

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF FLORIDA  
PENSACOLA DIVISION

IN RE:

CASE NO. 98-01121-PNS3

DONALD S. PENDERGRASS  
and JOHNNIE L. PENDERGRASS,

Chapter 7

Debtors.

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MARK FREUND, as trustee of the  
bankruptcy estate of Precision  
Machining, Inc.,

Plaintiff,

vs.

ADV. PRO. NO. 98-80050

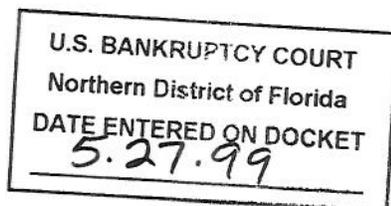
DONALD S. PENDERGRASS and  
JOHNNIE L. PENDERGRASS,

Defendants.

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FINAL JUDGMENT

This Final Judgment is entered by the Court in accordance with the Settlement Agreement executed and delivered by defendants, Donald S. Pendergrass and Johnnie L. Pendergrass, and Chapter 7 trustee, Mark Freund ("PMI trustee"), as trustee of the bankruptcy estate of Precision Machining, Inc., a debtor in bankruptcy whose case has been assigned Case No. 94-04377, and is pending in the Northern District of Florida, to resolve the above referenced adversary proceeding. The proposed settlement between the PMI trustee and defendants, Donald S. Pendergrass and Johnnie L. Pendergrass, has been noticed by the PMI trustee to all creditors and parties in interest in the referenced



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NORTHERN DISTRICT OF  
FLORIDA  
PENSACOLA

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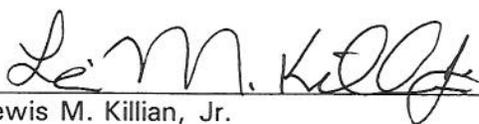
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bankruptcy case by defendants, Donald S. Pendergrass and Johnnie L. Pendergrass, and a hearing was held on May 27, 1999, for the Court to consider the proposed settlement. Based upon the Settlement Agreement and the representations of the parties at the hearing, the Court enters this Final Judgment.

IT IS ORDERED AND ADJUDGED THAT:

1. The Settlement Agreement between the PMI trustee and defendants, Donald S. Pendergrass and Johnnie L. Pendergrass, is APPROVED.
2. Defendant, Johnnie L. Pendergrass, is indebted to the PMI trustee and the bankruptcy estate of Precision Machining, Inc., whose address is c/o Mark Freund, Esq., P. O. Box 10171, Tallahassee, FL 32302, in the amount of \$200,000 together with \$150 of costs of this adversary proceeding. Interest shall accrue on said amount at the statutory rate of 4.879% per year. FOR WHICH LET EXECUTION ISSUE.
3. In accordance with 11 U.S.C. § 523(a), the debt owing from defendant, Johnnie L. Pendergrass, to the PMI trustee and the bankruptcy estate of Precision Machining, Inc., is and is declared to be non-dischargeable in bankruptcy.
4. This Final Judgment shall not in any respect affect the order of conviction for defendant, Donald S. Pendergrass, entered by the United States District Court for the Northern District of Florida for a judgment of criminal restitution in favor of the PMI trustee and the bankruptcy estate of Precision Machining, Inc., in Case No. 3:98CR00031-001 against defendant, Donald S. Pendergrass.

DONE and ORDERED on this 27 day of May, 1999.

  
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Lewis M. Killian, Jr.  
United States Bankruptcy Judge

I HEREBY CERTIFY that this is a true and correct copy of the original on file in the office of the Clerk, United States Bankruptcy Court for the Northern District of Florida.  
LARRY A. PACE, Clerk, Bankruptcy Court  
By   
Deputy Clerk

Prepared by:  
Mark Freund, Esq.

Copies to:

Amy Logan Sliva, Esq.  
Mr. and Mrs. Donald S. Pendergrass  
Mark Freund, Esq.  
Sherry F. Chancellor, Esq.  
Charles F. Edwards, Esq.