

IN THE UNITED STATES **BANKRUPTCY** COURT
FOR THE *SOUTHERN* DISTRICT OF IOWA

In Re:)
)
THOUSAND ADVENTURES, INC.,) CHAPTER 7
) NO: 97-03618
)
Debtor.)

**MOTION TO APPROVE COMPROMISE OF CLAIM
AGAINST TRAVEL AMERICA AND RAYMOND NOVELLI**

Eric W. Lam, the Chapter 7 Trustee ("Trustee"), through his undersigned counsel, for his Motion as above captioned respectfully states:

1. The Trustee currently has pending before this Court, in Adversary No. 99-99177 numerous claims against various Defendants including Travel America and Raymond Novelli ("TA Defendants") arising out of the TA Defendants' transactions and conduct during and after the failure of Debtor's business enterprises.

2. The Trustee and the TA Defendants are desirous of resolving all claims that each have against the other which have not yet been resolved.

3. To resolve all remaining claims which may exist between the TA Defendants and the Trustee, Travel America has agreed to the entry of a judgment for five-hundred thousand dollars (\$500,000.00) in favor of the Trustee to satisfy the claims that the Trustee has against Travel America and Raymond Novelli. In return, the Trustee has agreed to dismiss any other actions pending against Travel America and/or Raymond Novelli and execute a mutual release of all other claims except the judgment being given to the Trustee against Travel America.

4. As a condition for payment and mutual release, the TA Defendants require that the Trustee obtain approval from this Court for the settlement and further require that the actions pending in the adversary proceeding against the TA Defendants be dismissed with prejudice.

5. The Trustee, after careful consultation with counsel, has determined that it is in the best interest of the Bankruptcy Estate to settle all remaining claims against the TA Defendants by accepting a judgment in the sum of five-hundred thousand dollars (\$500,000) from Travel America and executing a mutual release of all claims that each may have against the other.

6. The Trustee has agreed to settle this matter for the amount to be given in judgment for many reasons including an analysis of the probability of success on the merits of the claim and the collectability of any claim which might inure to the benefit of the Trustee in the event judgment is rendered after trial.

WHEREFORE, the Trustee respectfully requests that the Court, after such Notice and hearing as may be appropriate under the circumstances, approve this settlement agreement between the Trustee and the TA Defendants, or for such other or alternative relief as the Court may deem just and equitable under the circumstances.

Respectfully submitted,

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