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**IN THE UNITED STATES BANKRUPTCY COURT  
OR THE DISTRICT OF UTAH**

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<p>In re:</p> <p>CASTLE ARCH REAL ESTATE INVESTMENT COMPANY, LLC; CAOP MANAGERS, LLC; CASTLE ARCH OPPORTUNITY PARTNERS I, LLC; CASTLE ARCH OPPORTUNITY PARTNERS II, LLC; CASTLE ARCH</p>	<p>Bankruptcy Case No. 11-35082 Bankruptcy Case No. 11-35237 Bankruptcy Case No. 11-35240 Bankruptcy Case No. 11-35242 Bankruptcy Case No. 11-35243 Bankruptcy Case No. 11-35246 Bankruptcy Case No. 11-35241</p>
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KINGMAN, LLC; CASTLE ARCH SECURED DEVELOPMENT FUND, LLC; <i>and</i> CASTLE ARCH SMYRNA, LLC,  Debtors.	(Jointly Administered)  (Chapter 11)  The Honorable Joel T. Marker
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**CHAPTER 11 TRUSTEE’S AND DEBTORS’ *EX PARTE* MOTION FOR ORDER EXTENDING CLAIMS BAR DATE AS TO ALL INTERCOMPANY CLAIMS**

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D. Ray Strong, the Chapter 11 Trustee (the “Trustee”) for Castle Arch Real Estate Investment Company, LLC (“CAREIC”), together with Castle Arch Opportunity Partners I, LLC, Castle Arch Opportunity Partners II, LLC, CAOP Managers, LLC, Castle Arch Kingman, LLC, Castle Arch Secured Development Fund, LLC and Castle Arch Smyrna, LLC (collectively with CAREIC, the “Debtors”), through their respective counsel, hereby file this *Ex Parte Motion for Order Extending Claims Bar Date as to All Intercompany Claims*, requesting that the Court extend the claims bar date as to intercompany claims arising among the Debtors until April 1, 2013. In support hereof, the Trustee and the Parties state as follows:

**JURISDICTION AND VENUE**

1. The Court has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

**BACKGROUND**

General

2. On October 17, 2011, CAREIC filed a petition seeking relief under Chapter 11 of the Bankruptcy Code.

3. On October 20, 2011, each of the other Debtors also filed petitions under Chapter 11 of the Bankruptcy Code.

4. The Debtors' respective Chapter 11 cases are being jointly administered.

5. After their respective petition dates, the Debtors continued to operate their businesses as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

6. On February 21, 2012, the Court entered an *Order Granting in Part Ex Parte Motion of the Debtors for Order Extending Claims Bar Date as to All Intercompany Claims* [Docket No. 77], which extended the date for intercompany claims among the Debtors from February 21, 2012 to May 21, 2012.

7. On May 3, 2012, the Court entered an Order appointing the Trustee as the Chapter 11 Trustee for CAREIC.

8. On May 21, 2012, the Court entered an *Order Granting Ex Parte Motion By D. Ray Strong, Chapter 11 Trustee for Castle Arch Real Estate Investment Company, LLC, for Extension of Bar Date Related to Intercompany Claims* [Docket No. 234], further extending the bar date for intercompany claims among the Debtors from May 21, 2012 to September 18, 2012.

9. On September 5, 2012, the Court entered an *Order Granting Ex Parte Motion for Order Extending Claims Bar Date As to All Intercompany Claims* [Docket No. 313] (the "Third Intercompany Claims Bar Date Order"), which further extended the bar date for intercompany claims among the Debtors from September 18, 2012 to January 1, 2013.

10. Filed with this Motion is a motion to substantively consolidate CAREIC, CAOP Managers, LLC, Castle Arch Kingman, LLC, Castle Arch Secured Development Fund, LLC, Castle Arch Smyrna, LLC, along with a non-debtor affiliate of CAREIC. If the motion is

granted, the intercompany claims of these entities will no longer exist. But, pending a determination of that motion and to preserve the intercompany claim bar date with regard to the remaining Debtors, the Trustee makes this motion.

### **ARGUMENT**

11. Federal Rule of Bankruptcy Procedure 3003(c)(3) states that the Court, “for cause shown may extend the time within which proofs of claim or interest may be filed.”

12. Here, cause exists to further extend the current intercompany claims bar date.

13. Since entry of the Third Intercompany Claims Bar Date Order, the Trustee filed the *Disclosure Statement for Chapter 11 Trustee’s Plan of Liquidation Dated September 29, 2012* [Docket No. 337] (the “Disclosure Statement”), as well as the *Chapter 11 Trustee’s Plan of Liquidation Dated September 29, 2012* [Docket No. 338] (the “Plan”).

14. A preliminary hearing on the adequacy of information contained in the Disclosure Statement was held on December 3, 2012, at which time it was determined that an amended Disclosure Statement and Plan would be filed with the Court by January 15, 2013.

15. The amended Disclosure Statement and Plan will address the issue of potential intercompany claims existing among the Debtors, and as such, calculating and filing intercompany claims at this time would not be an efficient use of the Debtors’ assets.

16. Accordingly, the Trustee and the Debtors request that the Court extend the current January 1, 2013 intercompany claims bar date until April 1, 2013, which extension will allow the Trustee sufficient time to file an amended Disclosure Statement and Plan, thereby dealing with intercompany claims through confirmation of a plan.

17. No creditors will be prejudiced by this extension because, through the confirmation process, the potential intercompany claims will be disclosed, preserved, voted on and decided for the benefit of the Debtors' creditors.

**CONCLUSION**

For the reasons discussed herein, the Trustee and the Debtors respectfully request that the Court grant this Motion and extend the intercompany claims bar date until April 1, 2012.

DATED this 28th day of December, 2012.

**DORSEY & WHITNEY LLP**

/s/ Peggy Hunt  
Peggy Hunt  
Nathan S. Seim  
*Attorneys for D. Ray Strong, Chapter 11  
Trustee of Castle Arch Real Estate  
Investment Company, LLC*

DATED this 28th day of December, 2012.

**DURHAM JONES & PINEGAR, PC**

/s/ Penrod W. Keith  
Penrod W. Keith  
*Attorney for Castle Arch Opportunity  
Partners II, LLC*

DATED this 28th day of December, 2012.

**LABERTEW & ASSOCIATES, LLC**

/s/ Michael L. Labertew  
Michael L. Labertew  
*Attorney for Castle Arch Smyrna, LLC*

DATED this 28th day of December, 2012

**McKAY, BURTON & THURMAN**

/s/ Jeremy C. Sink  
Jeremy C. Sink  
*Attorney for Castle Arch Opportunity  
Partners II, LLC*

DATED this 28th day of December, 2012

**PEARSON, BUTLER, CARSON &  
COOK**

/s/ Andrew B. Clawson  
Andrew B. Clawson  
*Attorney for Castle Arch Secured  
Development Fund, LLC*