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Counsel for Metropolitan Creditors' Trust, the
Summit Creditors' Trust, Metropolitan Mortgage &
Securities Co., Inc., and Summit Securities, Inc.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re:	)	Jointly Administered Under:
	)	No. 04-00757-W11
METROPOLITAN MORTGAGE &	)	Chapter 11
SECURITIES CO., INC.,)	
	)	ORDER AUTHORIZING
	)	COMPROMISE OF CLAIMS,
Debtor.	)	APPROVING SETTLEMENT
_____	)	AGREEMENT WITH
	)	PRICEWATERHOUSECOOPERS,
In re:	)	LLP, BARRING THIRD-PARTY
	)	CLAIMS FOR CONTRIBUTION
SUMMIT SECURITIES, INC.,	)	OR INDEMNITY AGAINST
	)	PRICEWATERHOUSECOOPERS,
Debtor.	)	LLP, AND SHORTENING TIME
_____)	

THIS MATTER COMES BEFORE THE COURT on the Motion of
Metropolitan Mortgage & Securities Co., Inc. and the Metropolitan Creditors'

Page 1
Order Authorizing Compromise of Claims, Approving Settlement
Agreement, Barring Third-Party Claims for Contribution
or Indemnity, and Shortening Time
Metropolitan\Pleadings\PwC.cn

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1 Trust (collectively, “Metropolitan”) and Summit Securities, Inc. and the Summit
2 Creditors’ Trust (collectively, “Summit”) (Metropolitan and Summit collectively,
3 “Movants”) for an Order authorizing compromise of claims, approving Settlement
4 Agreement with PricewaterhouseCoopers, LLP (“PwC”), barring persons and
5 entities who are not parties to the Settlement Agreement entered into by Movants
6 and PwC from asserting or commencing certain claims for contribution and
7 indemnity against PwC, and shortening time (the “Motion”), and notice having
8 been provided to creditors on shortened time, and no objections having been filed,
9 and the Court having reviewed the Declaration Of Maggie Lyons In Support Of
10 Motion For Order Authorizing Compromise Of Claims, Approving Settlement
11 Agreement With PricewaterhouseCoopers, LLP, Establishing Bar Order, And
12 Shortening Time (the “Declaration”) and the Memorandum In Support Of Motion
13 For Order Authorizing Compromise Of Claims, Approving Settlement Agreement
14 With PricewaterhouseCoopers, LLP, Establishing Bar Order, And Shortening
15 Time, and, based on the uncontroverted assertions in the Declaration, finding that
16 the Settlement Agreement referenced in the Motion (the “Settlement Agreement”)
17 is the result of good faith arms-length negotiations between Metropolitan, Summit,
18 and PwC, with each party represented by counsel; that the Settlement Agreement is
19 the result of the considered independent business judgment of Metropolitan and
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1 Summit; that the Settlement Agreement is fair and equitable, and in the best
2 interests of Metropolitan and Summit; and that the Settlement Agreement has been
3 approved by the Metropolitan Executive Board and the Summit Executive Board;
4 and the Court having determined that in compliance with RCW § 4.22.060,
5 Movants properly served notice of the motion for entry of the proposed bar order
6 on all known persons with potential claims for contribution and indemnity against
7 PwC, and that the Court has subject matter jurisdiction and authority to determine
8 the reasonableness of the Settlement Agreement and to enter this Order.
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12 Having considered all papers filed in support of and in opposition to the
13 Motion, having provided notice and an opportunity for a reasonableness hearing in
14 accordance with the requirements of RCW § 4.22.060(1), and having made the
15 findings required by that statute, including a determination that the Settlement
16 Agreement represents a reasonable and good faith settlement of the claims released
17 by the Movants; NOW THEREFORE,
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21 IT IS HEREBY ORDERED as follows:

22 1. Time for notice of the Motion is shortened to a period of eighteen (18)
23 days, including time for mailing.
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1 2. The Settlement Agreement attached as Exhibit A to the Declaration is
2 approved. Metropolitan and Summit are authorized to perform the Settlement
3 Agreement in accordance with its terms.
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5 3. The Court has made findings of fact and conclusions of law in support
6 of the entry of this Order, and those findings and conclusions as set forth separately
7 by the Court are hereby incorporated into this Order. The Court has concluded that
8 the Settlement Agreement was entered into in good faith and is a fair, adequate,
9 and reasonable settlement of the released claims and is sufficient to discharge PwC
10 from all such claims. Further, the Court has concluded that PwC is entitled to be
11 discharged from liability from third parties for contribution or indemnification or
12 any other claims where the claimant's injury is liability to the Movants, as
13 provided under RCW § 4.60.060.
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18 4. Accordingly, all persons or entities who are not parties to the
19 Settlement Agreement are permanently barred, enjoined and restrained from
20 commencing, prosecuting or asserting any claim against PwC, however styled,
21 whether legal or equitable, known or unknown, whether for indemnification or
22 contribution or otherwise denominated (including claims for breach of contract or
23 misrepresentation), where the claimant's injury is the claimant's liability to the
24 Movants and where the claim is based on claims released by the Movants pursuant
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1 to the Settlement Agreement, including, without limitation, any claim in which
2 such non-settling party seeks to recover from PwC (1) any amounts that such non-
3 settling party has paid, become liable to pay, or may become liable to pay in any
4 proceeding commenced by Movants against such non-settling party and in any
5 settlement with Movants based on claims Movants have released pursuant to the
6 Settlement Agreement, or (2) any costs, expenses, or attorney fees that a non-
7 settling party has incurred or may incur in defending against any such claim
8 asserted against it by Movants (hereafter "Barred Claims"). All Barred Claims are
9 hereby extinguished, discharged, satisfied and made unenforceable.
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14 5. Because non-settling parties are barred from asserting any Barred
15 Claims against PwC, any final verdict or judgment entered in favor of Movants
16 against a non-settling party in a proceeding brought against it by the Movants,
17 based on claims that would have given rise to a right by such non-settling parties to
18 assert Barred Claims but for the terms of this Order, shall be reduced by the
19 amount, if any, that such non-settling party can prove it would have been entitled
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1 to recover from PwC under a Barred Claim as determined by and provided for
2 under the law applicable to any such Barred Claims.
3
4

5 Presented by:

6 SUSMAN GODFREY L.L.P.

7 /s/ Parker C. Folse, III

8 Parker C. Folse, III, WSBA No. 24895
9 Attorney for Metropolitan Mortgage &
10 Securities Co., Inc., the Metropolitan
11 Creditors' Trust, Summit Securities, Inc.,
and the Summit Creditors' Trust

12 DAVIDSON ❖ MEDEIROS

13 /s/ Barry W. Davidson

14 Barry W. Davidson, WSBA No. 07980
15 Attorneys for Metropolitan Mortgage &
16 Securities Co., Inc., the Metropolitan
17 Creditors' Trust, Summit Securities, Inc.,
and the Summit Creditors' Trust
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Patricia C. Williams
Bankruptcy Judge

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Order Authorizing Compromise of Claims, Approving Settlement
Agreement, Barring Third-Party Claims for Contribution
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