . . . for losses incurred, third party claims, claims for unearned premiums, and all claims of a security fund, guaranty association or the equivalent except claims arising under reinsurance claims." See NY Ins. L. § 7434(a)(ii). Class two claims are entitled to share, *pro rata*, in a distribution, subject to court approval.

³ This corporate restructuring is described in detail in the *Declaration of Tyler L. Woolson in Support of First Day Pleadings* [Docket No. 2].

with the Liquidation Proceedings ("Insurance Counsel"). The Debtor negotiated with the Purchaser to improve the offer to the point where the Debtor determined that it had negotiated the best price and structure possible from the Purchaser. The total cash consideration agreed to by the Purchaser is \$750,000 (the "Purchase Price"), which together with the Initial Distribution, would provide the Debtor with a 40% recovery on account of the Midland Claim.

11. In determining whether to sell the Midland Claim to the Purchaser, the Debtor worked with Insurance Counsel to complete an analysis of the proposed transaction. Among other things, the Debtor considered the assets likely available to satisfy liabilities in the Liquidation Proceedings and the anticipated timeframe for potential further distributions. With the assistance of Insurance Counsel, the Debtor determined that (a) Midland's liabilities significantly exceed its assets, (b) a recovery of materially more than 40% in the Liquidation Proceedings is speculative (and a 40% recovery is not assured) and (c) any final recovery likely would not occur in the near term (and, in fact, could take several years). By contrast, a sale of the Midland Claim to the Purchaser (together with the Initial Distribution already received) would generate a guaranteed total recovery of 40% on the Midland Claim in the coming weeks. Further, a sale of the Midland Claim would significantly reduce, if not eliminate, the potential burden on the Debtor of any ongoing monitoring of or further participation in the Liquidation Proceedings. After considering these factors, the Debtor, in the exercise of its reasonable business judgment, determined that a sale of the Midland Claim to the Purchaser would be in the best interests of its estate and creditors.

12. The Debtor and the Purchaser engaged in good faith, arm's length negotiations on the terms of the sale and, on February 1, 2018, executed, subject to approval of the Court, an agreement for the sale and assignment of claim (the "Assignment Agreement"), a

copy of which is attached hereto as Exhibit A.⁴ The Debtor believes that the proposed sale of the Midland Claim as provided in the Assignment Agreement is fair and reasonable and in the best interests of its estate.

13. The key terms of the Assignment Agreement are summarized in the following chart:⁵

Seller:	Bestwall LLC
Purchaser:	Liquidity Solutions, Inc.
Purchased Assets:	All of the Debtor's right, title and interest in, to and under the Midland Claim, including all future rights and benefits of the Debtor relating to the Midland Claim, such as the Debtor's rights to receive payment of principal, and any interest, penalties and fees, if any, that may be paid with respect to or in satisfaction of the Midland Claim, and all cash, securities, instruments and other property that may be paid or issued with respect to or in satisfaction of the Midland Claim.
Excluded Assets:	All of the Debtor's right, title and interest in and to the Initial Distribution.
Consideration:	\$750,000 in cash (<u>i.e.</u> , the Purchase Price) If the Midland Claim is allowed in an amount greater than the Purchased Amount (<u>i.e.</u> \$5,000,000), at the Purchaser's option and upon notice to the Debtor, the Debtor will be deemed to sell to the Purchaser all or any portion (as specified in the notice) of the excess claim at the same price as provided in the Assignment Agreement (expressed as a percentage of the claim).
Ability of Purchaser to Match Any Competing Bids:	As described below, the Debtor seeks to sell the Midland Claim by private sale. Nevertheless, in the event that the Debtor receives competing bids for the Midland Claim, the Debtor will promptly provide notice of such bids to the Purchaser. The Purchaser will have three business days to match any competing bid, and any matching bid by the Purchaser will be the final bid by any party with respect to the Midland Claim, subject to approval by the Bankruptcy Court.

⁴ The Claim Allowance Order is attached to the Assignment Agreement as Exhibit A thereto.

⁵ This summary is qualified in its entirety by the provisions of the Assignment Agreement. Capitalized terms used within this summary that are not otherwise defined in this Motion have the meanings given to them in the Assignment Agreement.

<p>"As Is/Where Is" Sale:</p>	<p>Except as expressly set forth in the Assignment Agreement, the Midland Claim will be transferred "as is" and "where is" with no representations or warranties, including, without limitation, no representation or warranties as to the treatment of the Midland Claim in the Liquidation Proceedings or its value therein.</p> <p>Both parties acknowledge that each of them currently has, or may in the future have, information that is not known to the other party and that may be material to a decision to sell or purchase the Midland Claim (as applicable) ("<u>Excluded Information</u>"), they determined to sell or purchase the Midland Claim (as applicable) notwithstanding a lack of knowledge of the Excluded Information and neither party will have any liability to the other or any other party with respect to the nondisclosure of the Excluded Information.</p> <p>The Debtor shall not be liable for any losses, costs or expenses, including reasonable legal fees and costs, incurred by the Purchaser as a result of any dispute or challenge regarding the validity or amount of the Midland Claim or any Impairment (defined below) except as expressly provided in the Assignment Agreement and only to the extent that the Debtor received prompt notice of such dispute or challenge.</p>
<p>Representations and Warranties:</p>	<p>The Debtor makes representations and warranties regarding the treatment of the Midland Claim as set forth in the Claim Allowance Order entered by the New York Court in the Liquidation Proceedings.</p> <p>The Debtor also makes representations and warranties regarding the Debtor's ownership of the Midland Claim, ability to assign the Midland Claim, the amount of the Initial Distribution as the only distribution to date on account of the Midland Claim and the amount of the claim being assigned.</p> <p>Both parties represent that they have adequate information to make an informed decision regarding the sale of the Midland Claim and have independently determined to enter into the Assignment Agreement based on that information.</p>
<p>Damages for Breach:</p>	<p>In the event that the Midland Claim is treated in a manner inconsistent with the Allowance Order, based solely on a breach of a representation or warranty of the Debtor and not as a result of the conduct of the Purchaser (an "<u>Impairment</u>"), the Debtor agrees, upon demand of the Purchaser and 10 days after the Purchaser files a notice in this chapter 11 case of such demand, to pay the Purchaser proportional restitution and repayment of the Purchase Price plus interest at the rate of 10% per year on the amount repaid for the period from the date of payment of the Purchase Price through the date repayment is made. Upon application to and approval by the Bankruptcy Court, the Debtor further agrees to reimburse the Purchaser for all losses, costs and expenses incurred by the Purchaser as a</p>

