

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION

In Re:)
)
COPELAND PROPERTIES 18, L.P.,) Case No. 11-11462
) Chapter 11
)
_____Debtor.)

ORDER DISMISSING CHAPTER 11 CASE

This matter came before the Court at the March 22, 2012 session of the United States Bankruptcy Court for the Middle District of North Carolina in Greensboro, North Carolina, as a hearing on the Motion of the secured creditor, SBMS 2000-C3 Landmark Center, LLC, to dismiss the chapter 11 case of the Debtor, Copeland Properties 18, L.P., pursuant to 11 U.S.C. § 1112(b).

And it appearing to the Court that the Debtor was represented by Rayford K. Adams III; the secured creditor, SBMS 2000-C3 Landmark Center, LLC, was represented by Pamela W. McAfee; and the Bankruptcy Administrator was represented by Robert E. Price, Jr.;

Therefore, having heard the presentations of counsel and with the consent of the parties, the Court makes the following findings of fact and conclusions of law:

1. On September 23, 2011, the Debtor filed its voluntary petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Middle District of North Carolina.
2. The Debtor, as debtor-in-possession, continues in possession of its property.
3. The Debtor is the owner of single asset real estate, as that term is defined in 11 U.S.C. § 101(51B), consisting of a nonresidential commercial building and approximately 11 acres located at 6103 Landmark Center Blvd. in Greensboro, North Carolina (the “Real

Property”). The Real Property is the subject of a lease between the Debtor and Garden Ridge, L.P., which occupies the Real Property and operates a Garden Ridge retail store there.

4. On September 23, 2011, this Court entered a Chapter 11 Operating Order directing the Debtor to file a plan and disclosure statement before 120 days after the date of the order for relief, or January 23, 2012.

5. On October 25, 2011, pursuant to a complaint filed by the SEC in the United States District Court for the Central District of California (Eastern Division) (the “District Court”), the District Court entered a consent judgment appointing a receiver for Copeland Wealth Management, a Financial Advisory Corporation, and Copeland Wealth Management, a Real Estate Corporation. Pursuant to the consent order and as clarified by an order dated March 5, 2012, entered by the District Court, the receiver, Thomas C. Hebrank (the “Receiver”), is now authorized to act on behalf of the Debtor.

6. The Receiver has established a debtor-in-possession bank account (the “DIP Account”), into which the rental payments for the Real Property have been deposited since November 2011.

7. The law firm of Higgins Benjamin Eagles & Adams, PLLC, formerly counsel for the Debtor, holds some funds in its trust account for the benefit of the Debtor (the “Higgins Benjamin Trust Account”).

8. The Debtor failed to file its plan and disclosure statement on or before January 23, 2012. Accordingly, pursuant to § 1112(b)(4)(J), cause exists to dismiss or convert the case pursuant to § 1112(b)(1).

9. The parties contend, and the Court finds, that dismissal of the case, rather than conversion, is in the best interest of creditors and the estate, because all interests are protected by the receivership action pending in the District Court.

10. The Debtor has consented to the dismissal of the case.

WHEREFORE, IT IS HEREBY ORDERED as follows:

1. The chapter 11 case of the Debtor, Copeland Properties 18, L.P. is hereby DISMISSED, with the following conditions:

(a) The quarterly fees for the first quarter of 2012 shall be paid by the Debtor from funds in the DIP Account or the Higgins Benjamin Trust Account on or before April 30, 2012;

(b) This Order is to be served on the Limited Partners of the Debtor as identified in the chapter 11 petition;

(c) The unsecured claim of Waterstone Asset Management, LLC in the amount of \$10,000 shall be paid by the Debtor from funds in the DIP Account on or before April 30, 2012; and

(d) Any remaining administrative costs, as approved by the Court, shall be paid by the Debtor from funds in the DIP Account or the Higgins Benjamin Trust Account on or before April 30, 2012.

2. All applications for administrative expenses, including any application for compensation to counsel for the Debtor, shall be filed with this Court on or before March 29, 2012.

3. A hearing on all applications for administrative expenses shall be held on April 13, 2012 at 9:30 a.m. in Greensboro, North Carolina.

4. Any funds remaining in the Higgins Benjamin Trust Account after payment of the administrative expenses and quarterly fees shall be remitted to the Receiver.

5. Although the motion to dismiss is granted, this Court shall retain jurisdiction to assure compliance with the terms of this Order, as set forth in paragraph 1(a)-(d) above.

PARTIES IN INTEREST

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