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

In re:

CASTLE ARCH REAL ESTATE INVESTMENT COMPANY, LLC; CAOP MANAGERS, LLC; CASTLE ARCH KINGMAN, LLC; CASTLE ARCH SECURED DEVELOPMENT FUND, LLC; CASTLE ARCH SMYRNA, LLC; CASTLE ARCH STAR VALLEY, LLC; *and*

CASTLE ARCH OPPORTUNITY PARTNERS I, LLC; CASTLE ARCH OPPORTUNITY PARTNERS II, LLC,

Debtors.

Case Nos. 11-35082, 11-35237, 11-35243, 11-35242 and 11-35246
(Substantively Consolidated)

Case Nos. 11-35241 and 11-35240
(Jointly Administered)

(Chapter 11)
The Honorable Joel T. Marker

- Affects All Debtors
- Affects Only the Substantively Consolidated Debtors
- Affects only Castle Arch Opportunity Partners I, LLC
- Affects only Castle Arch Opportunity Partners II, LLC

CHAPTER 11 TRUSTEE'S *EX PARTE* MOTION FOR ORDER EXTENDING CLAIMS BAR DATE AS TO ALL INTERCOMPANY CLAIMS

D. Ray Strong, the duly appointed Chapter 11 Trustee ("Trustee") for the consolidated bankruptcy estates of Castle Arch Real Estate Investment Company, LLC ("CAREIC"), CAOP Managers, LLC, Castle Arch Kingman, LLC, Castle Arch Smyrna, LLC, Castle Arch Secured Development Fund, LLC and Castle Arch Star Valley, LLC (collectively, the "Legacy Debtors"), and in that capacity as manager of Castle Arch Opportunity Partners I, LLC and Castle Arch Opportunity Partners II, LLC (together, the "CAOP Debtors" and, collectively with the Legacy Debtors, the "Debtors"), hereby moves this Court *ex parte* for an Order extending the claims bar date for all intercompany claims of the Debtors to thirty days following the conclusion of the hearing on confirmation of the *Chapter 11 Trustee's Plan of Liquidation Dated February 25, 2013* [Docket No. 622] (the "Plan"), currently scheduled to commence on May 30, 2013. In support hereof, the Trustee states as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Motion 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, and on October 20, 2011, the CAOP Debtors filed their respective Chapter 11 cases.

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

4. On February 8, 2013, the Court entered an Order substantively consolidating the Legacy Debtors [Docket No. 590] (the “Consolidation Order”). The CAOP Debtors’ respective cases are being jointly administered with the consolidated Legacy Debtors’ case.

5. As a result of the Consolidation Order, the intercompany claims bar date is only applicable as to: (a) claims of the Legacy Debtors against either of the CAOP Debtors; (b) claims of either of the CAOP Debtors against the consolidated Legacy Debtors; and (c) claims of one CAOP Debtor against the other CAOP Debtor.

Trustee’s Prior Requests for Extending Intercompany Claims Bar Date

6. On May 21, 2012, the Court entered the *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], extending the bar date for intercompany claims among the Debtors to September 18, 2012.

7. On September 5, 2012, the Court entered the *Order Granting Ex Parte Motion for Order Extending Claims Bar Date As to All Intercompany Claims* [Docket No. 313], further extending the bar date for intercompany claims among the Debtors to January 1, 2013.

8. On December 31, 2012, the Court entered the *Order Granting Chapter 11 Trustee’s and Debtors’ Ex Parte Motion for Order Extending Claims Bar Date as to All Intercompany Claims* [Docket No. 539] (the “Third Intercompany Claims Bar Date Order”), further extending the bar date for intercompany claims among the Debtors to April 1, 2013.

9. 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 February 25, 2013* [Docket No. 621] (the "Disclosure Statement"), as well as his proposed Plan of liquidation.

10. A final hearing on the adequacy of information contained in the Disclosure Statement was held on March 21, 2013, at which time the Court approved the Disclosure Statement pursuant to 11 U.S.C. §1125. A hearing on confirmation of the proposed Plan will commence on May 30, 2013 (the "Confirmation Hearing").

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 April 1, 2013 intercompany claims bar date until the conclusion of the Confirmation Hearing. Specifically, the Disclosure Statement and proposed Plan address the treatment 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 or the Court's resources.

13. No creditors will be prejudiced by an extension of the bar date because, if confirmed, the Plan provides a procedure for the treatment of intercompany claims as between the Debtors' estates. The existence and proposed treatment of these potential claims are disclosed in the approved Disclosure Statement.

14. In the event that the Trustee's proposed Plan is not confirmed by the conclusion of the Confirmation Hearing, the Trustee will take appropriate action within thirty days of the Confirmation Hearing.

CONCLUSION

WHEREFORE, the Trustee respectfully requests that the Court grant this Motion and extend the bar date for intercompany claims of the Debtors until thirty days following the conclusion of the Confirmation Hearing.

DATED this 26th day of March, 2013.

DORSEY & WHITNEY LLP

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

DATED this 26th day of March, 2013.

DURHAM JONES & PINEGAR, PC

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

DATED this 26th day of March, 2013.

McKAY, BURTON & THURMAN

/s/ Gregory J. Adams
Gregory J. Adams
*Attorney for Castle Arch Opportunity
Partners I, LLC*

CERTIFICATE OF SERVICE – BY NOTICE OF ELECTRONIC FILING (CM/ECF)

I hereby certify that on March 26, 2013, I electronically filed the foregoing CHAPTER 11 TRUSTEE'S *EX PARTE* MOTION FOR ORDER EXTENDING CLAIMS BAR DATE AS TO ALL INTERCOMPANY CLAIMS with the United States Bankruptcy Court for the District of Utah by using the CM/ECF system. I further certify that the parties of record in this case, as identified below, are registered CM/ECF users and will be served through the CM/ECF system.

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