	<p>result of an Impairment or any successful objection to the transfer of the Midland Claim by the Debtor.</p> <p>If certain actions of the Debtor with respect to the Debtor's ownership of or title to the Midland Claim result in the Purchaser not owning the rights or having good title to the Midland Claim, the Debtor agrees to pay to the Purchaser, upon demand and application to and approval by the Bankruptcy Court, liquidated damages in amount equal to the amount paid to the Debtor under the Assignment Agreement plus actual damages suffered by the Purchaser.</p>
<p>Further Assurances:</p>	<p>The Debtor agrees to take such further actions, at its own expense, as reasonably requested by the Purchaser as may be necessary or appropriate to effect the transfer of the Midland Claim to the Purchaser (or its designees).</p> <p>The Debtor agrees to take such further actions as reasonably requested by the Purchaser as may be necessary or appropriate to effect any payments or distributions on account of the Midland Claim, including, without limitation, the execution of appropriate transfer powers, corporate resolutions and consents.</p> <p>The Debtor agrees to forward to the Purchaser any notices received with respect to the Midland Claim and to take such action with respect to the Midland Claim in the Liquidation Proceedings as the Purchaser may reasonably request and at the Purchaser's sole cost.</p>
<p>No Further Obligation to Defend Midland Claim:</p>	<p>The Debtor shall have no obligation to take any action to prove or defend the Midland Claim's validity or amount in the Liquidation Proceedings; <i>provided, however</i>, that the Purchaser shall promptly notify the Debtor of any challenge to or dispute regarding the Midland Claim's validity or amount, including any Impairment, of which the Purchaser becomes aware.</p>

Legal Basis for Relief Requested

14. Pursuant to section 363(b)(1) of the Bankruptcy Code, "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. §363(b)(1). Additionally, section 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or judgment that is necessary to carry out the provisions of this title." 11 U.S.C. § 105(a).

15. The decision to sell property of the estate outside of the ordinary course of

business is entrusted to the sound business judgment of the debtor. See, e.g., Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983) (holding that to obtain court approval to sell property under section 363(b), a debtor must show a "sound business reason" for the proposed action); In re Derivium Capital, LLC, 380 B.R. 392, 404 (Bankr. D.S.C. 2007) ("In determining whether to approve a sale proposed by a trustee under this section [363(b)(1)], courts generally apply a business judgment test."); In re Shipman, 344 B.R. 493, 495 (Bankr. N.D.W.Va. 2006) (explaining that a trustee's decision to sell a debtor's property outside the ordinary course of business is reviewed by the court for compliance with the business judgment rule); In re Charlotte Commercial Grp., Inc., No. B-01-52684 C-7W, 2002 WL 31055241, at *2 (Bankr. M.D.N.C. Aug. 12, 2002) (the "sale of an asset under § 363 requires a 'sound business reason'").

16. "Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." In re Johns-Manville Corp., 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). If a valid business justification exists, there is a strong presumption that a debtor acted "in good faith and in the honest belief that the action taken was in the best interests of the company." In re Integrated Res., Inc., 147 B.R. 650, 656 (S.D.N.Y. 1992) (quotes removed). The burden of rebutting this presumption falls to parties opposing the proposed exercise of a debtor's business judgment. Id.

The Sale and Assignment of the Midland Claim Pursuant to the Assignment Agreement is a Sound Exercise of the Debtor's Business Judgment

17. The Debtor's sale and assignment of the Midland Claim to the Purchaser pursuant to the Assignment Agreement is a sound exercise of its business judgment and in the best interests of its estate and creditors. As an initial matter, the Assignment Agreement is

the result of good faith, arm's length negotiations between the Debtor and the Purchaser, which led to improved terms of sale in favor of the Debtor. As negotiated, the sale of the Midland Claim pursuant to the Assignment Agreement will afford the Debtor a meaningful, certain and expeditious recovery on the Midland Claim. The Purchase Price and the Initial Distribution provide for a total recovery of 40% on the Midland Claim, and this recovery will be achieved, subject to the Court's approval, in the near term. By contrast, the amount and timing of any further distributions in the Liquidation Proceedings are, at best, uncertain. Based on its consultation with Insurance Counsel, the Debtor believes that obtaining a final distribution could take years, and an aggregate distribution materially exceeding a 40% recovery (i.e., a recovery equal to the Purchase Price) is speculative and potentially could be less than 40%.

18. Further, a sale of the Midland Claim under the Assignment Agreement would reduce, if not eliminate, the burden of any further monitoring of, or participation in, the Liquidation Proceedings by the Debtor. Pursuant to the Assignment Agreement, the Debtor is selling the Midland Claim "as is" and "where is" with no representations or warranties, except as set forth in the Assignment Agreement (e.g., that the Debtor owns the Midland Claim and the claim has been allowed by virtue of the Claim Allowance Order). Assignment Agreement, at 2. Notably, the Debtor makes no representation or warranties, nor offers other assurances, as to the amount, nature or timing of future distributions with respect to the Midland Claim (if any). Id. at 1, 2. The Debtor also expressly has no obligation to take any actions to prove or defend the Midland Claim's validity or amount in the Liquidation Proceedings. Id. at 2. Finally, other than reasonable actions to complete the transfer of the Midland Claim, to the extent that the Purchaser reasonably requests that the Debtor take action in the Liquidation Proceedings in the future (as

and to the extent provided in the Assignment Agreement), any such action will be taken at the Purchaser's sole cost. Id.

19. For all of these reasons, the Debtor respectfully submits that a private sale of the Midland Claim pursuant to the Assignment Agreement is in the best interests of the estate and should be approved pursuant to section 363(b)(1) of the Bankruptcy Code.

