

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
Cleveland Division**

In re:)
)
MICHELE BLOCK,) Bankr. Case No.: 11-19470-JPS
)
) Chapter 7
)
 Debtor.) Hon. Jessica E. Price-Smith

MICHELE BLOCK,) Adv. Proc. No.: 12-01029
)
 Plaintiff,)
)
 v.)
)
 SALLIE MAE,)
)
 Defendant.)

STIPULATION IN SETTLEMENT OF ADVERSARY COMPLAINT

Plaintiff, Michele Block (“Plaintiff”), and Defendant, Sallie Mae, Inc. (“Sallie Mae”), by and through their undersigned counsel, hereby stipulate as follows:

RECITALS

- A. On November 6, 2011, Plaintiff filed a voluntary petition for relief under Chapter 7 of the United States Bankruptcy Code, and received a discharge of eligible debts on February 13, 2012.
- B. On February 9, 2012, Plaintiff filed an adversary Complaint naming Sallie Mae as a defendant, and seeking a discharge of educational loan debt under 11 U.S.C. §523(a)(8).
- C. On March 5, 2012, Sallie Mae filed its Answer to Plaintiff’s Complaint.

D. Plaintiff is indebted to Sallie Mae as a co-borrower pursuant to the terms of one (1) Promissory Note (“Note”) executed by Plaintiff to obtain an educational loan (“Student Loan”).

E. As of February 21, 2012, there was a balance due and owing under the Note, in excess of \$74,312.37 (“Outstanding Balance”), including principal, interest and fees, with a variable interest rate and with interest accruing thereafter pursuant to the Note.

F. The parties desire to resolve this matter and enter into this Stipulation in Settlement of this adversary proceeding, incorporating the foregoing recitals by reference, and agree as follows:

STIPULATION

1. Plaintiff agrees and stipulates that the Outstanding Balance is currently due and owing on the Note, and that the Student Loan evidenced by the Note is a non-dischargeable educational loan, pursuant to 11 U.S.C. §523(a)(8).

2. Sallie Mae hereby agrees that, for so long as the Plaintiff does not default under this Stipulation, the debt owed Sallie Mae shall be reduced to \$5,000.00 (“Reduced Balance”), and the variable interest rate shall be reduced to a fixed rate of 1% (“Reduced Interest”), and Plaintiff shall repay the Reduced Balance at the Reduced Interest rate as follows: \$418.93 per month for a period of twelve (12) consecutive months. The first monthly payment is due to be received by Sallie Mae on or before July 15, 2012, with subsequent payments to be received on the fifteenth (15th) day of each month thereafter.

3. Plaintiff shall note the ten digit account number, *****2080 (redacted here for privacy reasons), or nine digit social security number on all her payments made under the Stipulation, and shall mail all payments to, “Sallie Mae, Inc., Monetary Department, P.O. Box

9533, Wilkes-Barre, PA 18773”, or to any other address provided to the Plaintiff by Sallie Mae in writing.

4. The following shall be an Event of Default hereunder: (a) Plaintiff shall fail to make any payment due hereunder within thirty (30) days of the due date; or (b) Plaintiff commences any further legal proceedings against Sallie Mae, its successors or assigns.

5. Upon the occurrence of an Event of Default under this Stipulation, any forgiveness of the principal and interest is revoked, and the Plaintiff will be liable for the full amount of the Outstanding Balance plus interest pursuant to the applicable terms of the Note (less any payments made hereunder which, following default shall be applied first to interest that would have accrued had this Stipulation not been in effect, and then to principal).

6. There is no penalty for prepayment under this Stipulation, but any prepayment, unless it is payment in full, does not relieve Plaintiff of the obligation to make ongoing monthly payments.

7. Except as provided in this Stipulation, all other terms of the Note remain in effect and are hereby incorporated by reference.

8. This Stipulation in Settlement does not affect or alter any other person’s liability to Sallie Mae under the Promissory Note.

9. Any amendment, modification, or waiver of any term or condition of this Stipulation must be made in writing and signed by all parties hereto.

10. This Stipulation may be executed in counterparts, or by facsimile, each of which shall constitute an original, but all of which together shall constitute one and the same Stipulation.

11. Plaintiff agrees to waive any claim for damages, penalties, and any other claims whatsoever she has, or may have at some future date, against Defendant, Sallie Mae, related to any aspect of any or all Note and/or Loan, or payments related thereto.

12. Upon approval of this Stipulation, this adversary proceeding shall be dismissed as to Defendant, Sallie Mae, Inc.

WHEREFORE, the parties pray this Honorable Court for an Order approving this Stipulation and closing the adversary proceeding.

Dated: 6/14/12

By: **/S/ Glenn E. Forbes**
Glenn E. Forbes (OH Bar No. 0005513)
COOPER AND FORBES
166 Main Street
Painesville, OH 44077
Telephone: (440) 357-6211
E-mail: Bankruptcy@cooperandforbes.com
Attorney for Plaintiff

Dated: 6/14/12

By: **/S/ Michele S. Block**
Michele S. Block
1553 Novicky Court
Cleveland, OH 44121
Plaintiff

Dated: 6/15/12

By: **/S/ Phyllis A. Ulrich**
Phyllis A. Ulrich (OH Bar No. 0055291)
CARLISLE, MCNELLIE, RINI, KRAMER &
ULRICH, CO., L.P.A.
24755 Chagrin Blvd., Suite 200
Cleveland, OH 44122
Telephone: (216) 360-7200
Facsimile: (216) 360-7212
E-mail: bankruptcy@carlisle-law.com
Attorney for Defendant, Sallie Mae, Inc.