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Bankruptcy Law

Use, Sale or Lease of Property

Compensation and Employee Bonuses in Bankruptcy

Article contributed by: Joseph J. DiPasquale and Brian T. Crowley of Trenk, DiPasquale, Webster, Della Fera & Sodono, P.C.

Introduction

The Great Recession has created challenges for companies as they try to navigate through the worst economy since the Great Depression. Many companies have sought to restructure their corporate enterprise under the protection of bankruptcy. However, as companies choose this path to reorganize and look for ways to motivate, reward, and retain their employees, they will inevitably encounter certain restrictions on compensation that are unique to the bankruptcy process. These restrictions when combined with rising populism against "excessive" executive compensation packages increase the likelihood that companies will encounter even greater difficulty as they seek to both restructure their business and provide the proper incentive to their employees. This may be further complicated as the government, acting in both its role as official overseer of cases through the Office of the United States Trustee ("U.S. Trustee") and as the new primary lender to distressed companies, exercises its muscle against large bonuses and compensation packages.

As shown below, to secure payment of bonuses or other "incentivizing" compensation packages, debtors in bankruptcy will generally have to seek approval of the bankruptcy court. Bankruptcy courts will review these compensation packages pursuant to sections 363 and/or 503 of the Bankruptcy Code.[1] Generally, companies will want to structure their compensation packages so they will be evaluated under the less imposing analysis of section 363 rather than section 503, which was added to the Bankruptcy Code as part of the Bankruptcy Abuse Prevention and Consumer Protection Act ("BAPCPA"). Additionally, bonuses primarily designed for key employees or "insiders"[2] that are meant as a severance or retention, which are commonly referred to as a Key Employee Retention Program ("KERP"), will face heightened scrutiny and less chance of approval by bankruptcy courts.

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The Payment of Bonuses By a Debtor Pre and Post- BAPCPA

When a company files for bankruptcy, the management generally remains in place and continues to operate the company as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.[3] An important responsibility of the debtor-in-possession is often structuring compensation plans that motivate employees through the duration of the bankruptcy process.

Prior to 2005, a debtor-in-possession, would generally seek to have a bonus or compensation package paid pursuant to sections 363(b) and (c)(1) of the Bankruptcy Code as part of its function as the debtor-in-possession. As one court noted, "[t]he framework of section 363 is designed to allow a trustee (or debtor-in-possession) the flexibility to engage in ordinary transactions without unnecessary creditor and bankruptcy court oversight, while protecting creditors by giving them an opportunity to be heard when transactions are not ordinary."[4]

Section 363(b) permits the debtor to use the estate's property to pay expenses outside of its more common day-to-day operations, such as non-traditional employee bonuses. Section 363(b) provides in relevant part that the "trustee [or debtor-in-possession], after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate . . ."[5] A court will not disturb a transaction within the ordinary course of business if it is reasonable and made with business judgment.[6] Additionally, section 363(c)(1) provides guidance regarding the more common types of business transactions that occur in a business' day-to-day operations, which particularly pertains to companies that have historically paid out traditional bonuses.[7] Section 363(c)(1) of the Bankruptcy Code "provides that . . . a debtor in possession may enter into transactions, including the use, sale or lease of estate property in the ordinary course of business, without notice and a hearing."[8]

One case that exemplifies the common practice of passing compensation and bonus plans during a bankruptcy prior to 2005 is *In re Aerovox, Inc.*[9] In *In re Aerovox, Inc.*, the court considered a motion filed by the debtor pursuant to sections 105(a) and 363(b) to implement a KERP, which consisted of a bonus plan and a severance package for four top executives. The motion was opposed by the creditors' committee and certain creditors.[10] The *Aerovox* court approved the KERP after finding that the debtor had "sustained its burden of establishing that it properly exercised its business judgment and that the KERP [was] fair and reasonable under the circumstances."[11] The court noted as part of its holding:

> [A] debtor's business decision should be approved by the court unless it is shown to be so manifestly unreasonable that it could not be based upon sound business judgment, but only on bad faith, or whim or caprice. . . . Bankruptcy courts will approve key employees retention programs if the [d]ebtor has used proper business judgment in formulating the program and the court finds the program to be fair and reasonable. The determination of whether to approve such plans turns on the facts and circumstances of each particular case.[12]

When Congress dealt with bankruptcy reform in 2005, there was a push by certain members of Congress, led by the late Senator Edward M. Kennedy, to curtail executive compensation paid out to executives in bankruptcy.[13] Accordingly, section 503(c) was added to the Bankruptcy Code in 2005 as part of the BAPCPA to limit executive compensation.[14] Section 503(c) "was enacted to limit a debtor's ability to favor powerful insiders economically and at estate expense during a chapter 11 case."[15] Specifically, section 503(c) places limitations on payments made by a debtor that are outside the ordinary course of the debtor's business activities, with the predominate focus on insider compensation. However, as one court noted, "section 503(c) was not intended to foreclose a chapter 11 debtor from *reasonably* compensating employees [for] . . . their contribution to the debtors' reorganization."[16]

Section 503(c)(1) places specific limitations on KERPs. In this regard, section 503(c)(1) "prohibits the allowance and payment of sums to insiders for the purpose of inducing such person to remain with the business absent a finding by the court based on the evidence in the record that (1) the payment is essential to the retention of the individual because the individual has a bona fide job offer from another business at the same or greater rate of compensation; and (2) the services of that individual are essential to the survival of the debtor's business. The KERP statute also fixes the measure of acceptable retention bonuses for insiders by linking them to a multiple of bonuses available to non-management employees."[17]

Moreover, section 503 is the provision of the Bankruptcy Code that provides for the payment of administrative claims.[18] Holding an administrative claim in bankruptcy, pursuant to section 503, is key to securing the highest priority claim over all other creditors, including unsecured creditors, and making sure the administrative claimant actually gets paid. Thus, by adding section 503(c), Congress was attempting to prevent debtors-in-possession, specifically senior executives, from seeking payment for themselves of administrative claims on "excessive bonuses" ahead of other claimants. Additionally, the restrictions of section 503(c) are only applicable to compensation that grants administrative claims, not unsecured claims.[19]

Current Application and Case Law

One of the first cases to apply the new requirements of section 503(c) was *In re Dana Corp. I*.[20] In *Dana I*, the chapter 11 debtors, a major manufacturer and equipment supplier, moved for authorization to enter into employment agreements with its chief executive officer and five key executives.[21] Part of the employment agreements included a

short term bonus for the debtors' annual performance, as well as a long-term bonus, which was not tied to any performance goals.[22] The motion faced substantial opposition from almost every stakeholder in the case, as well as the U.S. Trustee.[23]

Judge Lifland framed the issue that now represents the conflict many employers face in paying bonuses to key employees in the post-BAPCPA world. "[T]he basic issue is: is this a 'Pay to Stay' compensation plan (also known as a . . . . 'KERP') subject to limitations of section 503(c) of the Bankruptcy Code or can it be construed to be an *incentivizing* 'Produce Value for Pay' plan to be scrutinized through the business judgment lens of section 363?"[24]

The plan at issue in *Dana I* included payment of bonuses to certain executives, as well as severance and retirement packages to executives. These payments, however, were not necessarily linked to benchmarks or performance and would have been paid regardless of the employees' performance and/or the success of the debtors.[25] Conversely, the court noted that it did "not find that incentivizing plans which may have *some* components that arguably have a retentive effect, necessarily violate section 503(c)'s requirements."[26]

The *Dana I* court held that the debtors failed to meet their burden of establishing that the bonus plan was not severance for purposes of section 503(c).[27] The court noted that despite the compensation plan at issue having some retentive aspects, it was nevertheless a "Pay to Stay" plan and had failed to comply with the requirements of section 503(c).[28] The court, now famously noted, "[i]f it walks like a duck (KERP) and quacks like a duck (KERP), it's a duck (KERP)."[29]

When the *Dana I* court rejected the bonus as essentially a retention bonus, the debtors negotiated with the parties that had objected to the initial compensation plan and submitted a new compensation plan, which the court noted included "no guaranteed payments" to the insiders.[30]

Judge Lifland reviewed the revised compensation package in *Dana II*. The new plan included bonuses that were tied to more substantive benchmarks for the debtors to meet and, other than the executives' base pay, did not include guaranteed compensation regardless of performance.[31] The debtors asserted that the modified executive compensation package was a true incentivizing package for senior management.[32] The *Dana II* court, "viewing compensation packages holistically a *true* incentive plan may not be constrained by 503(c) limitations," found that the revised plan was "substantially watered down" from the original agreement and provided clearly and tougher benchmarks for the executives to be eligible for certain payments.[33] The court approved the modified plan and found the compensation proposal to be a proper exercise of the debtor's business judgment.[34]

The *Dana II* court's decision on approving part of the compensation package offered by the debtor pursuant to the business judgment rule is important as it helped to properly define a more limited scope of section 503(c) than some would prefer.

Another case that addressed the limitations on executive compensation in bankruptcy is *In re Nellson Nutraceutical, Inc.*[35] In *In re Nellson Nutraceutical, Inc.*, the chapter 11 debtor moved for approval of modification to its employee incentive plan for the previous year.[36] The U.S. Trustee opposed the motion.[37] The bankruptcy court granted the debtor's motion and held, among other things, that the modification of the employee incentive plan was within the ordinary course of the debtor's business and the debtor had satisfied the court that the business judgment made to pay executives was made in good faith and upon a reasonable basis pursuant to section 363(c)(1).[38]

The *Nellson Nutraceutical* court found that section 503(c)(1) was not applicable as the compensation was not a "transfer," and section 503(c)(3) was also not applicable because section 503(c)(3) was limited to transactions outside of the ordinary course of business.[39] The court also noted that the compensation plan had the "tacit or active" support of the parties with an economic stake in the outcome of the debtor's bankruptcy cases.[40]

As part of the *Nellson Nutraceutical* court's analysis of whether the compensation was an ordinary course of business transaction that fell under the debtor's powers under section 363, the court applied a generally accepted two step process, *i.e.*, the "horizontal test" and the "vertical test."[41] Under this analysis, courts consider whether the transaction at issue is both normal within the industry, as well as a traditional norm for the company itself. Ultimately, the *Nellson Nutraceutical* court found that the compensation plan at issue was similar to those within its industry and the debtor's prepetition business practices.[42]

Moreover, as part of its analysis of section 503(c)(1), the *Nellson Nutraceutical* court looked to what was the sole or primary purpose of the compensation plan, *i.e.*, was it meant to retain or incentivize employees. In finding that section 503(c)(1) was not applicable, the court found that its reading was consistent with the holdings in *Dana Corp. II* and *Global Home Products*, whereby a bonus plan may have some retentive effect without disrupting its overall incentivizing effect.[43]

The *Nellson Nutraceutical* court also noted that section 503(c)(3) applies to a broader group of employees other than the "insiders," as defined in section 101(31) of the Bankruptcy Code, and named in section 503(c)(1).[44] Section 503(c)(3) applies to officer, managers, or consultants. However, as the court further noted, section 503(c)(3) is limited to those transfers that fall outside the ordinary course of business of the debtor. Since the court had found that the plan was part of the ordinary course of business of the debtor, section 503(c)(3) was not applicable and the plan would be approved pursuant to the business judgment

standard under section 363(c)(1).[45] This case, like *Dana II*, although somewhat different in its analysis, brings about the same desired conclusion - that the compensation package is reviewed under the more liberal business judgment standard of section 363.

In re Global Home Products, LLC is another good example of a debtor properly composing a compensation package that was considered under the more liberal business judgment rule.[46] In *In re Global Home Products, LLC*, the chapter 11 debtor-in-possession sought approval to implement a performance and incentive based bonus plans for senior management.[47] The compensation plan was objected to by one of the debtors' unions. The court noted that: "the [c]ourt's decision turns on whether the [p]lans constitute a [KERP], also known as a 'pay to stay' compensation plan, or are intended to create incentive for management and key employees, or a 'pay for value' compensation plan. If the [c]ourt finds the [p]lans are a KERP, they are subject to the bright light and restrictions of [section] 503(c). If they are plans intended to incentivize management, the analysis utilizes the more liberal business judgment review under [section] 363."[48] Ultimately, the *Global Home* court held, among other things, that: the plans were incentive, not retention, plans, and thus not subject to review under section 503(c) as the plan was neither a retention or severance agreement.[49] The court also found the compensation plan satisfied business judgment and reasonableness standards and applied the factors identified by the *Dana Corp. II* court.[50]

The *Global Home* court considered the five factors that were also considered by the *Dana Corp. II* court in determining whether the plan was appropriate under section 363, including whether: (1) the plan was calculated to achieve performance for the debtor's benefit; (2) the cost was reasonable; (3) the plan was consistent with industry standards and was virtually identical to plans the debtor used consistently in the past; and (5) the plan was part of the debtor's budget that its debtors-in-possession lenders approved.[51]

Some courts have analyzed compensation packages under sections 363 and 503 using similar analysis, while other courts have placed a higher burden on business judgment form of analysis under section 503.

In *In re Nobex Corp.*, the court approved the compensation package under both sections 363 and 503 based upon the sound business judgment of the debtor.[52] Specifically, the debtor, a closely held company, sought to have certain sale-related incentives for its two senior managers that compromised the entire senior management approved pursuant to sections 105, 363(b) and 503(c)(3).[53] The plan was based upon the debtor's efforts to sell substantially all of its business; however, these efforts would require the significant assistance of the debtor's senior management.[54] The court found that the plan was based upon a sound business purpose. Moreover, the court found that the requirements of sections 363 and 503(c)(3) and sections 503(c)(1) and (c)(2) were not applicable.[55] The *Nobex* court noted that the sale related incentive pay was "necessary, reasonable, appropriate and is in the best interest of the Debtor's creditors and the estate as it provides strengthened and important incentives to . . . . maximize the value of the Debtor's assets."[56]

One case, however, that provides an example of case law placing a higher burden for companies to meet in getting compensation/bonus approved is *In re Pilgrim's Pride Corp.*, which evaluated the proposals at a higher standard than the business judgment rule.[57] In *In re Pilgrim's Pride Corp.*, the debtor sought approval, pursuant to sections 363(b)(1) and 503(c)(3), to enter into certain postpetition consulting/non-competition agreements with the former chief executive officer and the former chief operating officer. The U.S. Trustee objected.[58] The *Pilgrim's Pride* court held that although sections 503(c)(1) and (2) were not applicable because the individuals at issue were former insiders and employees of the company, section 503(c)(3) was applicable and would have to be justified by facts and circumstances of case.[59] The court noted that, although not settled law, it found that the standard for approval of the agreements, under section 503(c)(3), was higher than the bar set by the traditional business judgment test under section 363(b)(1) and would require the court to make its own determination, not just relying on the business judgment of the debtor.[60] The court found that applying the standards traditionally equated with the business judgment rule under section 363(b)(1) to section 503(c)(3) would have made section 503(c)(3) redundant, which was not the likely intent of Congress.[61]

Although the *Pilgrim's Pride* court reviewed the proposed compensation package under the higher standard, the court did allow the agreement and found that the debtor had a valid business reason and were in the best interests of the creditor's and the debtor's estates.[62] This case highlights the still outstanding desire by some to dramatically limit compensation to executives in bankruptcy.

Some heightened scrutiny has not stopped the payments of large compensation packages from being approved by courts when it is justified by the facts and circumstances. Recently, courts have approved the payment of substantial bonuses. In *In re Tribune Co.*, 08-13141, the United States Bankruptcy Court for the District of Delaware overruled objections from certain unions and approved as much as $45.6 million in bonuses, or about 11 percent of the company's operating cash last year, to be made as payment to approximately 720 managers. The *Tribune* court said the bonuses were necessary to keep managers *motivated* during troubled economic times. Judge Kevin Carey, in approving the plan, noted that the incentives were "designed to improve the company's chances to survive."[63]

Final Thoughts

Companies seeking court approval of compensation packages should be well prepared. One initial way to thwart many issues

is to get the support of as many of the prominent stakeholders in the bankruptcy process as possible and build a consensus around a compensation package. Of equal importance is to make sure that any plan is linked to established benchmarks that show how the bonuses to be paid will provide a true incentivizing effect to employees, which will enhance the company's reorganization efforts. It would also be helpful to document the decision making process regarding the compensation package to show that it was formulated by the debtor in good faith and represents a sound business judgment by considering such factors as the traditional compensation offered by the company or the debtor's industry.

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[1] Most motions seeking approval of compensation/bonus packages are also made pursuant to the Bankruptcy Code's omnibus provision under section 105(a) that grants courts general powers to fashion equitable relief. Section 105(a) provides that the "court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." *See* 11 U.S.C. § 105(a). Under section 105(a), courts have expansive equitable power to fashion any order or decree that is in the interest of preserving or protecting the value of the debtor's assets. *See Coie v. Sadkin (In re Sadkin)*, 36 F. 3d 473, 478 (5th Cir. 1994); *see also Davis v. Davis (In re Davis)*, 170 F.3d 475, 492 (5th Cir. 1999).

[2] Pursuant to 11 U.S.C. § 101 (31), the term "insider" includes—

> (iv) corporation of which the debtor is a director, officer, or person in control;
>
> (B) if the debtor is a corporation—
>
> i. director of the debtor;
>
> ii. officer of the debtor;
>
> iii. person in control of the debtor;
>
> iv. partnership in which the debtor is a general partner;
>
> v. general partner of the debtor; or
>
> vi. relative of a general partner, director, officer, or person in control of the debtor;
>
> (C) if the debtor is a partnership—
>
> i. general partner in the debtor;
>
> ii. relative of a general partner in, general partner of, or person in control of the debtor;
>
> iii. partnership in which the debtor is a general partner;
>
> iv. general partner of the debtor; or
>
> v. person in control of the debtor.

[3] *See* 11 U.S.C. §§ 1107 and 1108.

[4] *In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007) (citing *In re Roth American, Inc.*, 975 F.2d 949, 952 (3d Cir.1992)).

[5] *See* 11 U.S.C. § 363(c)(1).

[6] *Id.* at 796.

[7] *See* 11 U.S.C. § 363(b).

[8] *Nellson Nutraceutical*, 369 B.R. at 796; *see* § 363(c).

[9] *In re Aerovox, Inc.*, 269 B.R. 74 (Bankr. D. Mass. 2001).

[10] *Id.* at 75–76.

[11] *Id.* at 81.

[12] *Id.* at 80–81 (internal citations and quotations omitted).

[13] As one court noted, "Senator Edward Kennedy proposed the amendment to section 503 of the Bankruptcy Code as a last-minute addition to the bill, expressing his concern over the glaring abuses of the bankruptcy system by the executives of giant companies like Enron Corp., WorldCom Inc. and Polaroid Corporation, who lined their own pockets, but left thousands of employees and retirees out in the cold." *In re Dana Corp (In re Dana Corp. II)*, 358 B.R. 567, 575 (Bankr. S.D.N.Y. 2006) (internal citations and quotations omitted).

[14] 11 U.S.C. § 503(c)(1)-(3) provides, in part:

> (c) Notwithstanding subsection (b), there shall neither be allowed, nor paid—
>
> (1) a transfer made to, or an obligation incurred for the benefit of, an insider of the debtor for the purpose of inducing such person to remain with the debtor's business, absent a finding by the court based on evidence in the record that-
>
> A.) the transfer or obligation is essential to retention of the person because the individual has a bona fide job offer from another business at the same or greater rate of compensation;
>
> B.) the services provided by the person are essential to the survival of the business; and
>
> * * * * * *
>
> (2) a severance payment to an insider of the debtor, unless-
>
> A.) the payment is part of a program that is generally applicable to all full-time employees; and
>
> B.) the amount of the payment is not greater than 10 times the amount of the mean severance pay given to nonmanagement employees during the calendar year in which the payment is made; or
>
> (3) other transfers of obligations that are outside the ordinary course of business and not justified by the facts

and circumstances of the case, including transfers made to, or obligations incurred for the benefit of, officers, managers, or consultants hired after the date of the filing of the petition.

[15] *In re Pilgrim's Pride Corp.*, 401 B.R. 229, 234 (Bankr. N.D. Tex. 2009).
[16] *Dana Corp. II*, 358 B.R. at 575.
[17] *Id.* at 575–576 (internal citations and quotations omitted).
[18] *See* § 503.
[19] *Dana Corp. II*, 358 B.R. at 578.
[20] *In re Dana Corp. (In re Dana Corp. I)*, 351 B.R. 96 (Bankr. S.D.N.Y. 2006).
[21] *Id.* at 98.
[22] *Id.* at 98–100.
[23] *Id.* at 98.
[24] *Id.*
[25] *Id.* at 102.
[26] *Id.* at 103.
[27] *Id.* at 102–103.
[28] *Id.*
[29] *Id.* at 102 n.3.
[30] *Dana Corp. II*, 358 B.R. at 571.
[31] *Id.* at 581–582.
[32] *Id.* at 571.
[33] *Id.* at 571–572.
[34] *Id.* at 584.
[35] *Nellson Nutraceutical*, 369 B.R. at 787.
[36] *Id.*
[37] *Id.*
[38] *Id.*
[39] *Id.*
[40] *Id.* at 796.
[41] "In order to determine whether or not a transaction falls in the ordinary course of business most courts . . . have adopted a two-step inquiry. This inquiry consists of looking at the transaction from horizontal and vertical dimensions. The test for the horizontal dimension is whether, from an industry-wide perspective, the transaction is of the sort commonly undertaken by companies in that industry. . . . The vertical dimension…. a debtor's pre-petition business practices and conduct is the primary focus. . . . " *Nellson Nutraceutical, Inc.*, 369 B.R. at 797 (internal citations and quotations omitted).
[42] *Id.* at 797. The *Nellson Nutraceutical* court also noted that section 503(c)(1) is only applicable to "insiders" as set forth in section 101(31) and not to non-insider employees that may fall under the compensation plan.
[43] *Id.* at 802.
[44] *Id.* at 803–804.
[45] *Id.* at 804.
[46] *In re Global Home Products, LLC*, 369 B.R. 778 (Bankr. D. Del. 2007).
[47] *Id.* at 779.
[48] *Id.* at 783.
[49] *Id.* at 787.
[50] *Id.*
[51] *Id.*
[52] *In re Nobex Corp.*, No. 05-20050 (Bankr. D. Del. filed Dec. 1, 2005).
[53] *Id.*
[54] *Id.*
[55] *Id.* at 3.
[56] *Id.*
[57] *Pilgrim's Pride Corp.*, 401 B.R. at 229.
[58] *Id.* at 232.
[59] *Id.* at 236.
[60] *Pilgrim's Pride Corp.*, 401 B.R. at 237 ("The court concludes that section 503(c)(3) is intended to give the judge a greater role: even if a good business reason can be articulated for a transaction, the court must still determine that the proposed transfer or obligation is justified in the case before it. . . . Put another way, when a transaction is proposed between a debtor and its insiders, the court cannot simply rely on the debtor's business judgment to ensure creditors and the debtor's estate are being properly cared for.").
[61] *Id.* at 236–237.
[62] *Id.* at 237.
[63] www.bloomberg.com/apps/news?pid=20601103&sid=ajTgEyp4P0ik.