The Purchaser is Entitled to Good Faith Protections

20. The Purchaser is purchasing the Midland Claim in good faith and is entitled to the full protection of section 363(m) of the Bankruptcy Code. Section 363(m) of the Bankruptcy Code protects a good-faith purchaser's interest in property purchased from a debtor, notwithstanding that the sale conducted under section 363(b) is later reversed or modified on appeal. Specifically, section 363(m) of the Bankruptcy Code states that:

The reversal or modification on appeal of an authorization under [section 363(b) of the Bankruptcy Code] of a sale . . . of property does not affect the validity of a sale . . . to an entity that purchased . . . such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m). "Section 363(m) codifies Congress's strong preference for finality and efficiency in the bankruptcy context, particularly where third parties are involved." Hazelbaker v. Hope Gas, Inc. (In re Rare Earth Minerals), 445 F.3d 359, 363 (4th Cir. 2006); see also In re Abbotts Dairies of Pa., Inc., 788 F.2d 143, 147 (3d Cir. 1986) (providing that section 363(m) fosters the "policy of not only affording finality to the judgment of the bankruptcy court, but . . . give[s] finality to those orders and judgments upon which third parties rely").

21. The Debtor requests a finding that the Purchaser is a good faith purchaser entitled to the protections of section 363(m). The terms and conditions of the Assignment Agreement were negotiated by the Debtor and the Purchaser at arm's length and in good faith.

The Purchaser is sophisticated and routinely engages in similar transactions, and the Debtor believes that the Purchaser has not engaged in any conduct that would indicate or constitute a lack of good faith. See Willemain v. Kivitz, 764 F.2d 1019, 1023 (4th Cir. 1985) ("Typically, the misconduct that would destroy a purchaser's good faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.") (quotes removed); In re Gucci, 126 F.3d 380, 392 (2d Cir. 1997) ("Good faith of a purchaser is shown by the integrity of his conduct during the course of sale proceedings"); In re Tempo Tech. Corp., 202 B.R. 363, 367 (D. Del. 1996) (stating that a purchaser's good faith status would be destroyed only by conduct involving "fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders").

22. Accordingly, the Debtor believes that the Purchaser is entitled to the protections that section 363(m) of the Bankruptcy Code provides to a good faith purchaser.

The Costs and Delays of a Marketing and Auction Process Would Outweigh any Potential Benefits

23. Rule 6004(f)(1) of the Bankruptcy Rules permits private sales or sales conducted without an auction. Fed. R. Bankr. P. 6004(f)(1) ("All sales not in the ordinary course of business may be by private sale or by public auction."). Further, courts have generally held that a debtor has broad discretion in determining the manner in which assets are sold. In re Bakalis, 220 B.R. 525, 531 (Bankr. E.D.N.Y. 1998) (noting that a trustee has "ample discretion to administer the estate, including authority to conduct public or private sales of estate property"); In re Ken Johnson Toyota, Ltd., 35 B.R. 18, 20 (Bankr. D.S.C. 1983) (agreeing that section 363 provides discretion to the trustee with respect to the manner of a sale); Berg v. Scanlon (In re Alisa P'ship), 15 B.R. 802, 802 (Bankr. D. Del. 1981) ("[T]he manner of sale is

within the discretion of the trustee . . .").

24. As long as a debtor maximizes the return to its estate, a court should defer to a debtor's business judgment regarding how to structure an asset sale. See In re NEPSCO, Inc., 36 B.R. 25, 26 (Bankr. D. Me. 1983) ("Clearly, the thrust of th[e] statutory scheme [governing 363 sales] is to provide maximum flexibility to the trustee, subject to the oversight of those for whose benefit he acts, i.e., the creditors of the estate.").

25. Accordingly, if the Debtor concludes that conducting a private sale, as opposed to a public auction, is in the best interests of its estate, the Debtor should be permitted to do so. See Penn Mut. Life Ins. Co. v. Woodscape Ltd. P'ship (In re Woodscape Ltd. P'ship), 134 B.R. 165, 174 (Bankr. D. Md. 1991) (noting that, with respect to sales of estate property, "[t]here is no prohibition against a private sale . . . and there is no requirement that the sale be by public auction").

26. The Debtor believes that the costs and delays of marketing the Midland Claim to potential bidders and conducting a public auction likely would outweigh any potential increased benefit to the Debtor's estate. The Liquidation Proceedings have been pending for over 30 years, and the New York Court entered the Claim Allowance Order over five years ago. In that time, there has been limited interest in the Midland Claim, and the Debtor is not aware of any other party with a current interest in purchasing the Midland Claim. In addition, as set forth above, the Debtor believes that the proposed sale provides a reasonable, expeditious and certain recovery on the Midland Claim. It is the Debtor's view that it is unlikely that a costly and potentially time consuming marketing and sale process would result in a greater recovery for the Debtor's estate.⁶

⁶ For the reasons set forth above, the Debtor believes that competing bids are unlikely. Nevertheless, as described in the summary chart above, the Assignment Agreement provides that, in the event the Debtor

A Sale Free and Clear of Liens, Claims and Encumbrances is Appropriate

27. The Debtor further submits that it is appropriate for the Debtor to sell the Midland Claim free and clear of all liens, claims, encumbrances and other interests (if any) pursuant to section 363(f) of the Bankruptcy Code. Pursuant to section 363(f), a debtor may sell property free and clear of any liens, claims, encumbrances and other interests of an entity other than the estate if one of the following conditions is satisfied:

- (a) Applicable nonbankruptcy law permits the sale of such property free and clear of such interest;
- (b) Such entity consents;
- (c) Such interest is a lien and the price at which property is to be sold is greater than the aggregate value of all liens on such property;
- (d) Such interest is in bona fide dispute; or
- (e) Such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. §363(f).

