

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

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: Chapter 11 Bankruptcy
In re: INTREPID U.S.A., INC., : Case No. 04-40416-NCD
and Jointly Administered Cases, : Case No. 04-40462-NCD
: Case No. 04-40418-NCD
Debtors : Case Nos. 04-41942 to 04-41988-NCD
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**SECRETARY OF LABOR'S AMENDED OBJECTION TO DEBTOR'S
MOTION FOR ORDER APPROVING SETTLEMENT AGREEMENT
BETWEEN F.C. ACQUISITION CORPORATION, TBJG, LLC,
AND MEDSHARES, INC., A/K/A MERIDIAN CORPORATION**

ELAINE L. CHAO, Secretary of Labor, United States Department of Labor (Secretary), hereby amends the objection she filed to the Debtor's *Motion For Order Approving Settlement Agreement Between F.C. Acquisition Corporation, TBJG, LLC, and Medshares, Inc., a/k/a Meridian Corporation* currently pending before this Court. A hearing on the settlement agreement is currently scheduled for September 9, 2004, at 10:30 a.m. As grounds for her amended objection, the Secretary states as follows:

1. The Secretary has no substantive objection to the settlement agreement *per se* but only to the immediate disbursement of the monies to Medshares as described therein.

2. The Secretary's investigation of the TBN of TN, Inc., Employee Group Health Plan (Plan), which was sponsored by Medshares for its employees, is continuing. To date, the Secretary has learned that Medshares continued to offer the Plan through December 31, 2003. During the period from July 1, 2003, through December 31, 2003, participants in the Plan continued to incur medical claims. \$664,943.09 of these claims remain unpaid as of July 27, 2004.

3. The Secretary is currently awaiting documents which have been subpoenaed from the First Bank of Tennessee. The Secretary's investigation will review Medshares' handling of the account held in the name of the Plan at the First Bank of Tennessee and whether Medshares removed any of these funds for its own benefit.

4. Until the Secretary has an opportunity to review the subpoenaed documents, she requests the court to hold in abeyance its approval of the settlement agreement to the extent that sums are actually disbursed Medshares; the settlement agreement provides for distribution to Medshares of \$183,000.

5. The Secretary requests the court to delay disbursement of the \$183,000 to Medshares for sixty days, or such other time as set by the court, so that allegations of transfers from the Plan's account at First Tennessee Bank prior to June 30, 2003, may be investigated.

6. The money which is the subject of the settlement agreement is currently on deposit with the Registry of the U.S. Bankruptcy Court for the Western District of Tennessee, Memphis Division.

7. Should the Secretary's investigation prove sufficient information to file an adversary complaint in Medshares' bankruptcy case currently pending in U.S. Bankruptcy Court for the Western District of Tennessee, Memphis Division, she will do so as soon as approval is obtained from the United States Department of Justice in Washington, D.C.

CONCLUSION

WHEREFORE, the Secretary requests that her amended objection to the Debtor's motion be sustained and disbursement to Medshares of \$183,000, currently on deposit with the Registry of the

U.S. Bankruptcy Court for the Western District of Tennessee, Memphis Division, be delayed for sixty days or such other time as set by the court.

Respectfully submitted,

HOWARD RADZELY
Solicitor of Labor

JOAN E. GESTRIN
Regional Solicitor

PHYLLIS B. DOLINKO
Counsel for ERISA

P.O. ADDRESS:

Office of the Solicitor
U.S. Department of Labor
230 South Dearborn Street
Suite 844
Chicago, Illinois 60604
Telephone: (312) 353-5738
FAX: (312) 353-5698

/s/ Eileen R. Hurley

EILEEN R. HURLEY
Attorney

MAUREEN CAFFERKEY
Attorney

Attorneys for Elaine L. Chao
Secretary of Labor
United States Department of Labor

CERTIFICATE OF SERVICE

I certify that one copy of the foregoing *Secretary of Labor's Amended Objection to Debtor's Motion for Order Approving Settlement Agreement Between F.C. Acquisition Corporation, TBJG, LLC, and Medshares, Inc., a/k/a Meridian Corporation* has been served today on the individuals listed below via facsimile transmission:

Clinton Cutler
Fredrikson & Byron, P.A.
4000 Pillsbury Center
200 South Sixth Street
Minneapolis, MN 55402
FAX: (612) 492-7070

George Singer
Lindquist & Vennum, PLLP
4200 IDS Center
80 South Eighth Street
Minneapolis, MN55402
FAX: (612) 3713207

Roylene Champeau
D. Gerald Wilhelm
U.S. Attorney's Office
600 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN55415
FAX: (612) 64-5787

Michael Fadlovich
U.S. Trustee's Office
300 South Fourth Street, Suite 1015
Minneapolis, MN 55402
FAX: (612) 664-5516

John Dunlap
Farris Mathews Branam Bobango Hellen & Dunlap
40 South Main, Suite 2000
Memphis, TN 38103
FAX: (901) 259-7150

September 7, 2004
DATE

/s/ Eileen R. Hurley
EILEEN R. HURLEY
Attorney