Motions & Trials

Second Circuit Reverses Judgment Rejecting Insurer's Due Process Challenge to Settlement Orders

In re Johns-Manville Corp., No. 06-2103, 2010 BL 62243 (2d Cir. Mar. 22, 2010)

On March 22, 2010, the United States Court of Appeals for the Second Circuit partially reversed a decision issued by the district court, holding that a non-settling insurance company was denied due process in connection with the bankruptcy court's orders interpreting prior orders in which it had approved a post-confirmation settlement agreement between a chapter 11 debtor and its liability insurers. As a result, the Second Circuit found that the insurer was not bound by those orders and was therefore not precluded from challenging those orders as jurisdictionally void.

1984 Insurance Settlement Agreement

During the 1970s, Travelers Casualty and Surety Company ("Travelers") served as the primary liability insurer for the Johns-Manville Corporation ("Manville"), the largest asbestos supplier and manufacturer in the United States. In 1982, after filing a petition for chapter 11 bankruptcy protection, Manville became immersed in litigation with numerous asbestos industry insurers regarding its insurance policies. In 1984, in an attempt to settle its insurance coverage claims and fund its reorganization plan ("Plan"), Manville negotiated a settlement agreement ("Settlement Agreement") with Travelers and other insurers (collectively, "Settling Insurers"). The Settlement Agreement provided that in exchange for cash paid into a settlement trust ("Manville Trust"), asbestos claimants would release the Settling Insurers from all present and future claims against Manville or the Settling Insurers related to the insurance policies (collectively, "Policies"). Furthermore, in order to protect the Settling Insurers, the Settlement Agreement and Plan included a channeling injunction enjoining all Policy claims against the Settling Insurers and channeling such claims to the Manville Trust.

In August 1984, the bankruptcy court approved Manville's form of notice ("Notice") to consider approval of the Settlement Agreement. The Notice indicated that the Settlement Agreement was attempting to enjoin all claims that could have been asserted against the Settling Insurers based on the Policies. Manville mailed the Notice to interested parties and published the Notice in more than 90 newspapers. Thereafter, the bankruptcy court appointed a representative for future asbestos-injury claimants whose interests in the Manville proceedings would potentially vest after seeking approval of the Settlement Agreement and the Plan.

Various parties objected to the Settlement Agreement, contending that it prohibited not only claims against the Manville estate, but also, independent third party claims against the Settling Insurers that were not derivative of Manville's rights. In order to resolve the concern that the bankruptcy court had lacked jurisdiction to enjoin such non-derivative claims, Manville and the Settling Insurers executed an amendment ("Amendment"), explaining that the channeling injunction was intended only to channel claims against the Manville estate and to enjoin claims to the Policies that could be asserted against the Settling Insurers.

1986 Orders

Ultimately, in December 1986, the bankruptcy court issued orders approving the Settlement Agreement and Amendment and confirming the Plan (together, "1986 Orders"). The 1986 Orders included the channeling injunction enjoining Policy claims against the Settling Insurers, transferred all Policy claims to the Manville Trust, and released the Settling Insurers from all claims related to the Policies.

Direct Action Settlement

Many years after the entry of the 1986 Orders, asbestos claimants began filing claims directly against Travelers and other insurers, attempting to hold these companies liable for their purported wrongdoing in failing to disclose asbestos-related information (collectively, "Direct Actions"). Relying on the 1986 Orders, Travelers requested an injunction against the Direct Actions. In 2004, Travelers negotiated a settlement of the Direct Actions ("Direct Action Settlement") by establishing a fund to compensate direct action claimants. Travelers conditioned participation in this fund, which was separate and distinct from the Manville Trust, upon the claimants releasing Travelers from further liability separate from Travelers' protection pursuant to the 1986 Orders and entry of an order indicating that the Direct Actions had always been barred by the 1986 Orders.

Chubb Indemnity Insurance Company ("Chubb"), an asbestos-industry insurer that was one of Travelers' co-defendants in certain Direct Actions but not a party to the Settlement Agreement, objected to the Direct Action Settlement. Specifically, Chubb asserted that the bankruptcy court had lacked jurisdiction to prohibit its non-derivative contribution and indemnity claims against Travelers, a third party non-debtor in Manville's proceedings. Furthermore, Chubb contended that, as a matter of due process, it could not be bound by the terms of the 1986 Orders because during the course of the negotiations that had resulted in those orders, Chubb had no knowledge of its potential future claims against Travelers and had lacked adequate representation of its interests.

Bankruptcy Court's 2004 Orders

In a decision issued in August 2004 ("*Manville I*"), the bankruptcy court made findings of fact and conclusions of law ("Findings of Fact") in which it rejected Chubb's challenge to the Direct Action Settlement. Additionally, the bankruptcy court issued an order clarifying the 1986 Orders ("Clarifying Order" and, together with the Findings of Fact, "2004 Orders"). In the 2004 Orders, the bankruptcy court explained that the Direct Actions came within the scope of the 1986 Orders' prohibitions, were always prohibited by those orders and, thus, that Chubb's claims were barred by the 1986 Orders.

District Court's Ruling

On appeal, the district court issued a judgment ("Judgment") affirming the relevant parts of the 2004 Orders. In its ruling, the district court held that the 1986 Orders prohibited the Direct Actions and that the bankruptcy court had jurisdiction to enjoin the Direct Actions against Travelers and channel them to the Manville Trust. Furthermore, the district court rejected Chubb's claim that the channeling injunction was an unauthorized exercise of *in personam* jurisdiction, holding instead that the injunction was based on the bankruptcy court's *in rem* power over the Manville estate. Finally, the district court determined that the Notice should have alerted Chubb to its potential claims against Travelers. As a result, the district court rejected Chubb's due process argument. *In re Johns-Manville Corp.*, 340 B.R. 49 (S.D.N.Y. 2006) ("*Manville II*").

Chubb's Appeal to Second Circuit

Along with numerous other objecting parties ("Objecting Parties"), Chubb appealed the Judgment to the Second Circuit. In particular, Chubb argued that because it was not given constitutionally sufficient notice of the 1986 Orders, it was not bound by those orders or by the 2004 Orders, which construed the 1986 Orders. Notably, the Second Circuit resolved that the bankruptcy court had exceeded its jurisdiction in issuing the 1986 Orders to the extent that those orders had been construed in 2004 to enjoin the Direct Actions against Travelers. Declaring that a bankruptcy court only has jurisdiction to enjoin third party non-debtor claims that directly impact the *res* of the bankruptcy estate, the Second Circuit found that the bankruptcy court had erred in enjoining non-derivative claims against Travelers that did not seek to collect from the Manville estate. Accordingly, the Second Circuit permitted the Objecting Parties' jurisdictional challenge of the 1986 Orders. *In re Johns-Manville Corp.*, 517 F.3d 52, 66–68 (2d Cir. 2008) ("*Manville III*").

Supreme Court's Reversal

Ultimately, the Supreme Court of the United States reversed the *Manville III* decision, deeming the appellants' jurisdictional argument to be an impermissible collateral attack. Resolving that the 1986 Orders had become final on direct review more than 20 years earlier, the Supreme Court held that irrespective of whether the 1986 Orders reflected the bankruptcy court's proper exercise of jurisdiction, the 1986 Orders were no longer subject to collateral attack by parties to the 1986 proceedings or by those in privity with them, including the Objecting Parties. *Travelers Indemnity Co. v. Bailey*, 129 S.Ct. 2195, 2205 (2009). On remand, the Second Circuit pointed out that if the 1986 Orders had properly bound Chubb, the Supreme Court's reasoning would similarly apply to Chubb. However, the Second Circuit also added that if Chubb was not bound by the 1986 Orders, it could challenge the 1986 Orders as being jurisdictionally void. As such, adhering to the Supreme Court's ruling, the Second Circuit analyzed whether binding Chubb to the 1986 Orders would be in contravention of fundamental due process.

Lower Courts' Errors in Manville I and Manville II

Conducting its analysis of this matter, the Second Circuit remarked that the bankruptcy court had erred in relying on the terms of the 1986 Orders as grounds for rejecting Chubb's due process argument since the 1986 Orders did not relate to due process. Next, the Second Circuit held that the district court had erred in dismissing Chubb's due process argument on *res judicata* grounds based on *MacArthur Co. v. Johns-Manville Corp.*, 837 F.2d 89 (2d Cir. 1988). Unlike the circumstances in *MacArthur*, the Second Circuit explained that in the instant case, no relationship of privity existed between Chubb and any parties to the 1986 proceedings, that Chubb had received no notice of the 1986 Orders and had no knowledge of its potential claims at that time, and that Chubb had attempted to preserve claims that were non-derivative of Manville's rights in connection with the Policies. *Id*. at 92–94.

Moreover, the Second Circuit held that the district court had erred in categorizing the 1986 Orders as an exercise of the bankruptcy court's *in rem* jurisdiction. Significantly, the Second Circuit conceded that bankruptcy courts have broad *in rem* jurisdiction to adjudicate claims against a debtor's estate. The Second Circuit further noted that bankruptcy courts can only enjoin third party non-debtor claims that directly impact the *res* of a debtor's estate. *Manville III*, 517 F.3d at 66. However, the Second Circuit declared that since the 1986 Orders, as interpreted by the 2004 Orders, enjoined not only claims directed at the Policies that were assets of the Manville estate but also the Direct Actions that asserted liability against Travelers separately, the 1986 Orders exceeded the bankruptcy court's *in rem* jurisdiction and were found to have an *in personam* effect. Observing that Chubb's non-derivative claims against Travelers did not attempt to collect from the Manville estate and were thus functionally identical to the Direct Actions, the Second Circuit clarified that the bankruptcy court had not exercised *in rem* jurisdiction in enjoining Chubb's claims.

Adequate Representation and Notice

Since the 1986 Orders purported to bind Chubb's *in personam* claims against Travelers, the Second Circuit declared that Chubb's due process rights were analogous to the degree of notice and representation afforded in class action settlements. *See Amchem Products, Inc. v. Windsor*, 521 U.S. 591 (1997); *Stephenson v. Dow Chemical Co.*, 273 F.3d 249 (2d Cir. 2001). In *Amchem*, the Third Circuit vacated a class action settlement of future asbestos claims, concluding that the divergent interests between the presently injured claimants and the exposure-only claimants precluded the named plaintiffs from adequately representing the class. *Amchem*, 521 U.S. at 626. Similarly, in *Stephenson*, the Second Circuit permitted the plaintiffs' exposure claims despite a previous class action settlement relating to such claims on the grounds that the plaintiffs had not been adequately represented in the prior litigation since they had not discovered their claims until after the settlement fund was depleted and the settlement made no other provision for their claims. *Stephenson*, 273 F.3d at 260. Utilizing *Amchem* and *Stephenson* in the instant case, the Second Circuit observed that the 1986 Orders had never accounted for Chubb's non-derivative claims. The Second Circuit further added that the differing interests between the asbestos claimants participating in the negotiations, who focused on maximizing immediate payments and Chubb's interest in maintaining a future reserve fund, prevented the claimants from adequately representing Chubb.

Finally, the Second Circuit indicated that the Notice was insufficient to bind Chubb to the 2004 interpretation of the 1986 Orders. Since the Notice specified that the Settling Insurers attempted to bar only claims related to the Policies issued to Manville, the Second Circuit reasoned that Chubb could not have assumed that the channeling injunction would prohibit its *in personam*, non-derivative claims against Travelers. As such, concluding that Chubb could not have known that the 1986 Orders would bar its claims against Travelers, the Second Circuit found that Chubb did not receive constitutionally sufficient notice of the 1986 Orders, as interpreted by the 2004 Orders.

Second Circuit Affirms in Part, Reverses in Part

In sum, determining that Chubb had not been adequately represented at the hearings that resulted in the 1986 Orders and did not receive adequate notice of those orders, the Second Circuit concluded that Chubb was not bound by those orders and had successfully challenged them as jurisdictionally void. Accordingly, the Second Circuit reversed the Judgment with respect to Chubb, but affirmed it in connection with the Objecting Parties.

Credit Bids

Third Circuit Affirms District Court's Ruling that Lenders Are Not Entitled to Credit Bid under 11 U.S.C. § 1129(b)(2)(A)(iii)

In re Philadelphia Newspapers, LLC, No. 09-4266, 2010 BL 61581 (3d Cir. Mar. 22, 2010)

On March 22, 2010, the United States Court of Appeals for the Third Circuit affirmed the district court's ruling that 11 U.S.C. § 1129(b)(2)(A) does not require a debtor who proposes selling its assets free and clear of liens as part of its plan of reorganization to permit creditors whose loans are secured by those assets to bid their credit at the auction.

Sale of Assets

Philadelphia Newspapers, LLC ("Debtors") own and operate the Philadelphia Inquirer, the Philadelphia Daily News, and the online publication www.philly.com. The Debtors acquired these assets in 2006 for $515 million, of which $295 million came from a group of lenders ("Lenders"). In accordance with the terms of the loan documents ("Loan Documents"), the Lenders had first priority liens in substantially all of Debtors' real and personal property, for which the present value of the loan would be approximately $318 million.

In 2007, after Debtors had defaulted under several covenants in the Loan Documents and had missed a loan payment, Debtors filed voluntary petitions for chapter 11 protection. Thereafter, on August 20, 2009, Debtors filed a joint chapter 11 plan of reorganization ("Plan"), under which substantially all of Debtors' assets would be sold free of liens at a public auction. At the same time, Debtors also signed an asset purchase agreement with Philly Papers, LLC, a majority of which was owned by the Carpenters Pension and Annuity Fund of Philadelphia and Vicinity and Bruce Toll, which collectively owned approximately 50 percent of the equity in PMH Holdings, Debtors' parent company.

Pursuant to the Plan, the Lenders would receive approximately $37 million in cash resulting from the sale of the assets, as well as Debtors' Philadelphia headquarters, which were valued at $29.5 million, including a two year rent-free lease and any additional cash generated by a higher bid at the public auction.

Bankruptcy Court Approves Bid Procedures

On August 28, 2009, Debtors filed a motion for approval of the bid procedures for the sale of assets under 11 U.S.C. §§ 1123(a) and (b) and sought approval to exclude credit bidding and require that any qualified bidder finance its purchase with cash.

Multiple parties, including the Lenders, objected to Debtors' motion. After holding a hearing on the matter, the bankruptcy court ruled that a secured lender should be able to participate in a sale by credit bidding its debt. The bankruptcy court acknowledged that even though the Plan proceeded under the "indubitable equivalent" prong of § 1129(b)(2)(A)(iii), it was essentially a § 1129(b)(2)(A)(ii) sale and that, interpreted together with 11 U.S.C. §§ 363(k) and 1111(b), the Lenders should be permitted to bid the entire value of their secured debt up to $318,763,725.

District Court Reverses Bankruptcy Court's Decision

Relying on the plain language of § 1129(b)(2)(A), which provides three independent paths for cramming down a plan of reorganization over objections raised by secured creditors as long as doing so is "fair and equitable," the district court reversed the bankruptcy court's decision. Specifically, the district court noted that the right to credit bid was not incorporated into subsection (iii) since it was in subsection (ii) and that the Bankruptcy Code therefore does not provide a legal right for secured lenders to credit bid their claims at an auction sale under a plan of reorganization. The district court further stated that under subsection (iii), a debtor is only entitled to provide a secured lender with the "indubitable equivalent" of its secured interest in the assets.

The district court's order was appealed, and a motion was filed seeking a stay pending appeal. On November 17, 2009, the Third Circuit granted the stay pending appeal.

Third Circuit Affirms District Court's Ruling

In its determination of what rights a secured lender has when its collateral is sold under § 1123(a)(5)(D), the Third Circuit began its analysis by stating that this section of the Bankruptcy Code does not contain any direct authority and that it thus must look to § 1129(b) to ascertain the rights of secured lenders. Notably, the Third Circuit responded to the following arguments made by the Lenders: (1) that the plain language of § 1129(b)(2)(A) requires that all sales of assets free and clear of liens must proceed under subsection (ii), which includes the right to credit bid; (2) that subsection (iii)'s "indubitable equivalent" requirement is ambiguous, thereby requiring the court to look to other sections of the Bankruptcy Code permitting the use of a credit bid; and (3) that prohibiting the right to credit bid is inconsistent with other provisions of the Bankruptcy Code.

Plain Meaning of § 1129(b)(2)(A) Allows Asset Sale under Subsection (iii) without Permitting Lenders to Credit Bid

Examining the statutory language of § 1129(b)(2)(A), the Third Circuit noted that a court must assume that what a legislature says in a statute is precisely what it intended to say. Continuing its review of the language of the statute,

the Third Circuit indicated that § 1129(b)(2)(A) provides conditions for confirming a plan over the objection of secured creditors by showing that the plan is "fair and equitable" and that one of the ways that this can be accomplished is through subsection (iii), by providing the lender with the "indubitable equivalent" of its claim. In the instant case, although the Lenders conceded that the use of the word "or" in § 1129(b)(2)(A) provided Debtors with three separate avenues to satisfy the "fair and equitable" standard, the Lenders contended that the specific term in subsection (ii) should prevail over the general term in subsection (iii) and, thus, that a sale of assets free and clear could only proceed under subsection (ii). As a result, the Lenders claimed that they had the right to credit bid their claim and that a debtor can only proceed under subsection (iii) if a plan is proposed and the disposition is not addressed by subsections (i) and (ii).

The Third Circuit was ultimately unpersuaded by the Lenders' argument, pointing out that to apply a canon properly, one must understand its rationale. *See Varity Corp. v. Howe*, 516 U.S. 489, 511 (1996). As the Third Circuit observed, the Supreme Court in *Varity Corp*. reasoned that in examining the application of a canon, "the specific governs the general." As such, the Third Circuit in the instant case concluded that "although subsection (ii) specifically refers to a "sale" and permits a credit bid to occur under § 363(k), there is no basis to conclude that subsection (ii) is the only section that permits a debtor to sell its assets free and clear of liens and, in fact, Congress' inclusion of the "indubitable equivalent" prong intentionally left open the possibility for other methods of conducting sales as long as such other methods would protect a secured creditors' interests. Accordingly, the Third Circuit concluded that § 1129(b)(2)(A) clearly shows that subsections (i), (ii), and (iii) should be treated as separate alternatives.

"Indubitable Equivalent" Language Unambiguously Excludes Right to Credit Bid

In response to the Lenders' next argument, that the term "indubitable equivalent" is ambiguously broad and that the court should thus look to other canons of statutory construction to determine whether a sale of collateral without the use of credit bidding can ever provide the "indubitable equivalent" of the secured interest, the Third Circuit disagreed. Specifically, the Third Circuit found that although the phrase is broad, it is nonetheless not ambiguous. The Third Circuit instead held that the phrase "indubitable equivalent" under subsection (iii) means the "unquestionable value of a lender's secured interest in the collateral." Furthermore, the Third Circuit determined that the "indubitable equivalent" standard was no less stringent than its companion standards in subsections (i) and (ii) – the repayment of principal and the time value of money.

As a result, because the Third Circuit found subsection (iii) to be clear and held that a plain reading of the statute does not reference the right to credit bid, as it does in subsection (ii), the Third Circuit concluded that Congress had not provided secured lenders with a right to credit bid at a sale of the collateral pursuant to a plan of reorganization.

Moreover, the Lenders alleged that, according to the Third Circuit's ruling in *In re SubMicron Systems Corp.*, 432 F.3d 448 (3d Cir. 2006), even though subsection (iii) does not explicitly contain a right to credit bid, that right is necessary if secured lenders are to be provided with the "indubitable equivalent" of their claims. Ultimately, however, the Third Circuit distinguished its earlier ruling in *SubMicron*, declaring that *SubMicron* was a case under 11 U.S.C. § 363(b) and that a court must determine at confirmation, and not at the auction, whether a secured creditor has received the "indubitable equivalent" of its secured interest. As such, the Third Circuit agreed with the district court's finding that the Lenders had "retain[ed] the right to argue at confirmation, if appropriate, that the restriction on credit bidding failed to generate fair market value at the auction, thereby preventing them from receiving the indubitable equivalent of their claim." *In re Phila. Newspapers, LLC*, 418 B.R. 548 (E.D. Pa. 2009).