28. Because section 363(f) is stated in the disjunctive, it is only necessary to meet one of the five conditions listed in that section. See Folger Adam Sec. Inc. v. De Matteis/MacGregor, JV, 209 F.3d 252, 257 (3d Cir. 2000) (noting that a debtor is authorized to sell property free and clear of "any interest" if any one of the five prescribed conditions under section 363(f) is met); In re Byrd, No. 01-25006, 2007 WL 1485441, at *14 (Bankr. D. Md. May 18, 2007) ("[t]he subsections of Section 363(f) are written in the disjunctive"); In re Kellstrom Indus., Inc., 282 B.R. 787, 793 (Bankr. D. Del. 2002) ("Section 363(f) is written in

receives competing bids for the Midland Claim, the Debtor will promptly provide notice of such bids to the Purchaser. The Purchaser will have three business days to match any competing bid, and any matching bid by the Purchaser will be the final bid by any party with respect to the Midland Claim, subject to approval by this Court.

the disjunctive, not the conjunctive, and if any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens."); In re Collins, 180 B.R. 447, 450 (Bankr. E.D. Va. 1995) ("Section 363(f) is phrased in the disjunctive, such that only *one* of the enumerated conditions must be met in order for the Court to approve the proposed sale.").

29. The Debtor respectfully submits that a sale of the Midland Claim free and clear of liens, claims, encumbrances and other interests satisfies the requirements of section 363(f) of the Bankruptcy Code. As an initial matter, the Debtor is not aware of any liens, claims, encumbrances or other interests on the Midland Claim. Additionally, notice of this Motion will be sufficient to inform creditors of the proposed sale and the requested relief. Further, to the extent that any liens, claims, encumbrances or other interests exist, the Debtor proposes that all such liens, claims, encumbrances or other interests attach to the proceeds of the sale with the same validity and priority, and to the same extent, as existed immediately prior the sale.

Waiver of Rule 6004(h)

30. Pursuant Bankruptcy Rule 6004(h), unless the Court orders otherwise, all orders authorizing the sale of property pursuant to section 363 of the Bankruptcy Code are automatically stayed for 14 days after entry of the order.

31. The Debtor requests that, upon entry of any order approving this Motion, the Court waive the 14-day stay requirement of Bankruptcy Rule 6004(h). The waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h) will allow the proposed sale of the Midland Claim to close as soon as possible and enable the Debtor, among other things, to obtain the consideration contemplated by the Assignment Agreement without delay (and as provided in that agreement). Further, a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h) will allow the Debtor or the Purchaser to take any measures necessary to assign the Midland Claim to

the Purchaser, including any actions in the Liquidation Proceedings, without delay or uncertainty. Accordingly, the Debtor respectfully requests that the Court waive the 14-day stay requirement set forth in Bankruptcy Rule 6004(h).

Notice

32. Pursuant to Bankruptcy Rule 2002(a), the Debtor is required to provide its creditors with 21-days' notice of the sale hearing. Pursuant to Bankruptcy Rule 2002(c), such notice must include the date, time and place of the sale hearing, and the deadline for filing any objections to the relief requested in this Motion. Contemporaneously with the filing of this Motion, the Debtor will serve a notice of the sale hearing providing such information (the "Hearing Notice") in accordance with the *Order Establishing Certain Notice, Case Management and Administrative Procedures* [Docket No. 65] (the "Case Management Order").

33. In particular, consistent with the Case Management Order, the Hearing Notice and this Motion will be served on: (a) the Office of the United States Bankruptcy Administrator for the Western District of North Carolina; (b) counsel to the Asbestos Committee; (c) counsel to the Debtor's non-debtor affiliate, Georgia-Pacific LLC, a Delaware limited liability company; (d) the Purchaser; and (e) the other parties on the Service List established by the Case Management Order. The Debtor respectfully submits that the form and manner of notice described herein comply with Bankruptcy Rule 2002 and the Case Management Order and constitute good, adequate and sufficient notice of the proposed sale of the Midland Claim, and that no other or further notice need be provided.

No Prior Request

34. No prior request for the relief sought herein has been made to this or any other Court in connection with this chapter 11 case.

WHEREFORE, the Debtor respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit B, granting (i) the relief requested herein; and (ii) such other and further relief to the Debtor as the Court may deem just and proper.

Dated: February 1, 2018
Charlotte, North Carolina

Respectfully submitted,

/s/ Garland S. Cassada
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ATTORNEYS FOR DEBTOR AND DEBTOR
IN POSSESSION

Exhibit A

Assignment Agreement

ASSIGNMENT OF CLAIM

BESTWALL LLC, successor in interest to the former Georgia-Pacific LLC, a Delaware limited liability company, having a mailing address at **100 Peachtree Street, N.W., Atlanta, Georgia 30303** (“Assignor”), in consideration of the sum of **\$750,000.00** in cash (the “Purchase Price”) does hereby assign to **LIQUIDITY SOLUTIONS, INC.** (“Assignee”), having offices at **1 University Plaza, Suite 312, Hackensack, New Jersey 07601**, all of Assignor’s right, title and interest in, to and under the allowed and recommended claim of Assignor, as more specifically set forth below (the “Claim”), asserted and filed against Midland Insurance Company (the “Estate”) in liquidation proceedings pending in the Supreme Court for the State of New York (the “Court”), Case No. 41294/1986 (the “Proceedings”), in the amount of **\$5,000,000.00** (the “Purchased Amount”), and all future rights and benefits of Assignor relating to the Claim, including, without limitation, Assignor’s rights to receive payment of principal, and any interest, penalties and fees, if any, that may be paid with respect to or in satisfaction of the Claim, and all cash, securities, instruments and other property that may be paid or issued by the Estate or any other party with respect to or in satisfaction of the Claim (other than the Interim Distribution, as defined below). The Claim is based on amounts owed to Assignor by the Estate as set forth below, and this Assignment of Claim (this “Assignment”) shall be deemed an absolute and unconditional assignment of the Claim for the purpose of collection and shall not be deemed to create a security interest except as may be otherwise provided herein. Assignee is assuming no liabilities or obligations of Assignor under this Assignment.

