

**IN re Gerard D. Grau, Debtor.**  
**CASE NO.:98-20516-BKC-PGH**  
(Cite as: 267 B.R. 896)

After creditor and Chapter 7 trustee filed separate objections to debtor's claimed exemptions, trustee and debtor entered into stipulation for settlement, and trustee filed motion for court approval of the compromise and settlement. Creditor objected to the settlement. The Bankruptcy Court, Paul Hyman, Jr., J., held that: (1) a bankruptcy court has authority to approve a settlement agreement which would bind a creditor who is not a party to the settlement and has filed a separate objection to exemptions, and (2) in the present case, it was essential to the orderly administration of the case and to preserve assets for distribution to creditors for the court to overrule creditor's objection to the proposed settlement agreement. Objection to settlement overruled.