In support of its claim, the Lenders provided no cases holding that credit bidding was required when confirmation was sought under subsection (iii). Additionally, the Third Circuit noted that the Fifth Circuit had addressed this exact issue and had previously determined that a debtor can proceed with a sale under subsection (iii) without providing the secured lenders with the ability to credit bid their claim. *See Bank of N.Y. Trust Co., NA v. Official Unsecured Creditors' Comm. (In re Pacific Lumber Co.)*, 584 F.3d 229 (5th Cir. 2009). In the instant case, the Third Circuit similarly concluded that at this stage in the case, it was not able to determine, as a matter of law, that the auction would be unable to generate the "indubitable equivalent" of the Lenders' secured interest in Debtors' assets and the issue would therefore need to be fully examined at the time of plan confirmation.

Consequently, the Third Circuit found that the plain language of § 1129(b)(2)(A) was unambiguous and that simply because the parties have differing opinions regarding the meaning of a statute does not indicate that the statute is unclear.

Plain Meaning of § 1129(b)(2)(A) Is Consistent with Congressional Intent

Although the Third Circuit concluded that the plain language of the statute here was clear, it continued to address the Lenders' concerns and conceded that in rare cases the literal application of a statute can produce unintended results. Specifically, the Lenders argued that the Bankruptcy Code guarantees a secured lender either the right to elect to treat their deficiency claims as secured under § 1111(b) or the right to credit bid their claims under § 363(k). Because the Lenders were statutorily unable to make a § 1111(b) election, they asserted that they should retain the ability to credit bid their claim. The Third Circuit found this argument unpersuasive, however, and first found that an unambiguous statute should

be enforced according to its language, unless there is an extraordinary showing of contrary intent in the legislative history. Next, the Third Circuit held that the Lenders' argument had failed because of the operation of the Bankruptcy Code, which provides for situations in which estate assets subject to liens are sold without allowing a secured lender the right to credit bid its claims. In particular, under § 363(k), a secured lender can credit bid, "unless the court for cause orders otherwise," and several courts have utilized this provision and have indeed found such cause to exist.

The Third Circuit also deemed it to be significant that behind the Lender's argument was the Lenders' belief that between §§ 1111(b) and 363(k), secured lenders are granted special protections allowing them to recognize some greater value than their allowed secured claim by either treating the unsecured portion of their claim as a secured deficiency claim under § 1111(b) or by permitting them to credit bid their claim under § 363(k) in anticipation of realizing a potential upside on the collateral. The Third Circuit noted that such preferential treatment was clearly contrary to other provisions of the Bankruptcy Code, which limit a secured lender's recovery to the value of its secured interest and instead balance the interests of the secured lender and the protection of the reorganized entity. The Third Circuit further stated that the Bankruptcy Code does not protect a secured creditor's upside potential, but instead protects its allowed secured claim.

As a result of its analysis, the Third Circuit stood by its earlier decision that because the statute was clear, it must be enforced as written and that to the extent that it were to produce a result that was unintended under the Bankruptcy Code, it would then be up to Congress to amend the statute to ensure that its plain language captures the intent of the drafters.

Third Circuit Upholds District Court's Ruling

Ultimately, the Third Circuit agreed with the district court's ruling and the Fifth Circuit's decision that § 1129(b)(2)(A) is unambiguous and that a plain reading of the statute permits Debtors to proceed under subsection (iii) without allowing the Lenders to credit bid their claim.

Concurring Opinion

Judge Smith joined in the majority's opinion without reservation, with the exception of the examination of legislative history, which he did not believe should be reviewed in light of the unambiguous statutory language of § 1129(b)(2)(A). Judge Smith found that the statutory text of § 1129(b)(2)(A) supported the conclusion that credit bidding is not required in plan sales of collateral free of liens. He further indicated that § 1129(b)(2)(A) utilizes the word "or" to separate its subsections and that "or" is not exclusive. As such, satisfaction of any of the three subsections would be sufficient to qualify as "fair and equitable" under the statute.

Dissent

In his dissent, Judge Ambro disagreed with his colleagues, stating that the plain language of § 1129(b)(2)(A) is unambiguous and that the court should thus look beyond the text and review the statute in the context of the entire Bankruptcy Code, legislative history, and drafter's comments. Judge Ambro concluded that if one were to look beyond the plain text of the statute, it would find that the Bankruptcy Code requires cramdown plan sales free of liens to proceed under § 1129(b)(2)(A)(ii) and not subsection (iii). Similarly, it would only be if secured lenders were permitted to credit bid their claims as provided for in subsection (ii) that a plan could meet the "fair and equitable" standard. Moreover, Judge Ambro disagreed that when collateral is sold free of liens, as mentioned in subsection (ii), that subsection (ii) can be disregarded by the general provision of subsection (iii), which makes no mention of sales of collateral and only requires that the plan provide those creditors with the "indubitable equivalent" of their claims. Judge Ambro ultimately concluded that Congress had intended to protect secured creditors at a plan sale of collateral free of liens by providing them a way to control undervaluations of secured assets. As such, Judge Ambro declared that § 1129(b)(2)(A) should be exclusively applicable to the proposed plan sale in the case at hand and that the Lenders would thus retain the ability to credit bid their claims.

Claims

First Circuit Vacates Judgment Barring Claims Against Receiver as Time Barred

Riley v. Decoulos (In re American Bridge Products, Inc.), No. 09-1165, 2010 BL 53761 (1st Cir. Mar. 10, 2010)

On March 10, 2010, the United States Court of Appeals for the First Circuit vacated the district court's decision holding that a bankruptcy trustee's state law claims of negligence and breach of fiduciary duty against a state court receiver were time barred. In ruling that the claims were not time barred, the First Circuit found that the limitations period for claims against bankruptcy trustees and receivers does not begin to run until such individuals have provided a final accounting and have received a discharge by the court.

Appointment of Receiver

In August 1993, American Bridge Products, Inc. ("ABP" or "Debtor") filed a complaint in Massachusetts state court contending that certain defendants, including a major investor of ABP and his son, had converted the company's assets for their own benefit, with the assistance of Everett Savings Bank ("Bank"). During the following month, the state court appointed Nicholas Decoulos ("Decoulos") as the receiver of ABP. A few years later, in 1995, ABP's principals and creditors complained about Decoulos' misbehavior as receiver and filed

two motions attempting to remove him from his position, both of which the state court subsequently denied.

Involuntary Petition and Adversary Proceeding

Thereafter, in August 1996, the owners of ABP and a majority creditor filed an involuntary chapter 7 petition against the company. After Decoulos resisted this filing, the principals filed an affidavit describing Decoulos' misconduct as receiver. In October 1996, the bankruptcy court approved the involuntary bankruptcy proceeding and appointed Joseph Braunstein ("Braunstein") as chapter 7 trustee. At that point, Braunstein took control of Debtor's estate, and Decoulos became obligated under 11 U.S.C. § 543(b)(2) to file an accounting with the bankruptcy court concerning the estate property that he had held as receiver. Decoulos, however, failed to provide an accounting and requested compensation for services that he had rendered as receiver. In response, Braunstein objected, which resulted in an examination of Decoulos that lasted for several years. Subsequently, in 1999, Braunstein resigned and was replaced by Lynne Riley ("Trustee").

In 2000, the Trustee filed an adversary proceeding asserting claims for negligence and breach of fiduciary duty against Decoulos in his capacity as receiver. In accordance with Massachusetts law, both claims had a three year statute of limitations. *See LoCicero v. Leslie*, 948 F. Supp. 10, 12 & n.2 (D. Mass. 1996).

Lower Courts' Rulings

Despite the fact that Braunstein had previously investigated certain potential claims against Decoulos but had decided not to pursue them and despite the fact that the alleged conduct had occurred more than three years before the Trustee had filed her claims, the bankruptcy court overruled Decoulos' statute of limitations objection. Instead, the bankruptcy court found that the limitations period did not begin running until Decoulos had filed an accounting of his administration pursuant to Federal Rule of Bankruptcy Procedure 6002 and had received a discharge, neither of which had ever occurred.

After holding a trial during 2004, the bankruptcy court ultimately concluded that Decoulos had mismanaged the receivership and awarded the Trustee a judgment that was equivalent to the lesser of $379,173 or the amount needed to pay all of the creditors of Debtor's estate. The bankruptcy court calculated specific damages against Decoulos for waste of inventory and materials, the reduced value of Debtor's assets, diversion to investors of debts owed to the company, and losses caused by the Bank's diversion of assets. The bankruptcy court also directed Decoulos to disgorge any fees that he had been paid in his capacity as receiver.

On appeal, the district court issued a judgment ("Judgment") reversing the bankruptcy court's decision and holding that the Massachusetts statute of limitations had begun to run upon the discovery of Decoulos' wrongful behavior. As a result, the district court's Judgment stated that the Trustee's claims had been time barred.

The Trustee then appealed the matter to the First Circuit.

Subject Matter Jurisdiction

As a preliminary matter, the First Circuit considered Decoulos' claim that the bankruptcy court had lacked subject matter jurisdiction on the grounds that actions against a receiver require state court approval and that the *Rooker-Feldman* doctrine prohibits federal courts from reviewing final orders of a state court. *See Barton v. Barbour*, 104 U.S. 126, 136 (1881); *Rooker v. Fidelity Trust Co.*, 263 U.S. 413 (1923); *D.C. Court of Appeals v. Feldman*, 460 U.S. 462 (1983).

Distinguishing *Barton* as a case attempting to protect the authority of the court that appointed the receiver and avoid unnecessary costs related to numerous courts administering the same property, the First Circuit pointed out that in the instant case, authority over Debtor's estate had passed to the bankruptcy court before the Trustee's claims had even been filed. As such, concluding that Decoulos was only required to provide an accounting to the bankruptcy court, the First Circuit held that the *Barton* case was inapplicable to the case at hand.

Similarly, the First Circuit explained that the *Rooker-Feldman* doctrine is only applicable when the losing party in state court has brought suit in federal court after the state court proceedings based on an alleged injury resulting from the state court judgment have ended, requesting review and rejection of that judgment. *See Exxon Mobil Corp. v. Saudi Basic Industries Corp.*, 544 U.S. 280, 291 (2005). Declaring that the state court had not issued any judgment on the claims asserted by the Trustee, the First Circuit decided that the *Rooker-Feldman* doctrine was inapplicable in the instant case. Furthermore, pointing out that Decoulos had filed a claim in the bankruptcy court for fees, the First Circuit determined that the bankruptcy court had jurisdiction to resolve the Trustee's claims, declaring that a compulsory counterclaim constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

Limitations Defense

Next, turning to the merits of the issue, the First Circuit examined Massachusetts' three year limitations period for the Trustee's state law negligence and fiduciary duty claims against Decoulos as receiver. Notably, the First Circuit observed that the challenged behavior had occurred more than three years before the Trustee had filed her lawsuit. Nevertheless, the First Circuit indicated that the bankruptcy court had rejected Decoulos' limitations defense, declaring that a receiver or bankruptcy trustee's liability for misconduct remains open, notwithstanding a statute of limitations defense, until a final accounting and discharge has occurred. At the same time, however, the First Circuit remarked that in reversing the

bankruptcy court's decision, the district court had relied on the principle that in an action filed against an ordinary trustee, the Massachusetts limitations period begins to run once the wrongdoing has become known. *See Lattuca v. Robsham*, 812 N.E.2d 877, 884 (Mass. 2004).

Limitations Period Applicable to Ordinary vs. Bankruptcy Trustees

Ultimately, the First Circuit reconciled the lower courts' differing conclusions by contemplating the differences between ordinary trustees, on the one hand, and bankruptcy trustees and receivers, on the other hand. In particular, the First Circuit commented that while ordinary trustees act with little court supervision and typically serve for indefinite periods of times, bankruptcy trustees and receivers are appointed for the purpose of efficiently and effectively winding down an estate. As a result, the First Circuit declared that with respect to ordinary trustees, the Massachusetts statute of limitations begins to run once the wrongdoing has been discovered. In contrast, in order to ensure that bankruptcy trustees are still accountable after making certain disclosures to the court, the First Circuit clarified that the limitations period for claims against bankruptcy trustees does not begin to run until such individuals have provided a final accounting and have received a discharge from the court. *See In re San Juan Hotel Corp.*, 847 F.2d 931, 939 (1st Cir. 1988).

Applying the principles from the *San Juan Hotel* decision and noting that bankruptcy trustees and receivers are both charged with similar duties, the First Circuit resolved that the Trustee's claims against Decoulos in the instant case had not been time-barred since Decoulos had never provided an accounting and had never been granted a discharge.

Receiver's Alternative Arguments

Addressing Decoulos' alternative arguments, the First Circuit remarked that even if the limitations period had not run, Decoulos could have raised a laches defense based on the Trustee's delay in filing the claims but had failed to do so. The First Circuit further rejected Decoulos' position that liability against him was time barred based on the termination of his receivership and his oral accounting to Braunstein. Significantly, the First Circuit explained that termination does not extinguish liability or make the limitations period begin running, and that an accounting pursuant to Rule 6002 must be presented for court review.

Moreover, in analyzing Decoulos' claim that the misbehavior for which he had been surcharged had previously been approved by the state court, the First Circuit pointed out that the relevant state court orders were unrelated to the actions for which the bankruptcy court had surcharged Decoulos. To this end, the First Circuit indicated that while a state court order had found Decoulos liable for the loss and waste of ABP's assets, the bankruptcy court had based its liability ruling on Decoulos' failure to secure ABP's inventory and equipment, thereby resulting in their conversion.

Similarly, the First Circuit declined to accept Decoulos' contention that he could not be held liable for failing to promptly proceed with an action against the Bank because he had provided the amount of the Bank's misappropriation to the state court. Declaring that Decoulos' reporting of the claim did not equate with the state court approving his failure to proceed with that claim, the First Circuit decided that the state court had never authorized the challenged behavior, thereby enabling the bankruptcy court to impose liability.

Issue Preclusion

Finally, considering Decoulos' argument that issue preclusion had barred the Trustee's claims, the First Circuit observed that although Debtor's principals had objected to Decoulos' fee request based on his purported misconduct, the state court had ignored the issue and had rejected the principals' attempts to remove Debtor. As the First Circuit acknowledged, had the state court made findings vindicating Decoulos, issue preclusion could have potentially barred the Trustee's claims. However, since the issue had never actually been litigated and had been decided on the merits, the First Circuit decided that issue preclusion was not implicated in the instant case.

First Circuit Vacates Judgment and Remands Matters

Ultimately, concluding that the Trustee's claims against Decoulos had not been time barred, the First Circuit vacated the district court's Judgment and remanded the case.

Bankruptcy Court Declines to Dismiss Complaint Alleging Fraudulent Transfer and Breach of Fiduciary Duty Claims Arising from Private Equity Sale of Debtor

Mervyn's LLC v. Lubert-Adler Group IV, LLC (In re Mervyn's Holdings, LLC), No. 08-51402, 2010 BL 57231 (Bankr. D. Del. Mar. 17, 2010)

On March 17, 2010, the United States Bankruptcy Court for the District of Delaware denied a defendant's motion to dismiss a complaint, holding that the debtor had sufficiently pled its fraudulent transfer and breach of fiduciary duty claims arising from the defendant's pre-petition private equity sale of the debtor.

Target's Pre-Petition Private Equity Sale of Mervyn's

In 1978, Dayton Hudson Corporation ("DHC") acquired Mervyn's LLC ("Debtor"), which became a wholly-owned subsidiary of DHC. DHC also owned numerous high end

department stores, including Target Stores, and DHC ultimately changed its corporate name to Target Corporation ("Target"). During 2003, Target's board of directors decided to sell its other assets, including Debtor. As a result, on July 29, 2004, Target entered into an equity purchase agreement ("Agreement") with a group of private equity firms (collectively, "PE Sponsors") that created one of the Debtor entities, Mervyn's Holdings LLC ("Mervyn's Holdings"). In an attempt to spin-off Debtor's valuable real estate assets, the PE Sponsors established MDS Companies, which were bankruptcy remote entities, and the Agreement provided that Target would convey 100 percent of its ownership interest in Debtor to Mervyn's Holdings for $1.175 billion. Significantly, the Agreement prevented Target from selling or transferring any of Debtor's real estate and required Target to convert Debtor from a corporation to a limited liability company ("LLC"). The sale of its assets, which closed on September 2, 2004 ("2004 Sale"), was funded by loans obtained by Mervyn's Holdings and the PE Sponsors, which loans were secured by Debtor's real estate. Debtor received no residual interest in its own real estate since all of the loan proceeds were paid to Target. Additionally, Mervyn's Holdings leased the real estate back to Debtor at a substantially increased rate in order to service the acquisition of debt and in order to continue to extract the significant excess value of the real estate assets.

Target's Motion to Dismiss Debtor's Complaint

On July 29, 2008, Debtor filed a petition for chapter 11 bankruptcy protection. Shortly thereafter, Debtor, acting by virtue of the official committee of unsecured creditors, filed a complaint ("Complaint") against Target and 38 other defendants, contending that they had engaged in a fraudulent transaction and had breached their fiduciary duty to Debtor with respect to the 2004 Sale. More specifically, the Complaint asserted actual and constructive fraud claims pursuant to the Uniform Fraudulent Transfer Act (UFTA) or Uniform Commercial Fraudulent Conveyance Act (UFCA) and 11 U.S.C. §§ 544(b) and 550, as well as state law breach of fiduciary duty claims. In response to the Complaint, Target filed a motion to dismiss the Complaint ("Motion to Dismiss") pursuant to Federal Rules of Civil Procedure 8, 9(b), and 12(b)(6).

Standards Applicable to Motion to Dismiss

Rendering its decision on the Motion to Dismiss, the bankruptcy court began its analysis by explaining that Rule 12(b)(6) governs a motion to dismiss for failure to state a claim upon which relief can be granted and requires that a complaint contain either direct or inferential allegations in connection with all material elements required to obtain recovery under a viable legal theory. *Bell Atlantic Corp. v. Twombly*, 127 S. Ct. 1955, 1969 (2007). In addition, the bankruptcy court observed that a court cannot consider matters outside of the pleadings with respect to a Rule 12(b)(6) motion since the applicable record consists only of the complaint and any "document integral or explicitly relied upon in the complaint." *See U.S Express Lines, Ltd. v. Higgins*, 281 F.3d 383, 388 (3d Cir. 2002). Furthermore, regarding Debtor's fraud allegations, the bankruptcy court noted that Rule 9(b) requires that actual fraud claims be pled with particularity, while Rule 8(a)(2) requires that constructive fraud claims be pled with sufficient particularity to apprise the defendant of the charges that have been asserted against him. *See In re Astro Power Liquidating Trust*, 335 B.R. 309, 333 (Bankr. D. Del. 2005).

Bankruptcy Court Declines to Consider Certain of Target's Documents

The bankruptcy court next decided, as a preliminary matter, that it would not consider certain documents included in the appendix attached to the Motion to Dismiss. While Target claimed that all of these exhibits came under the Third Circuit's "integral exception" doctrine because they were all part of the Agreement, the bankruptcy court resolved that although the commitment letters and the Agreement came within this exception since both parties had relied on them in their respective pleadings, the affidavit, operating agreement, cash flow statement, and wire transfer all fell outside of the exception and would not be considered. Similarly, the bankruptcy court concluded that although it would take judicial notice of the press releases in accordance with the public record exception to Rule 12(b), it would not consider their truth or veracity. *See Benak v. Alliance Capital Mgmt L.P.*, 435 F.3d 396, 401 (3d Cir. 2006).

Bankruptcy Court Rules Debtor Sufficiently Pled Fraudulent Transfer Claims

Assessing the sufficiency of Debtor's fraud claims, the bankruptcy court declared that it would collapse the events that were fundamental and integral to the 2004 Sale, including the execution of the Agreement, the stripping of the real estate assets, and the leases, into a single conveyance and apply the totality of the circumstances approach by examining the overall consequences of the 2004 Sale. In support of this ruling, the bankruptcy court pointed to *United States v. Tabor Court Realty Corp.*, 803 F.2d 1288, 1302 (3d Cir. 1986), in which the Third Circuit held that when a series of transactions are part of one integrated transaction, courts can look past the exchange of funds and collapse the individual transactions of a leveraged buyout. In a similar manner, the bankruptcy court cited *In re Hechinger Inv. Co.*, 327 B.R. 537, 546–47 (Bankr. D. Del. 2005), in which the court held that instead of focusing on one of several transactions, a court should consider the overall financial effects that the transactions had on the creditor. As the bankruptcy court remarked, in making this determination, the *Hechinger* court examined whether: (1) all of the parties involved had knowledge of the multiple transactions; (2) each transaction would have occurred on its own; and (3) each transaction was dependent or conditioned on other transactions.

Applying these factors in the instant case, the bankruptcy court concluded that Debtor had fulfilled the first requirement

regarding knowledge of the multiple transactions by claiming that Target had constructive knowledge of the transactions that were to take place after the conveyance of their membership interest in Debtor and actual knowledge of the identity of Mervyn's Holdings, the commitment letters, and the clauses requiring Debtor's conversion to an LLC and prohibiting the sale of real estate assets. Moreover, in connection with the second and third factors, the bankruptcy court found that the actions of the parties were dependent on one another and that the overall financial effects of the transactions had a debilitating impact on creditors, including the stripping of Debtor's real estate assets, the increasing of rent from the leases to allow Mervyn's Holdings to satisfy its acquisition debt, and the creation of a conflict of interest for Mervyn's Holdings since the ultimate owners of Mervyn's Holdings and the owners of MDS Companies were one and the same (i.e., the PE owners acting by virtue of the PE Sponsors).

Based on these findings, the bankruptcy court held that Debtor had successfully established a claim for collapsing the transactions concerning the 2004 Sale and that the Complaint had contained sufficient facts to support a finding that Target was liable as a transferee in the alleged fraudulent conveyance.