Assignor represents and warrants that the Claim has been allowed and accepted as a Class 2 Claim in the amount of **\$5,000,000.00 (Liquidator Claim No. M-ASB-2760)**, pursuant to an order entered by the Court in the Proceeding (the “Claim Allowance Order”), a copy of which is attached hereto as **Exhibit A**. Assignor further represents and warrants that: (i) the Claim currently is not subject to any asserted defense, counterclaim, offset, setoff, dispute or objection; (ii) Assignor has received an interim distribution of 25% of the Purchased Amount (i.e., \$1,250,000.00) in partial satisfaction of the Claim (the “Interim Distribution”); (iii) other than the Interim Distribution, that no payment has been received by Assignor, or by any third party claiming through Assignor, in full or partial satisfaction of the Claim; (iv) Assignor has not previously assigned, sold or pledged the Claim to any third party, in whole or in part; (v) Assignor solely owns and has good title to the Claim free and clear of any and all liens, security interests or encumbrances of any kind or nature whatsoever; (vi) the Claim is assignable and transferable; and (vii) there are no offsets or defenses that have been or, to Assignor’s knowledge, threatened to be asserted, by or on behalf of the Estate or any other party to reduce the amount of the Claim or to impair its value or to subordinate the Claim. Assignor will make its reasonable best efforts to facilitate this transfer of Claim. Assignor further represents, warrants and covenants that, to the best of its knowledge, information and belief, a true and correct copy of the policy against which the Claim is made (“Policy”) has been provided to Assignee. Except as otherwise expressly set forth herein, neither Assignor nor Assignee makes any representations regarding future payments or distributions with respect to the Claim. If any cash, securities, instruments and/or other property is received by Assignor on this Claim, such distribution will be forwarded to Assignee within 7 days. For the avoidance of doubt, nothing herein shall constitute a sale, assignment or transfer of any rights to the Interim Distribution, all of which rights shall remain with Assignor.

Assignor is aware that the above Purchase Price may differ from the amount ultimately distributed in the Proceedings with respect to the Claim and that such amount may not be absolutely determined until the conclusion of the Proceedings. Assignor and Assignee acknowledge that, except as set forth in this Assignment, neither of them nor any agent or representative of either of them has made any representation whatsoever to the other regarding the status of the Proceedings, the condition of the Estate (financial or otherwise) or any other matter relating to the Proceedings, the Estate or the Claim.

Assignor currently is a debtor in possession in a reorganization case filed under chapter 11 of title 11 of the United States Code, which is captioned *In re Bestwall LLC*, Case No. 17-31795 (the “Bankruptcy Case”) and is pending before the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”). Assignor and Assignee agree and acknowledge that this Assignment and the transactions contemplated hereby are expressly conditioned on the entry of an order of the Bankruptcy Court approving this Assignment and authorizing Assignor to implement the terms hereof (an “Approval Order”). Assignor shall act in good faith in seeking approval of this Assignment from the Bankruptcy Court and shall seek entry of an Approval Order in substantially the form attached hereto as **Exhibit B**. The Debtor shall file a motion to approve this Assignment and for entry of the Approval Order, which shall be in form and substance reasonably acceptable to Assignee, as soon as practicable after the execution of this Assignment by the parties hereto. In the event that Assignor receives one or more competing bids for the Claim, Assignor will promptly provide notice of such competing bid(s). Assignee will thereafter be given 3 business days to match the offer (and such offer by Assignee, if any, shall be the final bid by any party with respect to the Claim). If the Bankruptcy Court approves the sale of the Claim to Assignee, Assignee shall pay Assignor the Purchase Price promptly, and in any event not more than 3 days following entry of the Approval Order. Upon Payment of the Purchase Price and entry of the Approval Order, title and all interest in and to the Claim shall immediately transfer to Assignee. If the Bankruptcy Court does not approve the sale of the Claim to Assignee, Assignee shall have no obligation to pay the Purchase Price to Assignor, and this Assignment will not be enforceable against the Debtor.

Assignor and Assignee represent that each of them, respectively, has adequate information concerning the business and financial condition of the Estate and the status of the Proceedings to make an informed decision regarding the sale of the Claim; and that each of them, respectively, has independently and without reliance on the other, except as set forth herein, and based on such information as each of them has deemed appropriate (including information available from the files of the Court of the

Proceedings), made their own analyses and decisions to enter into this Assignment of Claim. Assignor and Assignee each hereby acknowledge to the other that (i) each of them currently has, or may in the future have, information with respect to the Claim, the Estate or any of its affiliates and/or the Proceedings that is not known to the other party and that may be material to a decision to sell or purchase the Claim (as applicable) (“Excluded Information”); (ii) each of them has determined to sell or purchase the Claim (as applicable) notwithstanding a lack of knowledge of the Excluded Information; and (iii) neither Assignor nor Assignee shall have any liability to the other or any other party whatsoever with respect to the nondisclosure of the Excluded Information in connection with the transactions contemplated hereby.

Except as expressly provided herein, the Claim will be transferred “as is” and “where is” with no representations or warranties, including, without limitation, no representation or warranties as to the treatment of the Claim in the Proceedings or its value therein. In the event that the Claim is disallowed, reduced, subordinated, offset, setoff, objected to, treated in the Proceedings other than as a Class 2 claim against the Estate, or otherwise treated in a manner inconsistent with the Allowance Order, based solely on a breach of a representation or warranty of Assignor and not as a result of the conduct of Assignee, in whole or in part, (an “Impairment”), Assignor agrees, upon demand of Assignee and 10 days after Assignee files a notice in the Bankruptcy Case of such demand, to make to Assignee proportional restitution and repayment of the Purchase Price together with interest at the rate of 10% per annum on the amount repaid for the period from the date of payment of the Purchase Price by Assignee through the date such repayment is made. Upon application to and approval by the Bankruptcy Court, Assignor further agrees to reimburse Assignee for all losses, costs and expenses, including reasonable and documented out-of-pocket legal fees and costs, incurred by Assignee as a result of such Impairment or any successful objection to the transfer of the Claim by Assignor. IN THE EVENT THAT (I) ASSIGNOR HAS PREVIOUSLY ASSIGNED OR PLEDGED THIS CLAIM TO ANY THIRD PARTY, (II) OTHERWISE LACKS SOLE TITLE THERETO OR (III) IN THE FUTURE PURPORTS TO ASSIGN OR PLEDGE THE CLAIM TO A THIRD PARTY, AND ANY SUCH ACTION RESULTS IN ASSIGNEE NO LONGER OWNING THE RIGHTS TO THE CLAIM SOLD HEREUNDER, ASSIGNOR AGREES TO PAY ASSIGNEE UPON DEMAND OF ASSIGNEE, LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO THE AMOUNT PAID TO ASSIGNOR HEREUNDER PLUS ANY ACTUAL DAMAGES SUFFERED BY ASSIGNEE AS A RESULT OF THE OCCURRENCE OF (I), (II) OR (III) OF THIS SENTENCE UPON APPLICATION TO AND APPROVAL OF THE BANKRUPTCY COURT.

