

IN THE SUPERIOR COURT OF COBB COUNTY

STATE OF GEORGIA

2014 JUN -5 PM 2: 25

GEMCAP LENDING I, LLC,

Plaintiff,

v

GEORGIA HYDRAULIC CYLINDER, INC
and GEORGIA HYDRAULICS
INTERNATIONAL, INC.,

Defendants.

Civil Action SUPERIOR COURT CLERK
File No. 14-1-2518-42

MOTION TO APPROVE FINAL RT. DISCHARGE RECEIVER. AND
TERMINATE RECEIVERSHIP

NOW COMES Hays Financial Consulting, LLC, Receiver, and moves the Court as follows

BACKGRO

1. Hays Financial Consulting, LLC (“Receiver”) is the authorized and acting Receiver of the assets of Georgia Hydraulic Cylinder, Inc. and Georgia Hydraulics International, Inc. (collectively, “Georgia Hydraulic”) under a final order entered on April 24,, 2014, which was effective *nunc pro tunc* to April 9, 2014.

2. At the time of his appointment, GemCap Lending I, LLC (“GemCap”) held a properly perfected first priority security interest in substantially all of the assets of the Georgia Hydraulic to secure Georgia Hydraulic’s obligations to GemCap under two notes and certain related loan documents.

3. On Tuesday, may 13, 2014, GemCap conducted a properly-noticed secured party public sale (the “Article 9 Sale”) of its collateral at the offices of GemCap’s Atlanta counsel. At

the Article 9 Sale, substantially all of the assets of Georgia Hydraulic were sold to the winning bidder, which was Yates Industries, Inc. (the “Buyer”)

4. The proceeds from the Article 9 Sale were insufficient to satisfy all of the obligations owed to GemCap under the applicable loan documents and to pay the fees and expenses of the Receiver and its professionals. Other than certain potential claims against its directors and officers (the “D & O Claims”), there are no additional funds or other assets available for the Receiver to administer for the benefit of any other creditors of Georgia Hydraulic. For this reason, the Receiver is filing this motion (the “Motion”) to terminate the receivership.

FINAL REPORT

5. Contemporaneously with this Motion, the Receiver is filing the Receiver’s First and Final Report (the “Final Report”). As reported in that filing, Receiver has materially performed its duties and only administrative actions remain to be performed. The recommendations of the Receiver are contained in the Final Report.

6. As described in the Final Report, the only remaining actions the Receiver proposes to undertake are the abandonment of documents, records and any remaining assets of the Georgia Hydraulic that were not purchased by the Buyer, other than those documents and records that might be useful in pursuing the D & O Claims or that the Receiver is otherwise required by law to retain.

RELIEF REQUESTED

7. The Receiver requests that the Court:

- (a) approve the Final Report;
- (b) authorize Receiver to take the actions specified in the Final Report, including, but not limited to, abandoning all assets (other than the D & O Claims) in which

Georgia Hydraulic had or asserted an interest as of the appointment of the Receiver, and cancelling any and all insurance policies of Georgia Hydraulic to the extent they have not previously been cancelled;

(c) approve on final basis the fees and expenses incurred by the Receiver and its counsel in the amounts specified in the Final Report, including the payment of a portion of such fees and expenses by GemCap and/or the Buyer in the amounts agreed upon by the parties or otherwise ordered by the Court;

(d) discharge the Receiver from all duties and obligations, including, but not limited to, the preparation of tax returns, business records, record retention, payment of insurance premiums, and the like;

(e) forever release and discharge Receiver and his counsel of any liability to Georgia Hydraulic, any holder of any claims against or interest in Georgia Hydraulic., or to any other party arising from or out of this receivership;

(f) relieve Receiver of its duties as Receiver under the orders appointing Receiver and granting powers to the Receiver and approve closing of the receivership estate;

(g) appoint Hays Financial Consulting, LLC (i.e., the current Receiver) as Litigation Agent for the receivership estate, assign it Georgia Hydraulic's interest in the D & O Claims and any proceeds that might be realized from the D & O Policy, and authorize it to pursue, settle, or abandon the D & O Claims as specified in the Final Report; and

(h) grant to Receiver such other and further relief as may be just and proper.

NOTICE

8. The Receiver has served a copy of this Motion and the Final Report on counsel to

[REDACTED]

Motion to all known creditors of the Company. The Receiver believes that such notice is proper and appropriate and that no further or additional notice is needed.

WHEREFORE, Hays Financial Consulting, LLC, in its official capacity as Receiver, respectfully moves the Court to enter an Order providing for the relief requested herein and granting to Receiver such other and further relief as the Court deems just and proper.

This 5th day of June, 2014.

Respectfully submitted,

SCROGGINS & WILLIAMSON, P.C.



J. ROBERT WILLIAMSON

Georgia Bar No. 765214

J. HAYDEN KEPNER, JR.

Georgia Bar No. 416616

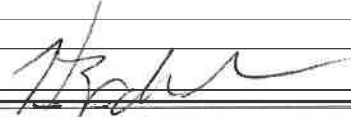
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CERTIFICATE OF SERVICE

The undersigned certifies that on the date set forth below, a copy of the **MOTION TO**

[REDACTED]


OBERT

hkepner@swlawfirm.com

Counsel for Receiver