Bankruptcy Court Finds Complaint Satisfied Rules 8(a) and 9(b)

In further support of this conclusion, the bankruptcy court determined that the Complaint had met the constructive fraud standard pursuant to Rule 8(a) by describing in detail facts regarding the 2004 Sale, the property and dates involved in the transaction, the value of the transfers made, the amount of money transferred to Target, the source of funds, and the negative implications of the sale. Likewise, the bankruptcy court found that the Complaint had met the heightened pleading standard pursuant to Rule 9(b) for actual fraud given that it cited an opinion letter describing Debtor's allegations that the leases had demonstrated Target's knowledge and fraudulent intentions in separating Debtor from its real estate assets.

At the same time, the bankruptcy court rejected Target's claim that even if the 2004 Sale was considered to be a fraudulent transfer, Debtor was prohibited from avoiding the transaction because it came within the safe harbor of § 546(e), which protects from avoidance a properly received "settlement payment" from a financial institution by wire transfer. To this end, the bankruptcy court noted that payment to a shareholder for his shares as part of a leveraged buyout qualifies as a so-called "settlement payment" pursuant to § 546(e) and that the payment in the instant case was made by or to a financial institution by wire transfer. *See In re Resorts International*, 181 F.3d 505, 515–16 (3d Cir. 1999). Nonetheless, the bankruptcy court resolved that § 546(e) is not applicable to the collapsed transactions and that although the term "settlement payments" include non-publicly traded securities, § 546(e) does not apply to other transactions concerning the sale since they are outside of the definition in 11 U.S.C. § 741 of the term "settlement payment."

Target Owed Fiduciary Duty to Debtor under California Law

Discussing the adequacy of Debtor's breach of fiduciary duty claim, and specifically Target's argument that there was no case law supporting a duty by a sole member of a California LLC to the LLC or its creditors, the bankruptcy court emphasized that California law rather than Delaware corporation law should apply to Debtor's claim since it was directly connected to Debtor's internal affairs. *In re PHP Healthcare Corp.*, 128 Fed. Appx. 839, 843 (3d Cir. 2005). Examining California law on this issue, the bankruptcy court determined that although no court had directly and expressly stated that a sole member of an LLC owes the company fiduciary duties, the case of *First American Real Estate Information Services, Incorporated v. Consumer Benefit Services, Inc.* (S.D. Cal. Apr. 23, 2004) indicated that a member of a California LLC owes fiduciary duties to the entity and its other members. In so ruling, the bankruptcy court in the instant case explicitly rejected the decision in *Trenwick American Litigation Trust v. Ernst & Young, LLP*, 906 A.2d 168, 173 (Del. Ch. 2006), on which Target relied, in which the court decided that wholly owned subsidiaries are expected to act for the benefit of the parent corporation and thus do not owe fiduciary duties to subsidiaries. Instead, the bankruptcy court deemed it to be determinative that the decision in *Trenwick* had been made by a Delaware court utilizing Delaware law. Furthermore, the bankruptcy court disagreed with Target's claim that fiduciary duties are not owed to creditors in accordance with California law when a company is insolvent. *See In re Jacks*, 243 B.R. 385, 390 (Bankr. C.D. Cal. 1999).

Accordingly, in light of this reasoning, the bankruptcy court concluded that Target, as a member of Debtor, owed a fiduciary duty to Debtor's creditors and that the Complaint had sufficiently pled that at the time at which the Agreement had been executed, Debtor was or became insolvent due to the stripping of real estate assets. In so holding, the bankruptcy court disagreed with Target's use of an exculpation clause in Debtor's operating agreement providing that Target could not be held liable to Debtor for grossly negligent conduct. The bankruptcy court resolved that the argument was actually a type of affirmative defense and thus could not form the basis for dismissal under Rule 12(b)(6). *In re Tower Air, Inc.*, 416 F.3d 229, 242 (3d Cir. 2005).

Timeliness of Debtor's Breach of Fiduciary Duty Claim

Finally, the bankruptcy court rejected Target's contention that Delaware's three-year statute of limitations contained within 10 Del. C. § 8121 applied to bar Debtor's breach of fiduciary duty claim as untimely. Utilizing Delaware choice of law principles, the bankruptcy court indicated that it was required to apply the law of the state of incorporation to

matters involving corporate internal affairs, which in the instant case was California's four-year statute of limitations pursuant to Cal. Code Civ. Proc. § 343. *See VantagePoint Venture Partners 1996 v. Examen, Inc.*, 871 A.2d 1108, 1115 (Del. 2005). While noting Delaware's borrowing statute under § 8121, which prevents a party from forum-shopping by filing a claim in a Delaware court that arises under the law of a jurisdiction other than Delaware and is barred by that jurisdiction's statute of limitations but would not be time-barred in Delaware, the bankruptcy court declared that forum-shopping was not an issue in the instant case. As such, the bankruptcy court declared that California law applied and that the Complaint had been timely filed. *Saudi Basic Industries Corp. v. Mobil Yanbu Petrochemical Company, Inc.*, 886 A.2d 1, 16 (Del. 2005).

Bankruptcy Court Denies Motion to Dismiss

Ultimately, the bankruptcy court concluded that the Complaint had been sufficiently pled and denied Target's Motion to Dismiss.

Debtors

Chapter 11 Filings

The Chapter 11 Filings chart provides a listing of the significant chapter 11 filings made by companies during the time period indicated. The chart includes pertinent information about these chapter 11 debtors, including the debtor's name, the bankruptcy court in which the debtor filed its petition, the case number, the filing date, the judge assigned to the bankruptcy case, and the counsel retained by the debtor.

Filed April 8, 2010 through April 14, 2010

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
Alaskan Adventure Tours, Inc.	District of Alaska	10-bk-00282	04/08/10	Donald MacDonald IV	Christianson & Spraker
The Bond Ranch at Del Rio Springs, LLC	District of Arizona	10-bk-10174	04/08/10	Redfield T. Baum, Sr.	Squire Sanders & Dempsey
CM Realty Holdings, LLC	District of Arizona	10-bk-10214	04/08/10	Randolph J. Haines	Blake D. Gunn
KJS Sams, Inc.	Central District of California	10-bk-11686	04/08/10	Robin Riblet	Hurlbett & Faucher
2151 Hotel Circle South LLC	Central District of California	10-bk-14061	04/08/10	Maureen Tighe	Stuart J. Wald
Mana 4 J, Inc.	Eastern District of California	10-bk-29003	04/08/10	Robert S. Bardwil	Jee Soo Kim
CHH, Inc.	Eastern District of California	10-bk-29072	04/08/10	Christopher M. Klein	Mitchell L. Abdallah
Grower Crane Service, Inc.	Middle District of Florida	10-bk-02936	04/08/10	Jerry A. Funk	Albert H. Mickler
Foley 15 Acres Development, LLC	Northern District of Georgia	10-bk-70750	04/08/10	Mary Grace Diehl	Smith Diment Conerly, LLP
Handy Button Machine Company	Northern District of Illinois	10-bk-15572	04/08/10	Pamela S. Hollis	Shaw Gussis Fishman Glantz Wolfson & Tow
Warehousing, Inc.	Southern District of Indiana	10-bk-70577	04/08/10	Basil H. Lorch III	Marilyn Ratliff
Tyme Properties, LLC	Southern District of Indiana	10-bk-70578	04/08/10	Basil H. Lorch III	Marilyn Ratliff
Three Seas Realty II, LLC	Northern District of Iowa	10-bk-00948	04/08/10	William L. Edmonds	Brian Koenig
Brown Services, LLC	District of Maryland	10-bk-17619	04/08/10	Paul Mannes	Pro Se
Rosegarden Properties, LLC	District of Maryland	10-bk-17688	04/08/10	James F. Schneider	Coon & Cole, LLC
Hakim & Yaldo, Inc.	Eastern District of Michigan	10-bk-51697	04/08/10	Thomas J. Tucker	Robert N. Bassel

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
HY&Y, Inc.	Eastern District of Michigan	10-bk-51698	04/08/10	Marci B. McIvor	Robert N. Bassel
Tiburon View Apartments, LP	District of Nebraska	10-bk-81025	04/08/10	Thomas L. Saladino	McGill, Gotsdiner, Workman & Lepp, P.C.
Tiburon Pointe Apartments, L.L.C.	District of Nebraska	10-bk-81026	04/08/10	Thomas L. Saladino	McGill, Gotsdiner, Workman & Lepp, P.C.
Visinet, Inc.	District of Nebraska	10-bk-81044	04/08/10	Timothy J. Mahoney	Berkshire & Burmeister
Fremont Development LLC	District of Nevada	10-bk-16116	04/08/10	Mike K. Nakagawa	Pro Se
Double J.N.P. Ventures North LLC	District of New Hampshire	10-bk-11555	04/08/10	Mark W. Vaughn	Edmond J. Ford
60 Isinglass, Inc.	District of New Hampshire	10-bk-11560	04/08/10	Mark W. Vaughn	Nicosia & Associates, PC
J&P Equipment, Inc.	District of New Jersey	10-bk-20573	04/08/10	Gloria M. Burns	Penberthy & Penberthy
Errio Construction Co.	Eastern District of New York	10-bk-42996	04/08/10	Carla E. Craig	Law Office of Anyekache
Aeon LLC	Northern District of New York	10-bk-30898	04/08/10	Margaret M. Cangilos-Ruiz	Trevett, Lenweaver & Salzer, P.C.
Professional Family Care Services, Inc.	Eastern District of North Carolina	10-bk-02789	04/08/10	Randy D. Doub	J.M. Cook
Bakarr Enterprises, Inc.	Southern District of Ohio	10-bk-54101	04/08/10	John E. Hoffman, Jr.	Nobile & Thompson Co., L.P.A.
Silver Creek Crossing, LLC	District of Oregon	10-bk-32942	04/08/10	Trish M. Brown	Ava L. Schoen
Integrity Builders of the Lehigh Valley, LLC	Eastern District of Pennsylvania	10-bk-21030	04/08/10	Richard E. Fehling	Pro Se
Patton Tire Co., Inc.	Middle District of Pennsylvania	10-bk-02914	04/08/10	Robert N. Opel II	James Chad Moore
Supermercado Alexander, Inc.	District of Puerto Rico	10-bk-02817	04/08/10	Sara E. De Jesus Kellogg	Luis D. Flores Gonzalez Law Office
Deco Vega, LLC	Northern District of Texas	10-bk-32533	04/08/10	Stacey G. Jernigan	Joyce W. Lindauer
Amir's Antiques & Decorative Rugs, Inc.	Eastern District of Virginia	10-bk-12749	04/08/10	Stephen S. Mitchell	Law Offices of Leslie D. Silverman
Highlands Equipment & Supply, LLC	Western District of Virginia	10-bk-70869	04/08/10	William F. Stone, Jr.	Browning Lamie & Gifford
Admiral Construction Corp.	Western District of Washington	10-bk-13926	04/08/10	Samuel J. Steiner	Jeffrey B. Wells
Osborn Residential, LLC	Western District of Washington	10-bk-13929	04/08/10	Karen A. Overstreet	James E. Dickmeyer
Gallery, LLC	Western District of Washington	10-bk-13934	04/08/10	Thomas T. Glover	Law Office of David H Fuller
Cedarhill Operating Co., L.L.C.	Northern District of Alabama	10-bk-70794	04/09/10	C. Michael Stilson	Newell & Associates LLC
San Tan Borgata Development, LLC	District of Arizona	10-bk-10320	04/09/10	George B. Nielsen, Jr.	Polsinelli Shughart
Oracle Innkeeper LLC	District of Arizona	10-bk-10389	04/09/10	Eileen W. Hollowell	Deconcini McDonald Yetwin & Lacy PC
John McBride Construction Company	Western District of Arkansas	10-bk-71849	04/09/10	Ben T. Barry	Stanley V. Bond
Silvera's Steakhouse & Lounge LLC	Central District of California	10-bk-14576	04/09/10	Robert N. Kwan	Enright Law Center
Driscoll Partners LLC	Central District of California	10-bk-14577	04/09/10	Robert N. Kwan	Pro Se
CSTS, Inc.	Central District of California	10-bk-14600	04/09/10	Theodor Albert	Jerome S. Cohen

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
SYS Hospitality LLC	Central District of California	10-bk-20501	04/09/10	Deborah J. Saltzman	Law Offices of Robert M. Yaspan
Rancho Farm Construction Corp.	Southern District of California	10-bk-05845	04/09/10	Louise DeCarl Adler	Mortazavi & Associates
Surya Hospitality, LLC	Middle District of Florida	10-bk-08289	04/09/10	K. Rodney May	Donica Law Firm PA
Big Toy Storage Holding Company, LLC	Middle District of Florida	10-bk-08398	04/09/10	Caryl E. Delano	McIntyre, Panzarella, Thanasides & Eleff
RSCS, Inc.	Southern District of Florida	10-bk-19334	04/09/10	A. Jay Cristol	Jacqueline Calderin
Pearl Companies, Inc.	Southern District of Florida	10-bk-19336	04/09/10	John K. Olson	Martin L. Sandler
Brittwood Creek LLC	Northern District of Illinois	10-bk-15776	04/09/10	Jacqueline P. Cox	Springer, Brown, Covey, Gaetner & Davis
SRV & Associates, LLC	Northern District of Illinois	10-bk-15778	04/09/10	Eugene R. Wedoff	Michael L. Flynn
Rob's Lawn Care, Inc.	Northern District of Indiana	10-bk-40321	04/09/10	Robert E. Grant	David A. Rosenthal
Environmental Source Corp.	District of Massachusetts	10-bk-41752	04/09/10	Joel B. Rosenthal	Feinman Law Offices
Elevator Technology, Inc.	Eastern District of Michigan	10-bk-51729	04/09/10	Marci B. McIvor	Anthony James Miller
His Temple-West, LLC	Western District of Michigan	10-bk-04667	04/09/10	Scott W. Dales	Hettinger & Hettinger PC
MFT Enterprise, Inc.	District of Nebraska	10-bk-81052	04/09/10	Timothy J. Mahoney	Pollak & Hicks PC
Sundown Commerce, LLC	District of Nevada	10-bk-16250	04/09/10	Mike K. Nakagawa	Timothy S. Cory
GDMAC Corp.	District of New Jersey	10-bk-20695	04/09/10	Michael B. Kaplan	Fox Rothschild LLP
Harrison Bagel, Inc.	Southern District of New York	10-bk-22694	04/09/10	Robert D. Drain	Pro Se
Expressway Development, LLC	Western District of Oklahoma	10-bk-12088	04/09/10	Niles L. Jackson	Charles E. Wetsel
Kimberley Manufacturing Company	Western District of Oklahoma	10-bk-12094	04/09/10	T.M. Weaver	The Gooding Law Firm
A.L.P. Land Co., Inc.	Western District of Pennsylvania	10-bk-22615	04/09/10	Thomas P. Agresti	Robert O. Lampl
Elektra Del Caribe, Inc.	District of Puerto Rico	10-bk-02868	04/09/10	Not yet assigned	Victor Gratacos Diaz
DaySprings, LLC	Eastern District of Tennessee	10-bk-50903	04/09/10	Marcia Phillips Parsons	Hunter, Smith & Davis
Pearl Artist & Craft Supply Corp.	Southern District of Florida	10-bk-19358	04/10/10	John K. Olson	Martin L. Sandler
Pearl Art & Craft Supplies of California, Inc.	Southern District of Florida	10-bk-19359	04/10/10	Raymond B. Ray	Martin L. Sandler
Pearl Art & Craft Supplies of Massachusetts, Inc.	Southern District of Florida	10-bk-19362	04/10/10	John K. Olson	Martin L. Sandler
Pearl Art & Craft Supplies, Inc.	Southern District of Florida	10-bk-19363	04/10/10	Raymond B. Ray	Martin L. Sandler
Pearl Art Supply Wholesalers, Inc.	Southern District of Florida	10-bk-19364	04/10/10	John K. Olson	Martin L. Sandler
Pearl Artist Supplies of Illinois, Inc.	Southern District of Florida	10-bk-19365	04/10/10	Raymond B. Ray	Martin L. Sandler
Pearl Paint Company, Inc.	Southern District of Florida	10-bk-19366	04/10/10	Raymond B. Ray	Martin L. Sandler

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
Pearl Paint of Suffolk County, Inc.	Southern District of Florida	10-bk-19369	04/10/10	Raymond B. Ray	Martin L. Sandler
Pearl Art & Craft Supplies of Pennsylvania, Inc.	Southern District of Florida	10-bk-19371	04/10/10	John K. Olson	Martin L. Sandler
Basilicata Realty Corp.	Southern District of New York	10-bk-11887	04/10/10	Robert E. Gerber	Cesar A. Fernandez
Edgehill Ranch Estates, LLC	Southern District of California	10-bk-05899	04/11/10	Peter W. Bowie	Butter & Bye
Bainbridge Shopping Center II, LLC	Southern District of Florida	10-bk-19383	04/11/10	Erik P. Kimball	Arthur J. Spector
Hanna Marathon, LLC	Eastern District of Michigan	10-bk-51891	04/11/10	Walter Shapero	Robert N. Bassel
Pita Franchise Corp.	Eastern District of Michigan	10-bk-51895	04/11/10	Thomas J. Tucker	Scott F. Smith
CS Real Estate Holdings, LLC	District of New Jersey	10-bk-20811	04/11/10	Judith H. Wizmur	Law Office of Neil I. Sternstein
Burning Bush Day Care & Learning Center, Inc.	Eastern District of Virginia	10-bk-32597	04/11/10	Kevin R. Huennekens	Douglas A. Scott, PLC
Annaly Bay Development, LLC	District of the Virgin Islands	10-bk-10002	04/11/10	Mary F. Walrath	Benjamin A. Currence P.C.
Annaly Bay Corp.	District of the Virgin Islands	10-bk-10003	04/11/10	Mary F. Walrath	Benjamin A. Currence P.C.
Two Dogs And A Bone, Inc.	Northern District of Alabama	10-bk-41050	04/12/10	James J. Robinson	Tameria S. Driskill
Kelland Investments, LLC	District of Arizona	10-bk-10541	04/12/10	Eileen W. Hollowell	Allen, Sala & Bayne, PLC
DaMoor, Inc.	Central District of California	10-bk-14192	04/12/10	Geraldine Mund	Steinberg Nutter & Brent
NMI Industrial Contractors	Eastern District of California	10-bk-29301	04/12/10	Thomas Holman	Anthony Asebedo
411 New York Owners Corp.	Northern District of California	10-bk-11310	04/12/10	Alan Jaroslovsky	Pro Se
Surfun Enterprises LLC	Southern District of California	10-bk-05954	04/12/10	Peter W. Bowie	Law Offices of Matthew D Rifat, LLP
Parga Developers, LLC	District of Connecticut	10-bk-50821	04/12/10	Alan H.W. Shiff	Ellery E. Plotkin
Livingsun Apartments LLC	Middle District of Florida	10-bk-06025	04/12/10	Karen S. Jennemann	Kosto & Rotella PA
River Mountain, Inc.	Middle District of Florida	10-bk-08482	04/12/10	Caryl E. Delano	McIntyre, Panzarella, Thanasides & Eleff
Bulova Tech Riverside LLC	Middle District of Florida	10-bk-08500	04/12/10	Michael G. Williamson	Jennis & Bowen, P.L.
Bayshore Yacht and Tennis Club Condominium Association, Inc.	Southern District of Florida	10-bk-19450	04/12/10	A. Jay Cristol	Thomas L. Abrams
Berry Chill LLC	Northern District of Illinois	10-bk-16142	04/12/10	Pamela S. Hollis	Thomas & Einarson Ltd.
Arthur Gilt Farms, LLC	Southern District of Indiana	10-bk-05120	04/12/10	Anthony J. Metz III	Hostetler & Kowalik, P.C.
222 West Monument, LLC	District of Maryland	10-bk-17936	04/12/10	Nancy V. Alquist	Sirody, Freiman & Feldman
Gina Building, LLC	District of Maryland	10-bk-17950	04/12/10	Thomas J. Catliota	Chung & Press, P .C.
Keyland Investment Properties LLC	Western District of Michigan	10-bk-04725	04/12/10	Jeffrey R. Hughes	George C. Cushingberry, Jr.
Keyland Investment Properties II LLC	Western District of Michigan	10-bk-04728	04/12/10	Jeffrey R. Hughes	George C. Cushingberry, Jr.