In the event that the Claim ultimately is allowed in amount greater than the Purchased Amount represented above, at Assignee’s sole option and after written notice (the “Notice”) provided to Assignor by Assignee, Assignor shall, and is hereby deemed to sell to Assignee and Assignee hereby agrees to purchase all, or any portion specified in the Notice, of such excess claim, at the same price (expressed as a percentage of claim) provided for hereunder. Assignee shall remit such payment to Assignor after delivery to Assignor of the Notice and upon Assignee’s satisfaction that the Claim has been allowed in the higher amount and is not subject to any Impairment. All terms of this Assignment shall survive execution.

Assignor hereby irrevocably appoints Assignee as its true and lawful agent and attorney-in-fact, solely with respect to the Claim, with the full power and authority to act in Assignor’s name, place and stead, to demand, sue for, compromise and recover all such amounts as now are, or may hereafter become, due and payable for or on account of the Claim and to exercise all elections and all other rights and remedies with respect thereto. Assignor further grants unto Assignee full authority to do all things necessary to enforce the Claim and its rights thereunder pursuant to this Assignment. Assignor agrees that the powers granted by this paragraph are coupled with an interest, and are therefore irrevocable, and are discretionary in nature and that Assignee may exercise or decline to exercise such powers at Assignee’s sole option. Assignor shall have no obligation to take any action to prove or defend the Claim’s validity or amount in the Proceedings; *provided, however*, that Assignee shall promptly notify Assignor of any challenge to or dispute regarding the Claim’s validity or amount, including any Impairment, of which Assignee becomes aware. Assignor shall not be liable for any losses, costs or expenses, including reasonable legal fees and costs, incurred by Assignee as a result of any dispute or challenge regarding the validity or amount of the Claim or any Impairment except as expressly provided herein and only to the extent that Assignor received prompt notice of such dispute or challenge. Assignor agrees to take such further actions, at its own expense, as reasonably requested by Assignee as may be necessary or appropriate to effect the transfer of the Claim to Assignee (or its designees).

Assignor agrees to take such further actions as reasonably requested by Assignee as may be necessary or appropriate to effect any payments or distributions on account of the Claim including, without limitation, the execution of appropriate transfer powers, corporate resolutions and consents. Assignor agrees to forward to Assignee any notices received from the Estate, the Court or any third party with respect to the Claim assigned herein and to take such action with respect to the Claim in the Proceedings as Assignee may from time to time reasonably request and at Assignee’s sole cost. Assignor further agrees that any distribution received by Assignor on account of the Purchased Amount of the Claim, other than the Interim Distribution, whether in the form of cash, securities, instrument or any other property, shall constitute property of Assignee to which Assignee has an absolute right, and that (if received by Assignor) Assignor will hold such property in trust for the benefit of Assignee and will, at its own expense, promptly deliver to Assignee any such property in the same form received, together with any endorsements or documents necessary to transfer such property to Assignee. The terms of this Assignment shall be binding upon, and shall inure to the benefit of Assignor, Assignee and their respective successors and permitted assigns. Assignor hereby acknowledges that Assignee may at any time reassign the Claim, together with all right, title and interest of Assignee in, to and under this Assignment, or any portion thereof or interest therein, without notice to or the consent of Assignor. Assignor may not assign the

Claim or any of its right, title and interest in, to and under this Assignment, or any portion thereof or interest therein, without the prior written consent of Assignee, which Assignee may grant or withhold in its discretion. All representations and warranties made herein shall survive the execution and delivery of this Assignment. This Assignment may be executed in multiple counterparts and all such counterparts taken together shall be deemed to constitute a single agreement.

This Assignment shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts. Any action arising under or relating to this Assignment must be brought in the Bankruptcy Court for so long as the Bankruptcy Case remains pending. If the Bankruptcy Case is no longer pending, any action arising under or relating to this Assignment must be brought in federal or state courts located in the State of New York (County of New York) or the State of New Jersey, and Assignor consents to and confers personal jurisdiction over Assignor by such courts at such time and agrees that service of process may be made upon Assignor by mailing a copy of said process to Assignor at the address set forth in this Assignment. In any action hereunder, **ASSIGNOR WAIVES ANY RIGHT TO DEMAND A TRIAL BY JURY ON ANY THEORY, INCLUDING WITHOUT LIMITATION CONTRACT AND TORT.**

CONSENT AND WAIVER

Upon Assignor's delivery to Assignee of its executed signature page to this Assignment of Claim Agreement and entry of the Approval Order, Assignor hereby authorizes Assignee to file a notice of transfer with respect to the Claim. Assignor hereby acknowledges and consents to all of the terms set forth in this Assignment and hereby waives (i) its right to raise any objection hereto, and (ii) its right to receive notice with respect to the Claim in the Proceedings. **Payment must be received within 5 business days of entry of the Approval Order or, upon notice of one party to the other, this Assignment will become null and void and neither party shall have any obligation to the other.**

[Signatures Follow on the Next Page]

I, J. Joel Mercer Jr am an officer of BESTWALL LLC.

My specific title is Chief Legal Officer By my signature below, I hereby represent and warrant that I have full authority to assign the Claim as set forth herein and to bind BESTWALL LLC to the terms and conditions of this Assignment.

