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COUNSEL FOR JEFFREY BARON

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re: §
§
ONDOVA LIMITED COMPANY, § **CASE NO. 09-34784-SGJ-11**
§
Debtor. § **Chapter 11**

**OBJECTION TO TRUSTEE’S MOTION FOR ORDER APPROVING COMPROMISE
AND SETTLEMENT WITH RIVER CRUISE INVESTMENTS, LTD., PURSUANT TO
RULE 9019, FEDERAL RULES OF BANKRUPTCY PROCEDURE**

TO THE HONORABLE STACEY G. C. JERNIGAN,
UNITED STATES BANKRUPTCY JUDGE:

Jeffrey Baron (“Baron”), a creditor in this case, hereby files this his *Objection to Trustee’s Motion for Order Approving Compromise and Settlement with River Cruise Investments, Ltd., Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure* filed on February 9, 2010 by Daniel J. Sherman (the “Trustee”) and in support thereof, respectfully represents as follows:

I. FACTUAL BACKGROUND

1. On July 27, 2009 (the “Petition Date”), the Debtor filed for bankruptcy protection under chapter 11 of title 11 of the Bankruptcy Code.

2. On September 17, 2009, the Court entered an order approving the appointment of a chapter 11 trustee (Docket No. 98).

3. On February 9, 2010, the Trustee filed his *Motion for Order Approving Compromise and Settlement with River Cruise Investments, Ltd., Pursuant to Rule 9019, Federal Rules of Bankruptcy Procedure* (the “Motion”) (Docket No. 259).

II. OBJECTION

4. The Motion seeks approval of a settlement under which River Cruise Investments, Ltd. (“River Cruise”) will pay a total of \$350,000.00 to the Debtor, minus a deduction for the Beckham Group’s Compensation fee. Such payment is essentially a reimbursement for excess funds paid to River Cruise in connection with the Loan Agreement.¹ However, as shown by the Acknowledgement and Release, attached hereto as **Exhibit “A,”** such funds were actually paid by Baron, a Guarantor under the Loan Agreement. Thus, the \$350,000.00 referenced in the Motion are funds which rightfully should be returned to Baron, and not paid to the Debtor. As the Motion seeks authority to enter in to a settlement which pays such funds to the Debtor, and not to Baron, Baron hereby objects to the Motion.

5. Baron reserves his right to file a brief in support of this Objection.

WHEREFORE PREMISES CONSIDERED, Baron respectfully requests this Court deny the Motion and grant Baron such other and further relief whether in law or equity, to which Baron is entitled.

¹ Terms not defined herein shall have the meanings ascribed to them in the Motion.

Dated: March 3, 2010

Respectfully submitted

By: /s/ Gerrit M. Pronske
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COUNSEL FOR JEFFREY BARON

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on March 3, 2010 I caused to be served the foregoing pleading upon all parties registered to receive electronic notice via the Court's electronic transmission facilities.

/s/ Gerrit M. Pronske
Gerrit M. Pronske

ACKNOWLEDGEMENT AND RELEASE

This acknowledgment and release is made by ENTERPRISE FINANCE LIMITED, a New Zealand corporation and RIVERCRUISE INVESTMENTS LIMITED (collectively referred to as "Lenders")

RECITALS:

- A. Multiple loan agreements and lines of credits ("Loan Agreements") have been made between ONDOVA LIMITED COMPANY, a Texas limited liability company ("Borrower"), JEFFREY BARON, an individual ("Guarantor") and ENTERPRISE FINANCE LIMITED. Related promissory notes have been executed by the Borrower ("Promissory Notes"). In addition, RiverCruise Investments Limited has advanced funds to Borrower and on behalf of Borrower.
- B. On or about February 25, 2008 Lenders received payment from Guarantor on behalf of Borrower in the amount \$ 1,477,988 ("Payment") made to Enterprise Finance Limited to comply with Lenders' letter dated February 25, 2008 directing repayment.
- C. \$ 394,990 of the Payment to Lenders represents funds that Lenders have not disbursed to Borrower. Lender has required payment of this amount as a hold back by Lenders to meet Borrower's obligations, which Lenders have Guaranteed to third parties.

NOW, THEREFORE, AND IN CONSIDERATION OF THE FOREGOING, Lenders together with their officers, directors, agents and shareholders hereby agree and acknowledge as follows:

1. All obligations of Borrower and Guarantor have been met, and Borrowers and Guarantors are hereby released of all obligations and claims.
2. Lenders shall advance funds of \$394,990 upon request of Borrower to meet obligations that Lenders have guaranteed to third parties.
3. Lenders have closed all lines of credit with Borrower and terminated the loan agreements with Borrower except to fulfill the obligations in #2 above.

DATED February 26, 2008

Rivercruise Investments Limited

By: _____

Enterprise Finance Limited, a New Zealand Corporation

By: _____