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
Redhills Development Company, LLC	District of Oregon	10-bk-33070	04/12/10	Randall L. Dunn	James K. Hein
440 Black Rock Road, LLC	Middle District of Pennsylvania	10-bk-02999	04/12/10	Mary D. France	CGA Law Firm
575-579 Broadway, LLC	Middle District of Pennsylvania	10-bk-03000	04/12/10	Mary D. France	CGA Law Firm
Settles Associates, Inc.	Eastern District of Virginia	10-bk-12852	04/12/10	Robert G. Mayer	Tyler, Bartl, Ramsdell & Counts, PLC
The Wheatland Group, LLC	Eastern District of Virginia	10-bk-12856	04/12/10	Robert G. Mayer	RoganLawFirm, PLLC
M & S Fine Foods, Inc.	Eastern District of Virginia	10-bk-32610	04/12/10	Kevin R. Huennekens	Hirschler Fleischer
Buttrum Goodyear Commerce Center, LLC	District of Arizona	10-bk-10712	04/13/10	Eileen W. Hollowell	Lake and Cobb
Deer Valley Medical Center, LLC	District of Arizona	10-bk-10726	04/13/10	Randolph J. Haines	Carmichael & Powell, P.C.
Rio Bravo Land Company LLC	District of Colorado	10-bk-18418	04/13/10	Michael E. Romero	Jeffrey Weinman
Presidential Builders, LLC	District of Colorado	10-bk-18461	04/13/10	Howard R. Tallman	Guy B. Humphries
Wildwing Development LLC	District of Colorado	10-bk-18467	04/13/10	A. Bruce Campbell	Bart B. Burnett
9064 Hwy 285, LLC	District of Colorado	10-bk-18500	04/13/10	Elizabeth E. Brown	Philipp C. Theune
NWO Properties Assoc., LLC	District of Connecticut	10-bk-21198	04/13/10	Albert S. Dabrowski	Pro Se
Porter Ocala, LLC	Middle District of Florida	10-bk-03064	04/13/10	Paul M. Glenn	Thomas C. Little
Solid Ground Concrete Pumping, Inc.	Middle District of Florida	10-bk-06074	04/13/10	Arthur B. Briskman	Brian D. Solomon, P.L.
Beam Management, LLC	Middle District of Florida	10-bk-08580	04/13/10	K. Rodney May	Pro Se
Logos Aviation Services, Inc.	Southern District of Florida	10-bk-19561	04/13/10	Raymond B. Ray	Steven M. Selz
Spon-divits, Inc.	Northern District of Georgia	10-bk-71106	04/13/10	Mary Grace Diehl	Ragsdale, Beals, Seigler
Jefferson Montessori School, Inc.	District of Idaho	10-bk-40612	04/13/10	Jim D. Pappas	Jay A. Kohler
Main Street Partnership, LLC	Northern District of Illinois	10-bk-16184	04/13/10	Jack B. Schmetterer	Law Offices of Richard Gellersted
TJ's of Rockford, Inc.	Northern District of Illinois	10-bk-71845	04/13/10	Manuel Barbosa	Pro Se
DDO Enterprises, LLC	Northern District of Illinois	10-bk-71847	04/13/10	Manuel Barbosa	Pro Se
Wood Avenue Investments, LLC	Eastern District of Michigan	10-bk-52152	04/13/10	Walter Shapero	Morris B. Lefkowitz
Gordon Park Apartments, LLC	District of Nevada	10-bk-51330	04/13/10	Gregg W. Zive	Alan R. Smith
MFB Regency, LLC	District of Nevada	10-bk-51331	04/13/10	Gregg W. Zive	Alan R. Smith
450 Madison Avenue, LLC	District of New Jersey	10-bk-21018	04/13/10	Kathryn C. Ferguson	Broege, Neumann, Fischer & Shaver
Wheatley Capital Inc.	Eastern District of New York	10-bk-72619	04/13/10	Dorothy Eisenberg	Pro Se
Leatherstocking Antiques, Inc.	Southern District of New York	10-bk-22704	04/13/10	Robert D. Drain	Cushner & Garvey, LLP

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
146-148 Cortlandt Street LLC	Southern District of New York	10-bk-22708	04/13/10	Robert D. Drain	Rattet, Pasternak & Gordon Oliver, LLP
Johnson Tire and Service Corp.	District of Rhode Island	10-bk-11575	04/13/10	Arthur N. Votolato	McKenna Law Offices
The Eye Site, Inc.	Eastern District of Tennessee	10-bk-31859	04/13/10	Richard Stair, Jr.	J. Brent Nolan
Williams Welding, Inc.	Northern District of Texas	10-bk-32628	04/13/10	Harlin DeWayne Hale	Susan B. Hersh, P.C.
Essential Infrastructure, LLC	Northern District of Texas	10-bk-42581	04/13/10	D. Michael Lynn	Durand and Associates
Taz Holdings, LLC	District of Utah	10-bk-24734	04/13/10	William T. Thurman	Red Rock Legal Services P.L.L.C.
MJG Bakers, Inc.	Eastern District of Virginia	10-bk-12889	04/13/10	Robert G. Mayer	Thomas F. DeCaro, Jr.
Masonry Specialists II, LLC	Eastern District of Wisconsin	10-bk-25710	04/13/10	James E. Shapiro	Kerkman & Dunn
Skylawn, LLC	Western District of Wisconsin	10-bk-12847	04/13/10	Thomas S. Utschig	Frederick J. Schellgell
Hilyer Properties, LLC	Northern District of Alabama	10-bk-41076	04/14/10	James J. Robinson	Harry P. Long
Buttrum Surprise Commerce Center, LLC	District of Arizona	10-bk-10759	04/14/10	Charles G. Case II	Lake and Cobb
Las Ventanas Goodyear, LLC	District of Arizona	10-bk-10790	04/14/10	George B. Nielsen, Jr.	The Law Offices of Nasser U. Abujbarah
Las Ventanas Goodyear, LLC	District of Arizona	10-bk-10801	04/14/10	George B. Nielsen, Jr.	The Law Offices of Nasser U. Abujbarah
Terraca Queen, LLC	District of Arizona	10-bk-10907	04/14/10	Randolph J. Haines	The Frutkin Law Firm, PLC
Terraca Warner, LLC	District of Arizona	10-bk-10913	04/14/10	Charles G. Case II	The Frutkin Law Firm, PLC
10919 Vanowen Partnership	Central District of California	10-bk-14344	04/14/10	Maureen Tighe	William H. Brownstein
Sand Box II Partners, L.P.	Central District of California	10-bk-21097	04/14/10	Deborah J. Saltzman	The Law Offices of Stephen R. Wade
4101 Louisiana, LLC	District of Colorado	10-bk-18592	04/14/10	Michael E. Romero	James R. Chadderdon
Trinidad Golf, LLC	District of Colorado	10-bk-18610	04/14/10	A. Bruce Campbell	Garry R. Appel
Point Blank Solutions, Inc.	District of Delaware	10-bk-11255	04/14/10	Peter J. Walsh	Pachulski Stang Ziehl & Jones LLP
Point Blank Body Armor, Inc.	District of Delaware	10-bk-11257	04/14/10	Peter J. Walsh	Pachulski Stang Ziehl & Jones LLP
PBSS, LLC	District of Delaware	10-bk-11258	04/14/10	Peter J. Walsh	Pachulski Stang Ziehl & Jones LLP
Protective Apparel Corporation of America	District of Delaware	10-bk-11259	04/14/10	Peter J. Walsh	Pachulski Stang Ziehl & Jones LLP
Clarendon Petroleum, Inc.	Middle District of Florida	10-bk-06207	04/14/10	Arthur B. Briskman	Brian Michael Mark
Pointe One, LLC	Northern District of Florida	10-bk-30741	04/14/10	Not yet assigned	John E. Venn, Jr., P.A.
Shane Bethea, D.C. P.C., Inc.	Northern District of Florida	10-bk-40342	04/14/10	Lewis M. Killian, Jr.	Angela M. Ball, P.A.
Jadco Enterprises, Inc.	Eastern District of Kentucky	10-bk-60595	04/14/10	Not yet assigned	DelCotto Law Group PLLC
LRMR Co., Inc.	District of Maryland	10-bk-18166	04/14/10	Robert A. Gordon	Howard M. Heneson, P.A.
Alter Communications, Inc.	District of Maryland	10-bk-18241	04/14/10	James F. Schneider	Tydings and Rosenberg
Goat Hill LLC	District of Massachusetts	10-bk-14021	04/14/10	Henry J. Boroff	Law Offices of Frank D. Kirby

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
Warren Investment Inc.	Eastern District of Michigan	10-bk-52263	04/14/10	Phillip J. Shefferly	Pro Se
Boultinghouse Enterprises Inc.	District of Montana	10-bk-60787	04/14/10	Ralph B. Kirscher	Pro Se
Ocean Tide, LLC	District of Nevada	10-bk-16468	04/14/10	Linda B. Riegle	Roger P. Croteau
Yerington Golf and Country Club, LLC	District of Nevada	10-bk-16527	04/14/10	Bruce A. Markell	Gerry G. Zobrist
Studio 45 Discotheque, Inc.	District of New Jersey	10-bk-21232	04/14/10	Donald H. Steckroth	Tomas Espinosa
The New York Chocolate & Confections Company	Northern District of New York	10-bk-30963	04/14/10	Not yet assigned	McDermott Will & Emery
African Best Supermarket & Wholesale Corp.	Southern District of New York	10-bk-11951	04/14/10	Allan L. Gropper	Victor N. Okeke
Rockwood Hargrave, LLC	Southern District of New York	10-bk-11960	04/14/10	Stuart M. Bernstein	Carlos J. Cuevas
Bishop Francis J. Mugavero Center for Geriatric Care, Inc.	Southern District of New York	10-bk-11965	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
Chait Housing Development Corp.	Southern District of New York	10-bk-11966	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
Fort Place Housing Corp.	Southern District of New York	10-bk-11967	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
Pax Christi Hospice, Inc.	Southern District of New York	10-bk-11968	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center	Southern District of New York	10-bk-11969	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
St. Jerome's Health Services Corp. d/b/a Holy Family Home	Southern District of New York	10-bk-11970	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
555 6th Avenue Apartment Operating Corp.	Southern District of New York	10-bk-11971	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
SVCMC Professional Registry, Inc.	Southern District of New York	10-bk-11972	04/14/10	Cecelia G. Morris	Kramer Levin Naftalis & Frankel LLP
Spearman Food Distributors, Inc.	Western District of North Carolina	10-bk-10409	04/14/10	George R. Hodges	Elkins and Elkins
Eastern Golf Corp. of Pennsylvania	Middle District of Pennsylvania	10-bk-03096	04/14/10	Robert N. Opel II	Law Offices John J. Martin
Ochoa Poultry Farms, Inc.	District of Puerto Rico	10-bk-03011	04/14/10	Not yet assigned	Sergio Sanchez Pagan
PM Properties of Tennessee, L.P.	Eastern District of Tennessee	10-bk-31897	04/14/10	Richard Stair, Jr.	Steven G. Shope
Pine Mountain Properties, LLC	Eastern District of Tennessee	10-bk-31898	04/14/10	Richard Stair, Jr.	Steven G. Shope
RMT Cottages, LLC	Eastern District of Tennessee	10-bk-31899	04/14/10	Richard Stair, Jr.	Steven G. Shope
MMR Holdings, Inc.	Eastern District of Virginia	10-bk-32658	04/14/10	Douglas O. Tice Jr.	Hirschler Fleischer
Opensided MRI of Atlanta, LLC	Eastern District of Virginia	10-bk-32661	04/14/10	Kevin R. Huennekens	Hirschler Fleischer
Opensided MRI of Cincinnati, LLC	Eastern District of Virginia	10-bk-32663	04/14/10	Douglas O. Tice Jr.	Hirschler Fleischer

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge	Debtor's Counsel
Opensided MRI of Indianapolis, LLC	Eastern District of Virginia	10-bk-32664	04/14/10	Kevin R. Huennekens	Hirschler Fleischer
Opensided MRI of New Orleans, LLC	Eastern District of Virginia	10-bk-32665	04/14/10	Kevin R. Huennekens	Hirschler Fleischer
Opensided MRI of Orange County, LLC	Eastern District of Virginia	10-bk-32666	04/14/10	Kevin R. Huennekens	Hirschler Fleischer
Opensided MRI of Virgina, LLC	Eastern District of Virginia	10-bk-32667	04/14/10	Douglas O. Tice, Jr.	Hirschler Fleischer
Opensided MRI of Cleveland, LLC	Eastern District of Virginia	10-bk-32668	04/14/10	Douglas O. Tice, Jr.	Hirschler Fleischer
Opensided MRI of Denver, LLC	Eastern District of Virginia	10-bk-32669	04/14/10	Douglas O. Tice, Jr.	Hirschler Fleischer
Opensided MRI of Kansas, LLC	Eastern District of Virginia	10-bk-32670	04/14/10	Kevin R. Huennekens	Hirschler Fleischer
Opensided MRI of Las Vegas, LLC	Eastern District of Virginia	10-bk-32672	04/14/10	Kevin R. Huennekens	Hirschler Fleischer
Opensided MRI of Louisville, LLC	Eastern District of Virginia	10-bk-32673	04/14/10	Kevin R. Huennekens	Hirschler Fleischer
Opensided MRI of Oklahoma, LLC	Eastern District of Virginia	10-bk-32674	04/14/10	Douglas O. Tice, Jr.	Hirschler Fleischer
Opensided MRI of San Antonio, LLC	Eastern District of Virginia	10-bk-32676	04/14/10	Douglas O. Tice, Jr.	Hirschler Fleischer

Noteworthy Airline Bankruptcy Filings

The Noteworthy Airline Bankruptcy Filings chart provides a listing of the significant airline or airline-related bankruptcy cases that have recently been filed in the United States. The chart includes pertinent information about these airlines or airline-related cases, including the debtor's name, the bankruptcy court in which the debtor filed its petition, the case number, the filing date, and the judge assigned to the bankruptcy case.

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Mesa Air Group, Inc. and its affiliated debtors	Southern District of New York	10-bk-10018	Jan. 5, 2010	Martin Glenn
Sunset Aviation, Inc.	District of Delaware	09-bk-10778	Mar. 6, 2009	Christopher S. Sontchi
Regal Jets, LLC	District of Delaware	09-bk-10648	Feb. 25, 2009	Peter J. Walsh
Global Aircraft Solutions, Inc.	District of Arizona	09-bk-01655	Jan. 30, 2009	James M. Marlar
Eclipse Aviation Corp.	District of Delaware	08-bk-13031	Nov. 25, 2008	Mary F. Walrath
Alitalia-Linee Aeree Italiane, S.p.A.	Southern District of New York	08-bk-14321	Oct. 31, 2008	Burton R. Lifland
MN Airlines, LLC	District of Minnesota	08-bk-35197	Oct. 6, 2008	Robert J. Kressel
United West Airlines, Inc.	Southern District of Florida	08-bk-20714	Jul. 31, 2008	Paul G. Hyman, Jr.
TradeWinds Airlines, Inc.	Southern District of New York	08-bk-20394	Jul. 25, 2008	A. Jay Cristol
Eos Airlines, Inc.	Southern District of New York	08-bk-22581	Apr. 28, 2008	Adlai S. Hardin, Jr.
Frontier Airlines Holdings, Inc.	Southern District of New York	08-bk-11298	Apr. 10, 2008	Robert D. Drain
Skybus Airlines, Inc.	District of Delaware	08-bk-10637	Apr. 5, 2008	Christopher S. Sontchi
ATA Airlines, Inc.	Southern District of Indiana	08-bk-03675	Apr. 2, 2008	Basil H. Lorch III

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Aloha Airlines, Inc.	District of Hawaii	08-bk-00337	Mar. 20, 2008	Lloyd King
MAXjet Airways, Inc.	District of Delaware	07-bk-11912	Dec. 24, 2007	Peter J. Walsh

Noteworthy Automotive Industry Bankruptcy Filings

The Noteworthy Automotive Industry Bankruptcy Filings chart provides a listing of the significant automotive industry bankruptcy cases that have recently been filed in the United States. The chart includes pertinent information about these automotive industry cases, including the debtor's name, the bankruptcy court in which the debtor filed its petition, the case number, the filing date, and the judge assigned to the bankruptcy case.

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Lazy Days' R.V. Center, Inc. and its affiliated debtors	District of Delaware	09-bk-13911	Nov. 5, 2009	Kevin Gross
SystemOne Technologies Inc.	Southern District of Florida	09-bk-32815	Oct. 21, 2009	Laurel M. Isicoff
Remediation and Liability Management Co., Inc.	Southern District of New York	09-bk-50029	Oct. 9, 2009	Robert E. Gerber
Environmental Corporate Remediate Corp.	Southern District of New York	09-bk-50030	Oct. 9, 2009	Robert E. Gerber
True Temper Sports, Inc. and its affiliated debtors	District of Delaware	09-bk-13446	Oct. 8, 2009	Peter J. Walsh
Accurride Corp. and its affiliated debtors	District of Delaware	09-bk-13449	Oct. 8, 2009	Brendan Linehan Shannon
PTC Alliance Corp. and its affiliated debtors	District of Delaware	09-bk-13395	Oct. 1, 2009	Christopher S. Sontchi
FormTech Industries, LLC and its affiliated debtors	District of Delaware	09-bk-12964	Aug. 26, 2009	Mary F. Walrath
Auto Cast, Inc.	Western District of Michigan	09-bk-09958	Aug. 24, 2009	James D. Gregg
Cooper-Standard Holdings Inc. and its affiliated debtors	District of Delaware	09-bk-12743	Aug. 3, 2009	Peter J. Walsh
Stant Corp. and its affiliated debtors	District of Delaware	09-bk-12647	July 27, 2009	Brendan Linehan Shannon
American Consolidated Transportation Cos., Inc. and its affiliated debtors	Northern District of Illinois	09-bk-26062	July 18, 2009	Jack Schmetterer
J.L. French Automotive Castings, Inc. and its affiliated debtors	District of Delaware	09-bk-12445	July 13, 2009	Kevin Gross
Lear Corp. and its affiliated debtors	Southern District of New York	09-bk-14326	July 7, 2009	Allan L. Gropper
Proliance International, Inc.	District of Delaware	09-bk-12278	July 2, 2009	Christopher S. Sontchi
Global Safety Textiles Holdings LLC and its affiliated debtors	District of Delaware	09-bk-12234	June 30, 2009	Kevin Gross
Grede Foundries, Inc.	Western District of Wisconsin	09-bk-14337	June 30, 2009	Robert D. Martin
General Motors Corp. and its affiliated debtors	Southern District of New York	09-bk-50026	June 1, 2009	Robert E. Gerber
Visteon Corp.	District of Delaware	09-bk-11786	May 27, 2009	Christopher S. Sontchi

Metaldyne Corp.	Southern District of New York	09-bk-13412	May 27, 2009	Martin Glenn
Hayes Lemmerz International, Inc. and its affiliated debtors	District of Delaware	09-bk-11655	May 11, 2009	Mary F. Walrath
Chrysler LLC and its affiliated debtors	Southern District of New York	09-bk-50002	Apr. 30, 2009	Arthur J. Gonzalez
Noble International Ltd.	Eastern District of Michigan	09-bk-51720	Apr. 15, 2009	Marci B. McIvor
Rexhall Industries, Inc.	Central District of California	09-bk-11737	Feb. 18, 2009	Kathleen Thompson
Foamex International Inc.	District of Delaware	09-bk-10560	Feb. 18, 2009	Kevin J. Carey
Fluid Routing Solutions, Inc.	District of Delaware	09-bk-10385	Feb. 6, 2009	Christopher S. Sontchi
Country Coach LLC	District of Oregon	09-bk-60419	Feb. 6, 2009	Albert E. Radcliffe
Checker Motors Corp.	Western District of Michigan	09-bk-00358	Jan. 16, 2009	James D. Gregg
Micro-Heat, Inc.	Eastern District of Michigan	08-bk-65060	Oct. 13, 2008	Thomas J. Tucker
Cadence Innovation LLC	District of Delaware	08-bk-11973	Aug. 26, 2008	Kevin Gross
Intermet Corp.	District of Delaware	08-bk-11859	Aug. 12, 2008	Kevin Gross
DynAmerica Manufacturing LLC	District of Delaware	08-bk-11515	Jul. 18, 2008	Kevin Gross
Progressive Molded Products Inc.	District of Delaware	08-bk-11253	Jun. 20, 2008	Kevin J. Carey
BHM Technologies Holdings, Inc.	Western District of Michigan	08-bk-04413	May 19, 2008	Scott W. Dales
Lexington Precision Corp.	Southern District of New York	08-bk-11153	Apr. 1, 2008	Martin Glenn
Blue Water Automotive System, Inc.	Eastern District of Michigan	08-bk-43196	Feb. 12, 2008	Marci B. McIvor
Plastech Engineered Products, Inc.	Eastern District of Michigan	08-bk-42417	Feb. 1, 2008	Phillip J. Shefferly
Johnson Rubber Co., Inc.	Northern District of Ohio	07-bk-19391	Dec. 11, 2007	Randolph Baxter
Blackhawk Automotive Plastics, Inc.	Northern District of Ohio	07-bk-42671	Oct. 22, 2007	Kay Woods
Remy Worldwide Holdings, Inc.	District of Delaware	07-bk-11481	Oct. 8, 2007	Kevin J. Carey
Citation Corp.	Northern District of Alabama	07-bk-01153	Mar. 12, 2007	Tamara O. Mitchell
Pine River Plastics, Inc.	Eastern District of Michigan	07-bk-42051	Feb. 1, 2007	Phillip J. Shefferly

Noteworthy Retailer Bankruptcy Filings

The Noteworthy Retailer Bankruptcy Filings chart provides a listing of the significant retailer bankruptcy cases that have recently been filed in the United States. The chart includes pertinent information about these retailer cases, including the debtor's name, the bankruptcy court in which the debtor filed its petition, the case number, the filing date, and the judge assigned to the bankruptcy case.

