

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

IN RE:

THE BENNETT FUNDING GROUP, INC.

Debtors

CASE NO. 96-61376

Chapter 11

Substantively Consolidated

ORDER

This Court having entered an Order to Show Cause on September 23, 1998, in certain adversary proceedings temporarily staying all pleadings, motions and discovery and the Court having amended that Order by an Order dated October 29, 1998,¹ and having orally continued that stay following hearings before this Court on October 22, 1998, November 12, 1998 and December 3, 1998 and the Court being of the opinion that the temporary stay should now be modified to permit the disposition of certain of those adversary proceedings and the Court having duly deliberated thereon, it is

ORDERED that the Order of this Court dated September 28, 1998, entered collectively in these adversary proceedings, is hereby modified to permit:

1. Trustee to voluntarily dismiss or discontinue adversary proceedings pursuant to Federal Rule of Bankruptcy Procedure 7041;
2. Trustee to settle any adversary proceedings;
3. The filing of any motion to dismiss an adversary complaint or for

¹ The September 23rd Order was amended to correct certain inaccuracies in the numbers identifying the applicable adversary proceedings. The adversary proceedings subject to the Order herein include 98-42668 through 98-43499, 98-44006 through 98-44041, 98-70532 through 98-70572, 98-70574 through 98-70600, 98-70632 through 98-70692, 98-70710, 98-70730 through 98-70766, and 98-70773 through 98-70789.

summary judgment in an adversary proceeding, together with memorandum of law, except to the extent that such motion is based in whole or in part on (a) any of the defenses contained within 11 U.S.C. § 547(c) or (b) the existence or nonexistence of a “Ponzi scheme.” Said motion and memorandum of law are to be filed without a return date. The respondent will have twenty days from service of the motion and memorandum of law to serve and file a response, together with a memorandum of law;

4. The filing of any motion pursuant to Federal Rule of Bankruptcy Procedure 7023 (class action) or 7042 (consolidation) with respect to any adversary proceeding);
5. The filing of any motion pursuant to Federal Rule of Bankruptcy Procedure 9011, except to the extent that such motion is based on the merit of any argument raised by a party concerning 11 U.S.C. § 547(c);
6. Discovery by the plaintiff or the defendant limited to use of Federal Rules of Bankruptcy Procedure 7033, 7034 and 7036; however, such discovery shall be limited to the facts of individual transactions for which:
 - (a) the party seeking discovery was a party to the transaction, and
 - (b) the transaction is among those that the Trustee has sought to avoid pursuant to 11 U.S.C. § 547;

7. The service of answers by defendants who have been granted an extension of time to answer,
and it is further

ORDERED that the Court's Order of September 23, 1998, except as otherwise modified herein, remains in full force and effect, and it is further

ORDERED that the Plaintiff Trustee shall serve a copy of this order by first class mail on all of the defendants previously served with a copy of the Order dated September 28, 1998 within twenty (20) days following the date hereof.

Dated at Utica, New York

this 4th day of December 1998

STEPHEN D. GERLING
Chief U.S. Bankruptcy Judge