IN WITNESS WHEREOF, the undersigned Assignor hereunto sets its hands this 13th day of Feb, 2018
ATTEST:

By:

J. Joel Mercer
Signature

[Signature]
Notary Signature

J. Joel Mercer, Jr.
Print Name/Title Chief Legal Officer

Bestwall LLC
Company

404-652-4670
Telephone No.

j.j.mercer@gapac.com
Email Address



IN WITNESS WHEREOF, the undersigned Assignee hereunto sets its hand this _____ day of _____, 20__.
ATTEST:

By:

Chris Oh
Liquidity Solutions, Inc.
(201) 968-0001 ext. 142

Notary Signature

I, _____, am an officer of BESTWALL LLC.

My specific title is _____. By my signature below, I hereby represent and warrant that I have full authority to assign the Claim as set forth herein and to bind BESTWALL LLC to the terms and conditions of this Assignment.

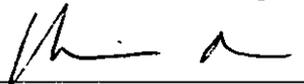
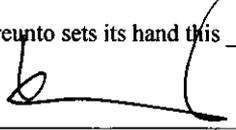
IN WITNESS WHEREOF, the undersigned Assignor hereunto sets its hands this ____ day of _____, 20__.
ATTEST:

By:	_____	_____
	Signature	Notary Signature

	Print Name/Title	

	Company	
	_____	_____
	Telephone No.	Email Address

IN WITNESS WHEREOF, the undersigned Assignee hereunto sets its hand this 1 day of February, 2018
ATTEST:

By:		
	Chris Oh	Notary Signature
	Liquidity Solutions, Inc.	
	(201) 968-0001 ext. 142	

Holena De Young
Notary Public
New Jersey
My Commission Expires April 7, 2018

EXHIBIT A

Claim Allowance Order

At IAS Part 21 of the Supreme Court of the State of New York, County of New York, at the courthouse, 80 Centre Street, in the County, City and State of New York, on the 4 day of JANUARY, 2013

P R E S E N T :

HON. MICHAEL D. STALLMAN, J. S. C.

L13732

-----X
In the Matter of

Index No.: 41294/86

the Liquidation of

ORDER NO. 883

MIDLAND INSURANCE COMPANY.
-----X

Based upon the attached verified petition ("Verified Petition") of Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York as liquidator ("Liquidator") of Midland Insurance Company ("Midland"), duly verified the 30th day of November, 2012, the affirmation of Judy H. Kim, Esq., ("Kim Affirmation"), dated November 20, 2012, and upon all other papers previously submitted and all proceedings heretofore had herein;

AND, it appearing from the Verified Petition and attachments thereto that the interests of Midland in liquidation, its creditors, and all others interested in the affairs of Midland will best be served by the approval of the recommendation of the Liquidator as to the allowance and payment of the class two claims filed in the liquidation proceeding of Midland as set forth in the schedule ("Schedule") attached to the Verified Petition;

NOW, based upon the application of the Liquidator, it is

ORDERED, that the relief requested in the Verified Petition is granted, and it is further

FILED

JAN - 9 2013

COUNTY CLERK'S OFFICE
NEW YORK

ORDERED, that the recommendation made by the Liquidator, as set forth in the Verified Petition, regarding the allowance of the claim set forth in the Schedule in the total amount of \$5,000,000.00, be and the same hereby is approved;

ORDERED, that the claims are allowed in the amounts set forth in the Schedule attached to the Verified Petition and the claimant shall be entitled to its *pro rata* share in the distribution of the assets of Midland, if any.

ENTER



J. S. C.

MICHAEL B. COWLEY
J.S.C.

FILED

JAN - 9 2013

COUNTY CLERK'S OFFICE
NEW YORK

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----x
In the Matter of

Index No.: 41294/86

the Liquidation of

VERIFIED PETITION

MIDLAND INSURANCE COMPANY.
-----x

TO THE SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK:

The Verified Petition of Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York as liquidator ("Liquidator") of Midland Insurance Company ("Midland") respectfully alleges and sets forth the following upon information and belief:

1. On April 3, 1986, Midland, pursuant to an order of the Supreme Court, County of New York, was placed into liquidation and the then-Superintendent of Insurance of the State of New York and his successors in office were appointed Liquidator of Midland. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Liquidator.
2. By order, dated January 30, 1997 ("January 1997 Order"), Justice Beverly S. Cohen approved a procedure for the allowance of claims. A copy of the January 1997 Order is annexed as Exhibit 1 to the Kim Affirmation.
3. On January 14, 2008, this Court ruled in connection with various motions submitted by certain Midland reinsurers that the January 1997 Order be revised to permit reinsurers to interpose defenses after the Liquidator has submitted a proposed claim for allowance but prior to the Court's approval of the claim. A copy of the January 14, 2008 decision ("2008 Decision") is annexed as Exhibit 2 to the Kim Affirmation.

4. Pursuant to that part of the 2008 Decision directing settlement of an order, this Court signed a subsequent order granting the Liquidator's revised allowance procedures dated May 31, 2009 ("Allowance Order"). A copy of the Allowance Order is annexed as Exhibit 3 to the Kim Affirmation.

5. Pursuant to the Allowance Order and in furtherance of his duty to determine and fix the liabilities of Midland, the Liquidator reviewed the claims recommended for allowance in the schedule annexed hereto ("Schedule") and determined that the claims fall within the class two category as stated in Section 7434 of the New York Insurance Law ("Insurance Law"). Claims of this type are entitled to share, *pro rata*, in the distribution of assets of Midland, subject to the approval of this Court.

6. The New York Liquidation Bureau ("Bureau") is the entity that carries out the duties of the Liquidator. Attached hereto and made a part hereof is the Kim Affirmation and the affidavits of Diane Banks, Charles Johnson and Benny Thomas, all employees of the Bureau, together with exhibits thereto, demonstrating that the Liquidator has complied with the Allowance Order and that there are no objections to the Notice of Determination recommending allowance of the claims set forth in the annexed Schedule.

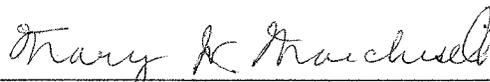
7. Based upon the foregoing, the Liquidator's recommendation that the claim listed in the annexed Schedule be allowed in the total amount of \$5,000,000.00 is hereby submitted to this Court for approval pursuant to the Allowance Order.