Debtor	**Bankruptcy Court**	**Case Number**	**Filing Date**	**Judge**
Gems TV (USA) Ltd.	District of Delaware	10-bk-11158	Apr. 5, 2010	Peter J. Walsh
Movie Gallery, Inc. and its affiliated debtors	Eastern District of Virginia	10-bk-30696	Feb. 2, 2010	Douglas O. Tice, Jr.
Uno Restaurant Holdings Corp. and its affiliated debtors	Southern District of New York	10-bk-10209	Jan. 20, 2010	Martin Glenn
Headlee Management Corp. and its affiliated debtors	Southern District of New York	09-bk-38420	Dec. 8, 2009	Cecelia G. Morris
Samsonite Co. Stores, LLC	District of Delaware	09-bk-13102	Sept. 2, 2009	Peter J. Walsh
Escada (USA) Inc.	Southern District of New York	09-bk-15008	Aug. 14, 2009	Stuart M. Bernstein
AJA New York Restaurant Holdings, LLC and its affiliated debtors	Eastern District of New York	09-bk-46885	Aug. 12, 2009	Dennis E. Milton

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Finlay Enterprises, Inc. and its affiliated debtors	Southern District of New York	09-bk-14873	Aug. 5, 2009	James M. Peck
Kainos Partners Holding Co., LLC and its affiliated debtors	District of Delaware	09-bk-12292	July 6, 2009	Brendan Linehan Shannon
Crabtree & Evelyn, Ltd.	Southern District of New York	09-bk-14267	July 1, 2009	Burton R. Lifland
Eddie Bauer Holdings, Inc. and its affiliated debtors	District of Delaware	09-bk-12099	June 17, 2009	Mary F. Walrath
Anchor Blue Retail Group, Inc.	District of Delaware	09-bk-11770	May 27, 2009	Peter J. Walsh
Filene's Basement, Inc.	District of Delaware	09-bk-11525	May 4, 2009	Mary F. Walrath
Z Gallerie	Central District of California	09-bk-18400	Apr. 10, 2009	Vincent P. Zurzolo
Al Baskin Co.	Northern District of Illinois	09-bk-09825	Mar. 23, 2009	Carol A. Doyle
Sportsman's Warehouse, Inc.	District of Delaware	09-bk-10990	Mar. 20, 2009	Christopher S. Sontchi
Drug Fair Group, Inc.	District of Delaware	09-bk-10897	Mar. 18, 2009	Brendan Linehan Shannon
Dial-A-Mattress Operating Corp.	Eastern District of New York	09-bk-41966	Mar. 17, 2009	Dennis E. Milton
Hartmarx Corp.	Northern District of Illinois	09-bk-02046	Jan. 23, 2009	Bruce W. Black
Gottschalks Inc.	District of Delaware	09-bk-10157	Jan. 14, 2009	Kevin J. Carey
Goody's, LLC	District of Delaware	09-bk-10124	Jan. 13, 2009	Christopher S. Sontchi
Circuit City Stores, Inc.	Eastern District of Virginia	08-bk-35653	Nov. 10, 2008	Kevin R. Huennekens
Harold's Stores, Inc.	Western District of Oklahoma	08-bk-15027	Nov. 7, 2008	T.M. Weaver
Value City Holdings, Inc.	Southern District of New York	08-bk-14197	Oct. 26, 2008	James M. Peck
Gold & Honey, Ltd.	Eastern District of New York	08-bk-75240	Sept. 23, 2008	Dorothy Eisenberg
Oskar Huber Fine Furniture Inc.	District of New Jersey	08-bk-28136	Sept. 22, 2008	Judith H. Wizmur
Sports Collectibles Acquisition Corp.	District of Delaware	08-bk-12170	Sept. 21, 2008	Mary Walrath
Marty Shoes Holdings, Inc.	District of Delaware	08-bk-12129	Sept. 12, 2008	Kevin J. Carey
Barbeques Galore, Inc.	Central District of California	08-bk-16036	Aug. 15, 2008	Maureen Tighe
Boscov's, Inc.	District of Delaware	08-bk-11637	Aug. 4, 2008	Kevin Gross
Burnside Avenue Lot Stores, Inc.	Southern District of New York	08-bk-12988	Jul. 31, 2008	James M. Peck
Mervyn's Holdings, LLC	District of Delaware	08-bk-11586	Jul. 29, 2008	Kevin Gross
Yazmin Enterprises, Inc.	District of Puerto Rico	08-bk-04614	Jul. 16, 2008	Enrique S. Lamoutte Inclan
Shoe Pavilion Corp.	Central District of California	08-bk-14941	Jul. 15, 2008	Maureen Tighe
CMT America Corp.	District of Delaware	08-bk-11434	Jul. 13, 2008	Christopher S. Sontchi
Steve & Barry's Manhattan LLC	Southern District of New York	08-bk-12579	Jul. 9, 2008	Allan L. Gropper
Room Source LLC	Eastern District of California	08-bk-28487	Jun. 25, 2008	Michael S. McManus
Whitehall Jewelers Holdings, Inc.	District of Delaware	08-bk-11261	Jun. 23, 2008	Kevin Gross
Goody's Family Clothing, Inc.	District of Delaware	08-bk-11133	Jun. 9, 2008	Christopher S. Sontchi
Dawahare's of Lexington, LLC	Eastern District of Kentucky	08-bk-51381	May 30, 2008	Joseph M. Scott, Jr.
Bag 'n Baggage, Ltd.	Northern District of Texas	08-bk-32096	May 4, 2008	Stacey G. Jernigan

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Linens Holding Co.	District of Delaware	08-bk-10832	May 2, 2008	Christopher S. Sontchi
Home Interiors & Gifts, Inc.	Northern District of Texas	08-bk-31961	Apr. 29, 2008	Barbara J. Houser
RedEnvelope, Inc.	Northern District of California	08-bk-30659	Apr. 17, 2008	Dennis Montali
Fred Leighton Holding Inc.	Southern District of New York	08-bk-11363	Apr. 15, 2008	Robert D. Drain
Hoop Holdings, LLC	District of Delaware	08-bk-10544	Mar. 26, 2008	Brendan Linehan Shannon
Lillian Vernon Corp.	District of Delaware	08-bk-10323	Feb. 20, 2008	Brendan Linehan Shannon
Sharper Image Corp.	District of Delaware	08-bk-10322	Feb. 19, 2008	Kevin Gross
Fortunoff Fine Jewelry and Silverware, LLC	Southern District of New York	08-bk-10353	Feb. 4, 2008	James M. Peck

Noteworthy Homebuilder Bankruptcy Filings

The Noteworthy Homebuilder Bankruptcy Filings chart provides a listing of the significant homebuilder bankruptcy cases that have recently been filed in the United States. The chart includes pertinent information about these homebuilder cases, including the debtor's name, the bankruptcy court in which the debtor filed its petition, the case number, the filing date, and the judge assigned to the bankruptcy case.

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Orleans Homebuilders, Inc. and its affiliated debtors	District of Delaware	10-bk-10684	Mar. 1, 2010	Peter J. Walsh
East West Resort Development V, L.P., L.L.L.P. and its affiliated debtors	District of Delaware	10-bk-10452	Feb. 16, 2010	Brendan Linehan Shannon
Atrium Corp. and its affiliated debtors	District of Delaware	10-bk-10150	Jan. 20, 2010	Brendan Linehan Shannon
Miles Properties, Inc. and its affiliated debtors	Northern District of Georgia	10-bk-60797	Jan. 8, 2010	Margaret H. Murphy
International Aluminum Corp. and its affiliated debtors	District of Delaware	10-bk-10003	Jan. 4, 2010	Mary F. Walrath
Fairfield Residential LLC and its affiliated debtors	District of Delaware	09-bk-14378	Dec. 13, 2009	Brendan Linehan Shannon
QHB Holdings LLC and its affiliated debtors	District of Delaware	09-bk-14312	Dec. 4, 2009	Peter J. Walsh
Champion Enterprises, Inc. and its affiliated debtors	District of Delaware	09-bk-14019	Nov. 15, 2009	Kevin Gross
Gemcraft Homes, Inc. and its affiliated debtors	District of Maryland	09-bk-31696	Nov. 9, 2009	Nancy V. Alquist
Panolam Holdings Co. and its affiliated debtors	District of Delaware	09-bk-13889	Nov. 4, 2009	Mary F. Walrath
California Coastal Communities, Inc.	Central District of California	09-bk-21712	Oct. 27, 2009	Theodor Albert
NTK Holdings, Inc. and its affiliated debtors	District of Delaware	09-bk-13611	Oct. 21, 2009	Kevin J. Carey
Whittaker Builders, Inc. and its affiliated debtors	Eastern District of Missouri	09-bk-50336	Oct. 15, 2009	Charles E. Rendlen III

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Millwork Specialties, Inc.	Eastern District of North Carolina	09-bk-07010	Aug. 19, 2009	Randy D. Doub
Enterprise Builders, Inc.	Central District of California	09-bk-27865	Aug. 5, 2009	Richard M. Neiter
Arclin US Holdings, Inc. and its affiliated debtors	District of Delaware	09-bk-12628	July 27, 2009	Kevin J. Carey
Building Materials Holding Corp. and its affiliated debtors	District of Delaware	09-bk-12074	June 16, 2009	Kevin J. Carey
Crescent Resources, LLC and its affiliated debtors	Western District of Texas	09-bk-11507	June 10, 2009	Craig A. Gargotta
Opus South Corp.	District of Delaware	09-bk-11390	April 22, 2009	Mary F. Walrath
Meruelo Maddux Properties, Inc.	Central District of California	09-bk-13356	Mar. 27, 2009	Kathleen Thompson
Anderson Homes, Inc.	Eastern District of North Carolina	09-bk-02062	Mar. 16, 2009	A. Thomas Small
Fleetwood Holdings Inc.	Central District of California	09-bk-14255	Mar. 10, 2009	Sheri Bluebond
Manasseh Building Group, Inc.	Central District of California	09-bk-12507	Mar. 9, 2009	Geraldine Mund
WL Homes LLC	District of Delaware	09-bk-10571	Feb. 19, 2009	Brendan Linehan Shannon
Fulton Homes Corp.	District of Arizona	09-bk-01298	Jan. 27, 2009	George B. Nielsen, Jr.
Royce International Investment Co.	Central District of California	09-bk-11224	Jan. 26, 2009	Sheri Bluebond
Mercedes Homes of Texas Holding Corp.	Southern District of Florida	09-bk-11191	Jan. 26, 2009	Paul G. Hyman, Jr.
Wall Homes Texas LLC	Northern District of Texas	09-bk-30363	Jan. 17, 2009	Harlin DeWayne Hale
Palmdale Hills Property, LLC	Central District of California	08-bk-17206	Nov. 6, 2008	Erithe A. Smith
Jancor Cos., Inc.	District of Delaware	08-bk-10159	Oct. 30, 2008	Mary F. Walrath
Land Resource, LLC	Middle District of Florida	08-bk-10159	Oct. 30, 2008	Arthur B. Briskman
Namwest, LLC	District of Delaware	08-bk-13935	Oct. 9, 2008	Charles G. Case
Patriot Homes, Inc.	Northern District of Indiana	08-bk-33347	Sept. 29, 2008	Harry C. Dees, Jr.
Renaissance Custom Homes, LLC	District of Oregon	08-bk-35023	Sept. 25, 2008	Trish M. Brown
Lincoln Logs Ltd.	Northern District of New York	08-bk-13079	Sept. 19, 2008	Robert E. Littlefield, Jr.
Eagle Crest Homes, LLC	Eastern District of Virginia	08-bk-10195	Aug. 21, 2008	Robert G. Mayer
Taro Properties Arizona I, LLC	District of Arizona	08-bk-10427	Aug. 13, 2008	Charles G. Case II
Seacoast Communities, Inc.	District of South Carolina	08-bk-04735	Aug. 6, 2008	John E. Waites
WCI Communities Inc.	District of Delaware	08-bk-11643	Aug. 4, 2008	Kevin J. Carey
Lafferty Homes Inc.	Northern District of California	08-bk-43808	Jul. 21, 2008	Edward D. Jellen
LandSource Communities Development LLC	District of Delaware	08-bk-11111	Jul. 21, 2008	Kevin J. Carey
Crosswinds at Rocky River, LLC	Western District of North Carolina	08-bk-31357	Jun. 30, 2008	George R. Hodges
Caruso Homes, Inc.	District of Maryland	08-bk-18254	Jun. 23, 2008	James F. Schnieder
M.W. Johnson Construction, Inc.	District of Minnesota	08-bk-32874	Jun. 13, 2008	Robert J. Kressel
Matrix Development Corp.	District of Oregon	08-bk-32798	Jun. 10, 2008	Trish M. Brown
GT Architecture Contractors Corp.	District of Georgia	08-bk-69440	May 20, 2008	Margaret Murphy

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Kimball Hill, Inc.	Northern District of Illinois	08-bk-10095	Apr. 23, 2008	Susan Pierson Sonderby
Randall Martin Home Higley Park, LLC	District of Arizona	08-bk-03097	Mar. 25, 2008	Sarah Sharer Curley
Masters Developments Properties, LLC	District of Arizona	08-bk-03050	Mar. 24, 2008	Sarah Sharer Curley
R&B Construction, Inc.	Northern District of Georgia	08-bk-62023	Feb. 4, 2008	C. Ray Mullins
TOUSA, Inc.	Southern District of Florida	08-bk-10928	Jan. 29, 2008	John K. Olson
Maryland Development Co. LLC	District of Maryland	08-bk-10938	Jan. 22, 2008	Paul Mannes

Noteworthy Publishing and Media Bankruptcy Filings

The Noteworthy Publishing and Media Bankruptcy Filings chart provides a listing of the significant publishing and media bankruptcy cases that have recently been filed in the United States. The chart includes pertinent information about these publishing and media cases, including the debtor's name, the bankruptcy court in which the debtor filed its petition, the case number, the filing date, and the judge assigned to the bankruptcy case.

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
Regent Communications, Inc. and its affiliated debtors	District of Delware	10-bk-10632	Mar. 1, 2010	Kevin Gross
Bedford Communications, Inc.	Southern District of New York	10-bk-10902	Feb. 22, 2010	Stuart M. Bernstein
Penton Business Media Holdings, Inc. and its affiliated debtors	Southern District of New York	10-bk-10689	Feb. 10, 2010	Arthur J. Gonzalez
Affiliated Media, Inc.	District of Delaware	10-bk-10202	Jan. 22, 2010	Kevin J. Carey
Morris Publishing Group, LLC and its affiliated debtors	Southern District of Georgia	10-bk-10134	Jan. 19, 2010	John S. Dalis
Black Crowe Media Group, LLC and its affiliated debtors	Middle District of Florida	10-bk-00172	Jan. 12, 2010	Paul M. Glenn
Haights Cross Communications, Inc. and its affiliated debtors	District of Delaware	10-bk-10062	Jan. 11, 2010	Brendan Linehan Shannon
Heartland Publications, LLC and its affiliated debtors	District of Delaware	09-bk-14459	Dec. 21, 2009	Kevin Gross
Citadel Broadcasting Corp. and its affiliated debtors	Southern District of New York	09-bk-17442	Dec. 20, 2009	Burton R. Lifland
Questex Media Group, Inc. and its affiliated debtors	District of Delaware	09-bk-13423	Oct. 5, 2009	Mary F. Walrath
Triple Crown Media, Inc. and its affiliated debtors	District of Delaware	09-bk-13181	Sept. 14, 2009	Brendan Linehan Shannon
Freedom Communications Holdings, Inc. and its affiliated debtors	District of Delaware	09-bk-13046	Sept. 1, 2009	Brendan Linehan Shannon
The Reader's Digest Association, Inc. and its affiliated debtors	Southern District of New York	09-bk-23529	Aug. 24, 2009	Robert D. Drain
CommerceConnect Media Holdings, Inc. and its affiliated debtors	District of Delaware	09-bk-12765	Aug. 3, 2009	Brendan Linehan Shannon
Ambassador Media Group LLC	Southern District of New York	09-bk-14603	July 24, 2009	Stuart M. Bernstein

Debtor	Bankruptcy Court	Case Number	Filing Date	Judge
NV Broadcasting, LLC and its affiliated debtors	District of Delaware	09-bk-12473	July 13, 2009	Kevin Gross
Butler Services International, Inc. and its affiliated debtors	District of Delaware	09-bk-11914	June 1, 2009	Kevin J. Carey
R.H. Donnelley Corp. and its affiliated debtors	District of Delaware	09-bk-11833	May 28, 2009	Kevin Gross
ION Media Networks, Inc. and its affiliated debtors	Southern District of New York	09-bk-13125	May 19, 2009	James M. Peck
Norwood Promotional Products Holdings, Inc. and its affiliated debtors	District of Delaware	09-bk-11547	May 5, 2009	Peter J. Walsh
Source Interlink Cos., Inc. and its affiliated debtors	District of Delaware	09-bk-11424	Apr. 27, 2009	Kevin Gross
AbitibiBowater Inc. and its affiliated debtors	District of Delaware	09-bk-11296	Apr. 16, 2009	Kevin J. Carey
Sun-Times Media Group Inc. and its affiliated debtors	District of Delaware	09-bk-11092	Mar. 31, 2009	Christopher S. Sontchi
Idearc Inc. and its affiliated debtors	Northern District of Texas	09-bk-31828	Mar. 31, 2009	Barbara J. Houser
Charter Communications, Inc. and its affiliated debtors	Southern District of New York	09-bk-11435	Mar. 27, 2009	James M. Peck
Philadelphia Newspapers, LLC and its affiliated debtors	Eastern District of Pennsylvania	09-bk-11204	Feb. 22, 2009	Stephen Raslavich
Journal Register Co. and its affiliated debtors	Southern District of New York	09-bk-10769	Feb. 21, 2009	Allan L. Gropper
Young Broadcasting Inc. and its affiliated debtors	Southern District of New York	09-bk-10645	Feb. 13, 2009	Arthur J. Gonzalez
Recycled Paper Greetings, Inc. and its affiliated debtors	District of Delaware	09-bk-10002	Jan. 2, 2009	Kevin Gross
Tribune Co., and its affiliated debtors	District of Delaware	08-bk-13141	Dec. 8, 2008	Kevin J. Carey
Interep National Radio Sales, Inc. and its affiliated debtors	Southern District of New York	08-bk-11079	Mar. 30, 2008	Robert D. Drain
Ziff Davis Media Inc. and its affiliated debtors	Southern District of New York	08-bk-10768	Mar. 5, 2008	Burton R. Lifland
Quebecor World (USA) Inc.	Southern District of New York	08-bk-10152	Jan. 21, 2008	James M. Peck

Distressed Debt

Credit Ratings Downgraded

The Credit Ratings Downgraded chart provides a listing of companies that have had their credit ratings significantly downgraded during the time period indicated. The chart includes pertinent information about these companies, including the company's name, the date on which the credit rating downgrade occurred, the rating type involved, the agency, the current and last credit ratings for the company, and the company's industry type.

Company	Date	Rating Type	Agency	Current	Last	Industry Type
LNR Property Corp.	4/8/2010	LT Local Issuer Credit	S&P	CCC *-	CCC	Real Estate Mgmnt/ Service
Shingle Springs Tribal Gaming Authority	4/8/2010	Senior Secured Debt	Moody's	Caa2	Caa1	Gambling (Non - Hotel)

Company	Date	Rating Type	Agency	Current	Last	Industry Type
Shingle Springs Tribal Gaming Authority	4/8/2010	LT Corp Family Rating	Moody's	Caa2	Caa1	Gambling (Non - Hotel)
US Century Bank	4/8/2010	LT Issuer Default Rating	Fitch	C	BB	Commer Banks-Southern US
US Century Bank	4/8/2010	Long Term Bank Deposits	Fitch	C	BB+	Commer Banks-Southern US
Great Atlantic & Pacific Tea Co.	4/9/2010	Senior Unsecured Debt	Moody's	Caa3	Caa2 *-	Food - Retail
Great Atlantic & Pacific Tea Co.	4/9/2010	LT Corp Family Rating	Moody's	Caa2	Caa1 *-	Food - Retail
US Concrete Inc.	4/13/2010	LT Local Issuer Credit	S&P	D	CC	Bldg Prod -Cement/ Aggreg
US Concrete Inc.	4/13/2010	LT Foreign Issuer Credit	S&P	D	CC	Bldg Prod -Cement/ Aggreg
NCO Group Inc.	4/14/2010	Senior Subordinate	Moody's	Caa2	Caa1	Commercial Serv-Finance
NCO Group Inc.	4/14/2010	Senior Unsecured Debt	Moody's	Caa1	B3	Commercial Serv-Finance

Global Corporate Bond Defaults

The Global Corporate Bond Defaults chart provides a listing of significant global corporate bond defaults that have occurred during the time period indicated. The chart includes pertinent information about these bond defaults, including the date of default, the issuer, the reason for default, the coupon rate, the date of maturity, the amount outstanding, the form of currency, and the industry type involved.

Effective Default Redemption Period of April 8, 2010 through April 14, 2010

Default Date	Issuer	Default Reason	Coupon Rate	Maturity	Amt. Otstdg. (M)	Currency	Industry Type
04/12/2010	IIG Funding Ltd.	Coupon Payment Only	6.750%	07/10/2012	200,000.00	USD	Special Purpose Investment Vehicle

Cross-Border Insolvency

2009 – 2010 Chapter 15 Proceedings

The 2009 – 2010 Chapter 15 Proceedings chart provides a listing of the significant chapter 15 cross-border insolvency proceedings that have been filed during 2009 and 2010. The chart includes pertinent information about these chapter 15 proceedings, including the company's name, whether the proceeding was contested or uncontested, the place of the original proceeding, and the status of the proceeding.

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
In re SNP Boat Service SA, No. 10-18891 (Bankr. S.D. Fla. Apr. 6, 2010)	Voluntary	France	Pending
In re Grant Forest Products Inc. and its affiliated debtors, No. 10-11132 (Bankr. D. Del. Mar. 31, 2010)	Voluntary	Canada	Pending
In re Cover-All Holding Corp. and its affiliated debtors, No. 10-20835 (Bankr. E.D. Pa. March 25, 2010)	Voluntary	Canada	Pending

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
In re Schreiber & Keilwerth Musikinstrumente, No. 10-31134 (Bankr. N.D. Ind. Mar. 19, 2010)	Voluntary	Germany	Pending
In re Bedminster International Ltd., No. 10-12476 (Bankr. D. Mass. Mar. 10, 2010)	Voluntary	Ireland	Pending
In re White Birch Paper Co., No. 10-31234 (Bankr. E.D. Va. Feb. 24, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re F.F. Soucy LP, No. 10-31235 (Bankr. E.D. Va. Feb. 24, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re F.F. Soucy, Inc. & Partners, LP, No. 10-31236 (Bankr. E.D. Va. Feb. 24, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Papier Masson Ltee, No. 10-31237 (Bankr. E.D. Va. Feb. 24, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Stadacona LP, No. 10-31238 (Bankr. E.D. Va. Feb. 24, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Stadacona General Partner Inc., No. 10-31240 (Bankr. E.D. Va. Feb. 24, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Occupational & Medical Innovations Ltd., No. 10-60181 (Bankr. E.D. Tex. Feb. 23, 2010)	Voluntary	Australia	Recognized as a foreign main proceeding
In re Mega Brands Inc., No. 10-10485 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re 4402596 Canada Inc., No. 10-10486 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re 4402804 Canada Inc., No. 10-10487 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re MB Finance LLC, No. 10-10488 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re MB US Inc., No. 10-10489 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re MB2 LP, No. 10-10490 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Mega Bloks Financial Services, Inc., No. 10-10491 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Mega Brands America, Inc., No. 10-10492 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Rose Moon, Inc., No. 10-10493 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Warren Industries, Inc., No. 10-10494 (Bankr. D. Del. Feb. 18, 2010)	Voluntary	Canada	Recognized as a foreign main proceeding
In re JSC Alliance Bank, No. 10-10761 (Bankr. S.D.N.Y. Feb. 16, 2010)	Voluntary	Republic of Kazakhstan	Recognized as a foreign main proceeding
In re JSC BTA Bank, No. 10-10638 (Bankr. S.D.N.Y. Feb. 4, 2010)	Voluntary	Republic of Kazakhstan	Recognized as a foreign main proceeding
In re Kyoshin Name Plate Kogyo Co., Ltd., No. 10-00168 (Bankr. D. Haw. Jan. 21, 2010)	Voluntary	Japan	Recognized as a foreign main proceeding
In re Japan Airlines Corp., No. 10-10198 (Bankr. S.D.N.Y. Jan. 19, 2010)	Voluntary	Japan	Recognized as a foreign main proceeding
In re Japan Airlines International Co., Ltd., No. 10-10199 (Bankr. S.D.N.Y. Jan. 19, 2010)	Voluntary	Japan	Recognized as a foreign main proceeding

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
JAL Capital Co., Ltd., No. 10-10200 (Bankr. S.D.N.Y. Jan. 19, 2010)	Voluntary	Japan	Recognized as a foreign main proceeding
In re Thomson S.A., No. 09-17355 (Bankr. S.D.N.Y. Dec. 16, 2009)	Voluntary	France	Recognized as a foreign main proceeding
In re The International Banking Corp. B.S.C., No. 09-17318 (Bankr. S.D.N.Y. Dec. 14, 2009)	Voluntary	Kingdom of Bahrain	Recognized as a foreign main proceeding
In re Gandi Innovations Hold Co., No. 09-54886 (Bankr. W.D. Tex. Dec. 14, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Gandi Special Holdings, LLC, No. 09-54887 (Bankr. W.D. Tex. Dec. 14, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Fazendas Reunidas Bio Gorda, SA, No. 09-37116 (Bankr. S.D. Fla. Dec. 8, 2009)	Voluntary	Brazil	Recognized as a foreign main proceeding
In re British American Insurance Co. Ltd., No. 09-35888 (Bankr. S.D. Fla. Nov. 23, 2009)	Voluntary	Commonwealth of the Bahamas	Recognized as a foreign main proceeding
In re A. Mordo & Son Ltd., No. 09-bk-22026 (Bankr. W.D. Wash. Nov. 16, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Aero Inventory (UK) Ltd., No. 09-41758 (Bankr. D. Del. Nov. 12, 2009)	Voluntary	United Kingdom	Recognized as a foreign main proceeding
In re Saad Investments Finance Co. (No. 5) Ltd., No. 09-13985 (Bankr. D. Del. Nov. 11, 2009)	Voluntary	Cayman Islands	Recognized as a foreign main proceeding
In re Big Sky Farms Inc., No. 09-03293 (Bankr. N.D. Iowa Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Metcalfe & Mansfield Alternative Investments II Corp., No. 09-16709 (Bankr. S.D.N.Y. Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Metcalfe & Mansfield Alternative Investments III Corp., No. 09-16710 (Bankr. S.D.N.Y. Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Metcalfe & Mansfield Alternative Investments V Corp., No. 09-16712 (Bankr. S.D.N.Y. Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Metcalfe & Mansfield Alternative Investments XI Corp., No. 09-16713 (Bankr. S.D.N.Y. Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Metcalfe & Mansfield Alternative Investments XIII Corp., No. 09-16714 (Bankr. S.D.N.Y. Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re 6932819 Canada Inc., No. 09-16715 (Bankr. S.D.N.Y. Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re 446372 Canada Inc., No. 09-16716 (Bankr. S.D.N.Y. Nov. 10, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re British American Insurance Co. Ltd., No. 09-31881 (Bankr. S.D. Fla. Oct. 9, 2009)	Voluntary	Commonwealth of the Bahamas	Recognized as a foreign main proceeding
In re CJSC Automated Services, No. 09-16064 (Bankr. S.D.N.Y. Oct. 9, 2009)	Voluntary	Russian Federation	Recognized as a foreign main proceeding
In re Sail City Apparel Ltd., No. 09-36607 (Bankr. D.N.J. Oct. 6, 2009)	Voluntary	New Zealand	Recognized as a foreign main proceeding
In re Canwest Global Communications Corp., No. 09-15994 (Bankr. S.D.N.Y. Oct. 6, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Canwest Television GP Inc., No. 09-15996 (Bankr. S.D.N.Y. Oct. 6, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
In re Canwest Global Broadcasting Inc./ Radiodiffusion Canwest Global Inc., No. 09-15997 (Bankr. S.D.N.Y. Oct. 6, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Canwest Media Inc., No. 09-15998 (Bankr. S.D.N.Y. Oct. 6, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re 4501063 Canada Inc., No. 09-15999 (Bankr. S.D.N.Y. Oct. 6, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re The Tall Girl Shop Ltd., No. 09-15906 (Bankr. S.D.N.Y. Sept. 30, 2009)	Voluntary	Ontario	Recognized as a foreign main proceeding
In re Awal Bank BSC, No. 09-15923 (Bankr. S.D.N.Y. Sept. 30, 2009)	Voluntary	Kingdom of Bahrain	Recognized as a foreign main proceeding
In re Daewoo Logistics Corp., No. 09-15558 (Bankr. S.D.N.Y. Sept. 15, 2009)	Voluntary	Republic of Korea	Recognized as a foreign main proceeding
In re IM Stopping Power GmbH, No. 09-21491 (Bankr. C.D. Cal. Sept. 1, 2009)	Voluntary	Germany	Recognized as a foreign main proceeding
In re SkyPower Corp., No. 09-12914 (Bankr. D. Del. Aug. 19, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Lehman Re Ltd., No. 09-14884 (Bankr. S.D.N.Y. Aug. 6, 2009)	Voluntary	Bermuda	Recognized as a foreign main proceeding
In re The Meadows Indemnity Co. Ltd., No. 09-08706 (Bankr. M.D. Tenn. July 31, 2009)	Voluntary	United Kingdom	Recognized as a foreign main proceeding
In re SemCanada Crude Co., No. 09-12637 (Bankr. D. Del. July 27, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re SemCAMS ULC, No. 09-12638 (Bankr. D. Del. July 27, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re CEG Energy Options, Inc., No. 09-12639 (Bankr. D. Del. July 27, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re A.E. Sharp Ltd., No. 09-12641 (Bankr. D. Del. July 27, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re SemCanada Energy Co., No. 09-12642 (Bankr. D. Del. July 27, 2009)	Voluntary	Canada	Recognized as a foreign main proceeding
In re Stan's Flooring (1983), Ltd., No. 09-14516 (Bankr. M.D. Fla. July 6, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Digital Fairway Corp., No. 09-34085 (Bankr. N.D. Tex. June 30, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Fraser Papers Inc., No. 09-12123 (Bankr. D. Del. June 18, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Fraser Papers Holdings Inc., No. 09-12124 (Bankr. D. Del. June 18, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Fraser Timber Ltd., No. 09-12125 (Bankr. D. Del. June 18, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Fraser Papers Ltd., No. 09-12126 (Bankr. D. Del. June 18, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Fraser N.H. LLC, No. 09-12127 (Bankr. D. Del. June 18, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re FPS Canada Inc., No. 09-12128 (Bankr. D. Del. June 18, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
In re Qimonda AG, No. 09-14766 (Bankr. E.D. Va. June 15, 2009)	Uncontested	Germany	Recognized as a foreign main proceeding
In re Britannia Bulk Holdings Inc., No. 09-13724 (Bankr. S.D.N.Y. June 11, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Nortel Networks UK Ltd., No. 09-11972 (Bankr. D. Del. June 8, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Nanbu, Inc., No. 09-01274 (Bankr. D. Haw. June 8, 2009)	Uncontested	Japan	Recognized as a foreign main proceeding
In re Mecachrome International Inc., No. 09-24076 (Bankr. C. D. Cal. June 5, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Straumur-Burdaras Investment Bank hf, No. 09-13592 (Bankr. S.D.N.Y. June 2, 2009)	Uncontested	Iceland	Recognized as a foreign main proceeding
In re W.C. Wood Corp., Ltd., No. 09-11893 (Bankr. D. Del. May 29, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re W.C. Wood Holdings, Inc., No. 09-11895 (Bankr. D. Del. May 29, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re W.C. Wood Corp., Inc., No. 09-11896 (Bankr. D. Del. May 29, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Stomp Pork Farm (USA) Inc., No. 09-01515 (Bankr. N.D. Iowa May 29, 2009)	Uncontested	Canada	Case Closed
In re Gandi Innovations Holdings, LLC, No. 09-51782 (Bankr. W.D. Tex. May 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Gandi Innovations, LLC, No. 09-51783 (Bankr. W.D. Tex. May 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Gandi Innovations Ltd., No. 09-51784 (Bankr. W.D. Tex. May 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Madoff Securities International Ltd., No. 09-12998 (Bankr. S.D.N.Y. May 8, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Spansion Japan Ltd., No. 09-11480 (Bankr. D. Del. Apr. 30, 2009)	Uncontested	Japan	Recognized as a foreign main proceeding
In re Lehman Brothers Bankhaus AG (in Insolvenz), No. 09-12704 (Bankr. S.D.N.Y. Apr. 29, 2009)	Uncontested	Germany	Recognized as a foreign main proceeding
In re Oilexco North Sea Ltd., No. 09-12641 (Bankr. S.D.N.Y. Apr. 28, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re CLICO (Bahamas) Ltd., No. 09-17829 (Bankr. S. D. Fla. Apr. 28, 2009)	Uncontested	Commonwealth of Bahamas	Recognized as a foreign main proceeding
In re Abitibi-Consolidated Inc., No. 09-11348 (Bankr. D. Del. Apr. 17, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Abitibi-Consolidated Co. of Canada, No. 09-11349 (Bankr. D. Del. Apr. 17, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Evergreen Gaming Corp. and its affiliated debtors, No. 09-13567 (Bankr. W.D. Wash. Apr. 15, 2009)	Uncontested	Canada	Case Closed
In re Madoff Securities International Ltd., No. 09-16751 (Bankr. S.D. Fla. Apr. 14, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Sunaone Pty. Ltd., No. 09-04842 (Bankr. S.D. Cal. Apr. 14, 2009)	Uncontested	Australia	Recognized as a foreign main proceeding
In re GMC Worldwide Pty. Ltd., No. 09-04679 (Bankr. S.D. Cal. Apr. 9, 2009)	Uncontested	Australia	Recognized as a foreign main proceeding

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
In re GMCAT Pty. Ltd., No. 09-04680 (Bankr. S.D. Cal. Apr. 9, 2009)	Uncontested	Australia	Recognized as a foreign main proceeding
In re Kumkang Valve Co., Ltd., No. 09-32474 (Bankr. S.D. Tex. Apr. 8, 2009)	Uncontested	South Korea	Recognized as a foreign main proceeding
In re Chemokine Therapeutics Corp., No. 09-11189 (Bankr. D. Del. Apr. 3, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Castle Holdco 4, Ltd., No. 09-11761 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Countrywide Estate Agents, No. 09-11763 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Slater Hogg Mortgages Ltd., No. 09-11766 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Countrywide plc, No. 09-11769 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Countrywide Property Lawyers Ltd., No. 09-11770 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Balanus Ltd., No. 09-11762 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Securemove Property Services 2005 Ltd., No. 09-11764 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Countrywide Estate Agents FS Ltd., No. 09-11765 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Countrywide Estate Agents (South) Ltd., No. 09-11767 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Countrywide Franchising Ltd., No. 09-11768 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Countrywide Surveyors Ltd., No. 09-11771 (Bankr. S.D.N.Y. Apr. 2, 2009)	Uncontested	United Kingdom	Recognized as a foreign main proceeding
In re Varig Logistica S.A., No. 09-15717 (Bankr. D. Fla. Mar. 31, 2009)	Uncontested	Brazil	Recognized as a foreign main proceeding
In re SageCrest Ltd., No. 09-50546 (Bankr. D. Conn. Mar. 27, 2009)	Uncontested	Bermuda	Case Dismissed
In re TallyGenicom AG, No. 09-12253 (Bankr. D. Mass. Mar. 19, 2009)	Uncontested	Germany	Case Closed
In re Grand Prix Associates Inc., No. 09-16545 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Case Closed
In re Bundora Associates Inc., No. 09-16549 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Bundora Investments Ltd., No. 09-16551 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Bundora Investments N.V., No. 09-16554 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Ruby Investments Sp. z.o.o., No. 09-16556 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Bundora Corp., No. 09-16558 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Lockhart Overseas Investments Corp., No. 09-16560 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
In re Lockhart Ltd, No. 09-16561 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Naven Investments Sp. z.o.o., No. 09-16562 (Bankr. D. N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Lockhart Corp. I, No. 09-16563 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Shelby Overseas Invest & Trade Ltd., No. 09-16564 (Bankr. D.N.J. Mar. 18, 2009)	Uncontested	British Virgin Islands	Recognized as a foreign main proceeding
In re Innua Canada Ltd., No. 09-16362 (Bankr. D.N.J. Mar. 16, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Normandy Group S.A., No. 09-16363 (Bankr. D.N.J. Mar. 16, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Biltrite Rubber (1984) Inc., No. 09-31423 (Bankr. N.D. Ohio Mar. 12, 2009)	Uncontested	Canada	Case Closed
In re Biltrite Rubber, Inc., No. 09-31425 (Bankr. N.D. Ohio Mar. 12, 2009)	Uncontested	Canada	Case Closed
In re Samsun Logix Corp., No. 09-11109 (Bankr. S.D.N.Y. Mar. 11, 2009)	Uncontested	Republic of Korea	Recognized as a foreign main proceeding
In re Redcorp Ventures Ltd., No. 09-12019 (Bankr. W.D. Wash. Mar. 5, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Independencia S.A., No. 09-10903 (Bankr. .S.D.N.Y. Feb. 27, 2009)	Uncontested	Brazil	Recognized as a foreign main proceeding
In re Lehman Brothers Finance AG, No. 09-10583 (Bankr. S.D.N.Y. Feb. 10, 2009)	Uncontested	Switzerland	Case Dismissed
In re Railpower Hybrid Technologies Corp., No. 09-10198 (Bankr. W.D. Pa. Feb. 5, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Gold & Honey, Ltd., No. 09-70463 (Bankr. E.D.N.Y. Jan. 28, 2009)	Uncontested	Israel	Case Closed
In re Gold & Honey (1995) LP, No. 09-70464 (Bankr. E.D.N.Y. Jan. 28, 2009)	Uncontested	Israel	Case Closed
In re Atlas Shipping A/S, No. 09-10314 (Bankr. S.D.N.Y. Jan. 23, 2009)	Uncontested	Denmark	Recognized as a foreign main proceeding
In re Atlas Bulk Shipping AS, No. 09-10315 (Bankr. S.D.N.Y. Jan. 23, 2009)	Uncontested	Denmark	Recognized as a foreign main proceeding
In re Nortel Networks Corp., No. 09-10164 (Bankr. D. Del. Jan. 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Nortel Networks Ltd., No. 09-10166 (Bankr. D. Del. Jan. 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Nortel Networks Technology Corp., No. 09-10167 (Bankr. D. Del. Jan. 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Nortel Networks Global Corp., No. 09-10168 (Bankr. D. Del. Jan. 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re Nortel Networks International Corp., No. 09-10169 (Bankr. D. Del. Jan. 14, 2009)	Uncontested	Canada	Recognized as a foreign main proceeding
In re CPI Plastics Group, No. 09-20175 (Bankr. E.D. Wis. Jan. 8, 2009)	Uncontested	Canada	Case Closed
In re Crila Investments Inc., No. 09-20177 (Bankr. E.D. Wisc. Jan. 8, 2009)	Uncontested	Canada	Case Closed

Proceeding	Contested or Uncontested	Place of Original Proceeding	Status
In re Crila Plastics Industries Inc., No. 09-20179 (Bankr, E.D. Wis. Jan. 8, 2009)	Uncontested	Canada	Case Closed
In re CPI Plastics Group Inc., No. 09-20180 (Bankr. E.D. Wis. Jan. 8, 2009)	Uncontested	Canada	Case Closed
In re CPI Plastics Plastics Group (Canada) Ltd., No. 09-20181 (Bankr. E.D. Wisc. Jan. 8, 2009)	Uncontested	Canada	Case Closed
In re Armada (Singapore) Pte. Ltd., No. 09-10105 (Bankr. S.D.N.Y. Jan. 7, 2009)	Uncontested	Republic of Singapore	Recognized as a foreign main proceeding

Bankruptcy News

U.S. Daily Bankruptcy News Wrap-Up

By Bill Rochelle and Carla Main

April 12 (Bloomberg) —

A U.S. bankruptcy judge rejected a Barclays Plc bid to throw out Lehman Brothers Holdings Inc.'s motion to recover an alleged $11 billion "windfall" the bank made on the purchase of the firm's North American brokerage. Barclays had argued that if the judge reopens the sale contract he previously approved, buyers for distressed bank assets will be scarce in the future. Lehman, which filed the biggest bankruptcy in U.S. history in 2008, claimed that new evidence from 60 depositions and 100,000 documents about Barclays' undisclosed windfall entitles the judge to reexamine the sale and make Barclays give back its gains. A court victory for New York-based Lehman would add money for creditors with claims estimated at $260 billion, augmenting the $50 billion that Chief Executive Officer Bryan Marsal has said he aims to raise within five years. It would be unconstitutional to "retroactively override the sale of assets to a third party in order to remedy a subsequently discovered shortfall in customer property," Barclays said in court papers.

The cases are In re Lehman Brothers Holdings Inc., 08-13555, and James W. Giddens v. Barclays Capital Inc., 09-01732, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

Bond Ranch at Del Rio Springs Files Chapter 11 in Phoenix

The Bond Ranch at Del Rio Springs LLC, filed for chapter 11 protection in Phoenix April 8, according to court files. The Kirkland, Washington-based debtor is also known as The Bond Ranch and as Del Rio Springs, it said in its petition. A list of more than 70 equity security holders provided by the debtor included individuals and trusts in Arizona, Washington state, Illinois, British Columbia, California, Wisconsin and Hawaii. The partnership, which estimated it has fewer than 50 creditors, has assets in the range of $50 million to $100 million and debts ranging from $10 to $50 million, it said in its petition. The primary asset of the company is located in Chino Valley, Arizona, according to court files. The property is 3,000 acres, with planned development for a golf course and homes, according to a statement on the Web site of Base Capital LLC, which is affiliated with Bond Ranch and invests in real estate projects.

The case is In re Bond Ranch at Del Rio Springs LLC, 10-10174, U.S. Bankruptcy Court, District of Arizona (Phoenix).

Fanita Ranch Files for Chapter 11 Protection in California

Fanita Ranch LP, a single-asset real estate limited partnership, filed for bankruptcy protection April 8 in U.S. Bankruptcy Court in San Diego, according to court files. The company seeks to remove to the bankruptcy court a civil case against itself and an affiliate that is now pending in California Superior Court, according to court papers. Fanita Ranch and another affiliate, Westbrook Fanita Ranch LP, were sued in California Superior Court by Guaranty Bank and Wachovia Bank over the priority of liens against property owned by the partnerships. Those claims should be decided as an adversary proceeding, or lawsuit handled in the bankruptcy court, because the claims concern property of the bankruptcy estate, Fanita Ranch said in the notice of removal. On a list of the Fanita Ranch's 20 largest creditors, the largest claim belongs to Rick Engineering, owed $1.6 million. Fanita Ranch affiliate Barratt American Inc., based in Carlsbad, Arizona, also filed for bankruptcy protection.

The case is In re Fanita Ranch, LP, 10-05750, U.S. Bankruptcy Court, Southern District of California (San Diego).

AGE Refining Files Recovery Plan Giving Lenders Stock for Debt

AGE Refining Inc., a manufacturer of jet fuels and diesel products, filed a restructuring plan that would either give lenders control of the company in exchange for debt or sell its assets. AGE was forced to seek bankruptcy protection after JPMorgan Chase Bank NA refused to renew or extend additional letters of credit causing its suppliers, who required the credit's security, to stop delivering new shipments of crude oil, court papers show. To secure financing for its reorganization, AGE agreed to get court approval of auction

procedures to see whether selling the company could provide more value to creditors, according to court documents. The company won court approval of the auction guidelines on March 8. Founded in 1991, AGE has a refinery with an average capacity of 13,500 barrels a day, court papers show. The company listed assets of $10 million to $50 million and debt of $100 million to $500 million in chapter 11 documents filed Feb. 8 in U.S. Bankruptcy Court in San Antonio, where it is based.

The case is In re AGE Refining Inc., 10-50501, U.S. Bankruptcy Court, Western District of Texas (San Antonio).