8. No previous application has been made for the relief requested herein to this or any court.

WHEREFORE, the Liquidator respectfully requests that this Court grant an order in the form hereto attached approving the Liquidator's recommendation for allowance of the claims set forth in the Schedule annexed to the Verified Petition.

Dated: New York, New York

November 30, 2012



Mary Jo Marchisello

Assistant Special Deputy Superintendent and Agent
of Benjamin M. Lawskey, Superintendent of
Financial Services of the State of New York as
Liquidator of Midland Insurance Company

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Mary Jo Marchisello, being duly sworn, deposes and says:

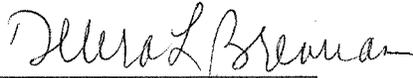
That she has read the foregoing Verified Petition, and that the same is true based upon information and belief as to those matters stated therein. Deponent further says that the sources of her information and the grounds of her belief as to the matters alleged therein are from or were derived from the files of Midland Insurance Company in the possession of the Liquidator and communications made to deponent by employees of the Liquidator.

That the reason this petition is verified by this deponent rather than by the Superintendent of Financial Services of the State of New York is that deponent is the duly appointed Assistant Special Deputy Superintendent and Agent of the Superintendent of Financial Services of the State of New York as Liquidator of Midland Insurance Company.



Mary Jo Marchisello
Assistant Special Deputy Superintendent and Agent
of Benjamin M. Lawsky, Superintendent of
Financial Services of the State of New York as
Liquidator of Midland Insurance Company

Sworn to before me this
30th day of November, 2012


Notary Public

DEBRA L. BRENNAN
Notary Public, State of New York
No. 01BR6257851
Qualified in Richmond County
Commission Expires March 19, 2016

EXHIBIT A - CLAIMANTS SENT DETERMINATION NOTICES FOR ALLOWANCE

LIQ NUMBER	CLAIMANT NAME & ADDRESS	AMOUNT ALLOWED	DATE OF NOTICE
M-ASB 0027600000	Georgia Pacific Corporation Law Department 133 Peachtree Street, NE Atlanta, GA 30303-5605 Attn: Stanley K. Richards, Esq	5,000,000.00	6/25/12

MIDLAND INSURANCE COMPANY

EXHIBIT A - CLAIMANTS SENT DETERMINATION NOTICES FOR ALLOWANCE

LIQ NUMBER	CLAIMANT NAME & ADDRESS	AMOUNT ALLOWED	DATE OF NOTICE
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NUMBER OF DETERMINATION NOTICES 1

NOTICES SENT ON: 6/25/12

FINAL TOTALS

AMOUNT CLAIMED 5,000,000.00

AMOUNT ALLOWED 5,000,000.00

DATES ENTERED FROM- 120618 TO- 120618

EXHIBIT B

Form of Approval Order

THIS EXHIBIT IS ATTACHED AS EXHIBIT B TO THE MOTION OF THE DEBTOR FOR AN ORDER AUTHORIZING IT TO SELL MIDLAND INSURANCE CLAIM, PURSUANT TO SECTIONS 105(a) AND 363(b) OF THE BANKRUPTCY CODE AND THE TERMS OF ASSIGNMENT AGREEMENT.

Exhibit B

Proposed Order

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re

BESTWALL LLC,¹

Debtor.

Chapter 11

Case No. 17-31795

**ORDER AUTHORIZING THE DEBTOR TO SELL
MIDLAND INSURANCE CLAIM, PURSUANT TO SECTIONS 105(a) AND 363(b)
OF THE BANKRUPTCY CODE AND THE TERMS OF ASSIGNMENT AGREEMENT**

This matter coming before the Court on the *Motion of the Debtor for an Order Authorizing It to Sell Midland Insurance Claim, Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and the Terms of Assignment Agreement* (the "Motion"),² filed by the debtor and debtor in possession in the above-captioned case (the "Debtor"); the Court having reviewed

¹ The last four digits of the Debtor's taxpayer identification number are 5815. The Debtor's address is 100 Peachtree Street, N.W., Atlanta, Georgia 30303.

² Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

the Motion and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (c) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (d) notice of the Motion and the Hearing was sufficient under the circumstances, (e) the sale of the Midland Claim pursuant to the Assignment Agreement is a reasonable exercise of the Debtor's business judgment and in the best interests of the Debtor's estate, (f) the Debtor negotiated the terms of the Assignment Agreement at arm's length and in good faith, and the Debtor and the Purchaser have not engaged in any conduct that would cause the Assignment Agreement to be avoided under section 363(n) of the Bankruptcy Code and (g) the terms of the Assignment Agreement (including the Purchase Price) are fair and reasonable; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Debtor is authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to sell and assign the Midland Claim to the Purchaser under the terms of the Assignment Agreement.
3. The Assignment Agreement and all of its terms and conditions are approved. The Debtor and the Purchaser and their respective affiliates, officers, directors, managers, members, employees and agents are authorized to immediately take any and all such actions as are necessary or appropriate to effectuate the terms of the Assignment Agreement,

the transactions contemplated thereby and the provisions of this Order, all without the necessity of any further order of the Court.

4. Pursuant to section 363(f) of the Bankruptcy Code, the sale of the Midland Claim shall be free and clear of any and all liens, claims, encumbrances and other interests (if any). Any liens, claims encumbrances or other interests shall attach to the proceeds of the sale with the same validity and priority, and to the same extent, as existed immediately prior the sale.

5. The Purchaser is deemed to be a purchaser in good faith of the Midland Claim and, thus, is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

6. The provisions of Bankruptcy Rule 6004(h) shall not apply to stay consummation of the sale of the Midland Claim to the Purchaser under the Assignment Agreement.

7. In the event of a conflict between the terms of this Order and the Assignment Agreement, this Order shall govern.

8. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the interpretation, implementation or enforcement of the Assignment Agreement and this Order.

This Order has been signed electronically.
The Judge's signature and Court's seal appear
at the top of the Order.

United States Bankruptcy Court