Nortel Disabled Workers Will Ask to Void Settlement

A group of about 40 disabled workers will ask an Ontario appeals court to void a C$57 million ($57 million) settlement with Nortel Networks Corp. that extends benefits to them and other former employees until the end of the year, a lawyer said. Employees who earned C$50,000 a year before becoming disabled might be left to live on C$13,700 a year starting in 2011, according to papers submitted to the court by a financial analyst. Joel Rochon, of Rochon Genova LLP, who represents the disabled workers' group opposed to the settlement, said April 9 in a phone interview that he will file a request for a hearing before the appeals court. Ontario Superior Court Judge Geoffrey Morawetz approved the settlement on March 31 after Nortel removed a provision that allowed pensioners and disabled employees to seek higher standing among creditors if Canadian bankruptcy rules changed. The judge, who rejected a proposal that included that provision on March 26, said it was unfair to other creditors. Canada's opposition parties have introduced proposals to change bankruptcy law so that former employees of companies that seek court protection don't lose pensions and disability benefits.

The Canadian case is In the matter of a plan of compromise or arrangement of Nortel Networks Corp., 09-CL-7950, Ontario Superior Court of Justice (Toronto). The chapter 11 case is In re Nortel Networks Inc., 09-10138, and the parent's chapter 15 case in the U.S. is In re Nortel Networks Corp., 09-10164, both in U.S. Bankruptcy Court, District of Delaware (Wilmington).

Inquirer Creditors' Request for a Rehearing Is Denied

Philadelphia Newspapers LLC's creditors lost their bid for a rehearing over a court order denying lenders the right to bid their claims instead of cash. The publisher's senior secured lenders had sought a rehearing on an appellate court ruling upholding a decision that bankruptcy law doesn't entitle secured creditors to bid what they are owed at a public auction. The 3rd U.S. Circuit Court of Appeals in Philadelphia voted 2-1 on the March 22 decision. The same court April 9 denied the request to hold a hearing with a full panel to reconsider the ruling. Lawyers for the lenders have said they are preparing to bid cash.

The bankruptcy case is In re Philadelphia Newspapers LLC, 09-11204, U.S. Bankruptcy Court, Eastern District Pennsylvania (Philadelphia). The appeal is In re Philadelphia Newspapers LLC, 09-4266, 3rd U.S. Circuit Court of Appeals (Philadelphia).

April 13 (Bloomberg) —

Newspaper publisher Tribune Co. filed a chapter 11 plan yesterday to implement the settlement with some creditors that was announced on April 8. The plan and settlement won't be approved if the holders of $3.6 billion in pre-bankruptcy secured debt made valid arguments in their bankruptcy court filing yesterday. The settlement will be discussed at a hearing today on a motion by Tribune for an expansion of the exclusive right to solicit acceptances of the reorganization plan. The lenders, who say they have 42 percent of the secured debt under the May 2007 credit agreement, said the settlement is "premature and misleading." Contending that the settlement would compel "them to pay for the alleged sins of others," the lenders explain how they are giving up value when other targets of fraudulent transfer claims pay nothing while receiving releases and indemnities. The lenders object to how Sam Zell, who led the $13.8 billion leveraged buyout in December 2007, pays nothing while receiving a release. Similarly, the lenders contend that affiliates of JPMorgan Chase & Co., Citigroup Inc. and Merrill Lynch & Co. likewise receive releases while giving up nothing, while they were the ones who formulated the transactions. The lenders say there is "no conceivable scenario" where they can be forced to give up value where other participants in the LBO surrender nothing, including banks that already received $2 billion. The lenders say it understandable why unsecured creditors support the settlement. The lenders argue that unsecured creditors are indifferent to the source of the payment that enhances their recoveries. Tribune filed its plan and explanatory disclosure statement yesterday. The plan proposes a 52.6 percent recovery for holders of $10.34 billion in secured loans guaranteed by the subsidiaries. The class is to receive 91.2 percent of the new stock, 91.2 percent of a new secured term loan, and 91.2 percent of distributable cash, less cash going to other specified creditors. The holders of the $1.28 billion in senior notes are slated for a 35.2 percent recovery by receiving 7.4 percent of the new stock, 7.4 percent of distributable cash, and 7.4 percent of the new secured term loan. General unsecured creditors of the subsidiaries are to be paid in full, without interest, so long as their claims in the aggregate don't exceed $150 million. The holders of the $761 million in so-called PHONES and $235 million EGI-RB LLC notes are to receive nothing. The settlement and the plan are based on an assumption that distributable value is $6.1 billion. As an alternative to the settlement and Tribune's plan, the objecting lenders are asking the bankruptcy court to end Tribune's so-called exclusivity so they can file a reorganization plan that would allow the fraudulent transfer dispute to go forward. The settlement is supported by the official creditors' committee, JPMorgan, and Centerbridge Partners LP, the holder of 37 percent of the senior notes. The Tribune case has been stuck in disputes

over the LBO. Creditors have been taking the position that the LBO was a fraudulent transfer because operating subsidiaries put liens on their assets to finance the Zell acquisition while not receiving commensurate value in return. Tribune has been advocating a settlement through a plan as the best outcome. Tribune is the second-largest newspaper publisher in the U.S. It listed $13 billion in debt for borrowed money and assets of $7.6 billion in the chapter 11 reorganization begun in December 2008. It owns the Chicago Tribune, Los Angeles Times, six other newspapers and 23 television stations.

The case is In re Tribune Co., 08-13141, U.S. Bankruptcy Court, District Delaware (Wilmington).

Judge Confirms Trump Plan, Turns Back Icahn Proposal

A New Jersey bankruptcy judge filed a 121-page opinion yesterday saying she would confirm the chapter 11 plan for casino owner Trump Entertainment Resorts Inc. that was proposed by the company and holders of 8.5 percent senior notes. Although she said it, too, was confirmable, Chief U.S. Bankruptcy Judge Judith H. Wizmur turned aside the competing plan proposed by Carl Icahn, who controls the first-lien debt. While Wizmur said the Trump plan would leave the company with more debt, she said that the advantages included the ability to continue using the Trump brand and quicker approval from New Jersey gaming regulators. A deciding factor for Wizmur was the vote by holders of the $1.2 billion in second-lien notes. Eighty percent in amount voted for the Trump plan while 84 percent voted against the Icahn plan. The Trump plan will reduce debt by $1.4 billion while paying the first-lien debt in full, Wizmur said. The contested confirmation hearing began Feb. 23 and wrapped up on March 10. Trump Entertainment, the owner of three casinos in Atlantic City, New Jersey, filed for chapter 11 reorganization for a second time in February 2009. The new petition listed consolidated assets of $2.06 billion against debt totaling $1.74 billion. Listed liabilities included $1.25 billion in second-lien notes, $489 million in first-lien bank debt with Beal as agent, $33.2 million in trade debt, and $6 million in liabilities on leases, according to a court filing. The companies own the Trump Taj Mahal Casino Resort, the Trump Plaza Hotel and Casino and the Trump Marina Hotel Casino. The new filing came less than four years after emerging from a prior bankruptcy reorganization.

The case is In re TCI 2 Holdings LLC, 09-13654, U.S. Bankruptcy Court, District of New Jersey (Camden).

Georgia-Pacific May Delay Lyondell Plan Confirmation

Georgia-Pacific LLC raised an objection that might cause a delay in the confirmation hearing for approval of the reorganization of chemical producer Lyondell Chemical Co. Atlanta-based Georgia-Pacific contends in its April 9 bankruptcy court filing that it's not being given the requisite 30 days' notice of settlement of $5.5 billion in environmental claims against Lyondell. Georgia-Pacific, a pulp, paper and building products producer, contends that federal environmental law requires 30 days' notice of a hearing to compromise a governmental environmental claim. Lyondell is giving only 15 days' notice so the previously scheduled plan confirmation hearing can go ahead April 23. Georgia-Pacific says that neither the court nor the government has the ability to shorten the notice period designed to give other affected parties an opportunity to comment on the proposed settlement. Under the proposed settlement, Lyondell will transfer specified environmentally impaired properties it owns to a trust along with cash to perform a cleanup. The U.S. government and seven states will have approved unsecured claims aggregating $1.18 billion. In addition, Lyondell will contribute $108.4 million cash to the trust and pay another $61.6 million to settle other claims. Lyondell and affiliate Equistar Chemicals LP, together making up the third-largest independent producer of chemicals, filed under chapter 11 in January 2009, listing assets of $33.8 billion and debt totaling $30.3 billion. The parent LyondellBasell Industries AF SCA filed under chapter 11 in April. Including the parent and European subsidiaries, the assets were $40 billion in September 2008. Total revenue in 2007 was $44 billion. The Lyondell petition says its assets are $27.1 billion against $19.3 billion in debt while Equistar's' listed assets and debt both totaling $9 billion.

The case is In re Lyondell Chemical Co., 09-10023, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

Fontainebleau Seeks Conversion to Chapter 7 Liquidation

Fontainebleau Las Vegas LLC, the owner until recently of an uncompleted 63-story hotel and casino on the north end of the Las Vegas Strip, filed a motion on April 9 asking the bankruptcy judge in Miami to convert the chapter 11 case to a liquidation in chapter 7 where a trustee will be appointed automatically. Authorized by the bankruptcy court in late January, Fontainebleau sold the project on Feb. 18 to a company affiliated with Carl Icahn for about $150 million. Icahn's price includes the assumption of financing for the chapter 11 case. Fontainebleau takes the position that it has an absolute right to convert the case to chapter 7 and believes conversion can take place without holding a hearing. The conversion motion gave no reason for requesting conversion. Cases are sometimes converted from chapter 11 to chapter 7 where there are insufficient assets to pay professional fees for an ongoing chapter 11 case once the assets are sold. The Fontainebleau project was to have 3,815 rooms. Assets and debt both exceed $1 billion, the petition says.

The case is In re Fontainebleau Las Vegas Holdings LLC, 09-21481, U.S. Bankruptcy Court, Southern District Florida (Miami).

Woodbridge Partnership Can Be Assumed, Abitibi Says

AbitibiBowater Inc., the largest newsprint maker in North America, argued in an April 9 bankruptcy court filing that it

has the right to assume and continue operating under a partnership agreement regarding a mill in Augusta, Georgia. Woodbridge Co., Abitibi's partner in the plant, contended in a motion last month that bankruptcy law doesn't permit assumption of a partnership agreement without its consent. Abitibi countered by pointing to a December 2007 letter agreement where Woodbridge consented to an assumption of the partnership agreement in a reorganization. A hearing on the Woodbridge motion is scheduled for May 26. Abitibi, in its papers, said its current intention is to assume the partnership agreement. In the meantime, Abitibi wants the bankruptcy court to extend the time for the formal decision on assumption until the as-yet-to-be-filed reorganization plan is confirmed. In chapter 11 petitions filed in April 2009, the combined AbitibiBowater companies listed assets of $9.9 billion and debt totaling $8.8 billion as of September 2008. The plan-approval process may be slowed by defects the creditors' committee believes it found in parts of a $400 million term loan made in April 2008. The committee contends that the loan was a fraudulent transfer as to subsidiaries who guaranteed the new debt although they were not obligated on the debt being paid off or refinanced. AbitibiBowater was formed in October 2007 through a merger between Montreal-based Abitibi-Consolidated Inc. and Greenville, South Carolina-based Bowater Inc. Abitibi is a producer of newsprint, uncoated mechanical paper and lumber. Bowater also makes newsprint along with papers, bleached kraft pulp and lumber. The Montreal-based company began reorganizing with 24 pulp and paper mills plus 30 wood-product plants. Revenue in 2008 was $6.8 billion.

The case is In re AbitibiBowater Inc., 09-11296, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Black Crow Beats Back GECC, Seeks More Exclusivity

Two days after Black Crow Media Group LLC filed under chapter 11 in January, the secured lender General Electric Capital Corp. filed a motion to dismiss the case and followed up with a motion to modify the so-called automatic stay so it could foreclose the business. Last week the bankruptcy judge denied both of GECC's motions. Black Crow, a closely held owner of 22 radio stations, followed up on April 9 with a motion asking the bankruptcy judge in Jacksonville, Florida, to extend the exclusive right to propose a chapter 11 plan until Sept. 9. The judge also approved $1.5 million in financing that GECC had opposed. Black Crow filed for chapter 11 protection two days before a hearing in U.S. district court for the appointment of a receiver on account of Black Crow's default on $38.9 million in term loans and a revolving credit owing to GECC. Black Crow's stations are in five markets in Florida, Alabama, Georgia and Tennessee. In addition to the GECC debt, there is $6 million owing to unsecured creditors. Daytona Beach, Florida-based Black Crow had $12.9 million of revenue in 2009, a 23 percent decline from 2008.

The case is In re Black Crow Media Group LLC, 10-00172, U.S. Bankruptcy Court, Middle District Florida (Jacksonville).

Prive Nightclub in Las Vegas Gives up Reorg Hope

The owner of the Living Room and Prive, adjacent nightclubs inside the Planet Hollywood Resort and Casino in Las Vegas, was unable to negotiate lease concessions from the landlord and filed a motion last week to dismiss the chapter 11 case begun in November. The nightclubs explained how they owed a net of $440,000 to the landlord for rent arrears and other expenses. In addition, there are $1.5 million in mechanics' liens on the property that would have to be paid were the nightclubs to remain in operation under the existing lease. The motion for dismissal is set for a May 4 hearing. The nightclubs see no purpose to a conversion of the case to a liquidation in chapter 7. The nightclubs opened last year.

The case is In re Prive Vegas LLC, 09-34880, U.S. Bankruptcy Court, Southern District Florida (Miami).

Titlemax Files Full-Payment Plan for All Creditors

Titlemax Holdings LLC, a lender providing loans to individuals secured by their lien-free automobiles, won approval of a full-payment chapter 11 plan at a confirmation hearing yesterday, a company lawyer said. Secured lender Merrill Lynch Mortgage Capital Inc., owed $149.5 million, will be paid off with a new, two-year note. Subordinated noteholders owed $4.7 million will receive new notes. General unsecured creditors with $2.5 million in claims likewise will be paid in full, with interest. Owners retain their stock. Titlemax filed for reorganization in April 2009 in its Savannah, Georgia, hometown. The disclosure statement says the assets are $301 million against debt totaling $183 million. The company says it's one of the largest auto title lenders, with 500 locations in five states. It makes loans to people "without access to traditional credit alternatives," the Web site says.

The case is In re Titlemax Holdings LLC, 09-40805, U.S. Bankruptcy Court, Southern District of Georgia (Savannah).

Tamarack Resort Ends Up in Chapter 11 Following Chapter 7

Tamarack Resort LLC, a golf and ski resort in Valley County, Idaho, won't be liquidated in chapter 7 after all. Instead, the bankruptcy judge granted the resort's motion on April 9 and converted the case to a reorganization in chapter 11. Tamarack opposed an involuntary chapter 7 petition and lost in an opinion handed down on March 17 by a U.S. bankruptcy judge in Boise, Idaho. Tamarack conceded it wasn't paying debts as they mature. The bankruptcy judge granted the motion for conversion to chapter 11 even though the chapter 7 trustee had been named on March 23. The creditors filing the involuntary petition included an affiliate of Bank of America Corp. owed $4.7 million. The project's 27.5 percent owner, VPG Investments Inc., filed for chapter 11 reorganization in 2008. The petition was dismissed in October 2008. VPG was controlled by Mexican businessman Alfredo Miguel Afif.

The new case is In re Tamarack Resort LLC, 09-03911, U.S. Bankruptcy Court, District of Idaho (Boise). The previous case was In re VPG Investments Inc., 08-00253, U.S. Bankruptcy Court, District of Idaho (Boise).

Nova Biosource Dismissed With Features of Chapter 11 Plan

Nova Biosource Fuels Inc., the owner of two non-operating biodiesel plants, prevailed on the bankruptcy judge to agree to dismiss the reorganization on terms that include some features of a chapter 11 plan. Once the previously approved sale of assets is completed, the bankruptcy judge in Delaware provided in his April 9 order that the chapter 11 case will be dismissed. In the sale, the buyer will assume $36 million in secured debt and the loan provided by the secured creditor to finance the chapter 11 case. Along with dismissal, the lender will deposit $200,000 into a trust for distribution only to unsecured creditors. Costs incurred in the chapter 11 case are to be paid separately. The bankruptcy judge reserved the right to decide how much professionals will be paid. The bankruptcy judge provided in the dismissal order that he won't have power to resolve disputes about distributions from the liquidating trust. The chapter 11 petition in March 2009 listed $110 million in both assets and debt. Debt includes a $36 million credit agreement for one plant and $55 million in secured convertible notes. Trade suppliers were owed another $12 million.

The case is In re Nova Holdings Clinton County LLC, 09-11081, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Recticel Confirms Plan After Modifying Contracts

Recticel North America Inc. and affiliate Recticel Interiors North America LLC won approval of their reorganization plan when the bankruptcy judge signed a confirmation order on April 9. The plan gives full payment to all creditors of the manufacturers of foams used in autos and bedding. Unsecured creditors voted on the plan because they aren't receiving interest on their claims. The companies sought chapter 11 protection to deal with unfavorable contracts with their two largest customers, Johnson Controls Inc. and Inteva Products LLC. The disputes were resolved by modifying the contracts. The Auburn Hills, Michigan-based companies together reported revenue of $69.6 million in 2008 and $28.3 million for the first nine months of 2009. Combined assets are $13.9 million, with combined debt totaling $105.9. The companies are subsidiaries of Brussels-based Recticel SA.

The case is In re Recticel North America Inc., 09-73411, U.S. Bankruptcy Court, Eastern District Michigan (Detroit).

RathGibson Sets May 21 Plan Confirmation Hearing

RathGibson Inc., a manufacturer of welded tubing products, scheduled a May 21 confirmation hearing for approval of the chapter 11 plan after the bankruptcy judge approved the explanatory disclosure statement last week. The bankruptcy judge previously scheduled a May 19 auction where the first bid of $93 million cash will come from a group including some of the existing secured lenders and holders of 70 percent of the $209.5 million in 11.25 percent unsecured notes. The sale finances the plan that is built around a settlement with creditor groups. The original plan was negotiated with holders of 73 percent of the senior unsecured notes before the chapter 11 filing in July. The Lincolnshire, Illinois-based company listed assets of $305 million against debt totaling $319 million. In addition to $209 million in senior notes, debt included $55.3 million on secured credit agreements and $10.4 million owing to trade suppliers. The holding company was also liable on $115 million in pay-in-kind notes. A group including management and an affiliate of DLJ Merchant Banking Partners acquired control of RathGibson in June 2007.

The case is In re RathGibson Inc., 09-12452, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Spheris Makes February Profit Before Interest and Fees

Spheris Inc., a transcriber of medical dictation for doctors and hospitals, reported a $2.1 million net loss in February following the chapter 11 filing Feb. 3. Net revenue in the month was $10.97 million, resulting in $1.16 million in earnings before interest, taxes, depreciation, amortization and reorganization costs. For the month, interest expense was $1.85 million, and professional fees were $1.45 million. Unless there is a higher offer at auction today, the business will be sold for $75.25 million cash to subsidiaries of CBay Holding Ltd. Franklin, Tennessee-based Spheris listed assets of $61 million against debt totaling $225 million. Liabilities include $75.6 million on a senior secured credit and $125 million on subordinated notes. For nine months ended in September, revenue was $120 million.

The case is In re Spheris Inc., 10-10352, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Six Flags Files Revised Credit Agreements for Plan

Theme-park operator Six Flags Inc., scheduled for approval of the revised reorganization plan at an April 28 confirmation hearing, submitted revised first- and second-lien credit agreements yesterday, along with a revised incentive plan for managers. The amended plan was filed April 2 to implement the settlement announced in bankruptcy court on March 19. The settlement ended a contested confirmation hearing that began March 8. The Six Flags chapter 11 petition in June listed assets of $2.9 billion against debt totaling $3.4 billion, including a $850 million secured term loan and a $243 million revolving credit. New York-based Six Flags filed under chapter 11 with 20 theme parks, including 18 in the U.S. The parks have 800 rides, including 120 roller coasters.

The case is In re Premier International Holdings Inc., 09-12019, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Sawgrass Golf Resort Has Cash Use Through May

The owner of the Sawgrass Marriott Resort in Ponte Vedra Beach, Florida, won an extension until May 28 of the ability to use cash representing collateral for the claim of secured creditor Goldman Sachs Mortgage Co. The resort filed under chapter 11 on March 1 in Jacksonville, Florida, saying assets and debt both exceed $100 million.

The case is In re RQB Resort LP, 10-01596, U.S. Bankruptcy Court, Middle District of Florida (Jacksonville).

Meruelo Maddox Committee May File Plan in May

The creditors' committee for Meruelo Maddux Properties Inc., a Los Angeles-based developer and manager of commercial and multifamily residential property, received permission to file a chapter 11 plan on May 18. The order from the bankruptcy judge early this month otherwise precludes other creditors from filing a plan before June 11. The chapter 11 petition filed in March 2009 listed assets of $682 million against debt totaling $342 million.

The case is In re Meruelo Maddux Properties Inc., 09-13356, U.S. Bankruptcy Court, Central District California (Los Angeles).

Citadel Has Exclusivity Beyond May 12 Confirmation

As an insurance policy against a delay in confirmation of the reorganization plan, Citadel Broadcasting Corp. sought and received an extension until July 19 of the exclusive right to propose a chapter 11 plan. The confirmation hearing for approval of the plan is set for May 12. Citadel is a Las Vegas-based owner of 224 radio stations. The secured lenders and the creditors' committee are in agreement with the plan following a settlement improving treatment of unsecured creditors. Citadel, which operates in more than 50 markets, filed the original version of the plan on Feb. 3 to carry out agreement negotiated before the chapter 11 filing in December. Citadel and subsidiaries listed assets of $1.4 billion against debt totaling $2.46 billion. It is the third-largest radio station owner in the U.S., with 166 FM and 58 AM stations. The 24 stations in large markets were acquired in a June 2007 merger transaction with Walt Disney Co. where Disney shareholders received 57.5 percent of Citadel's stock and Disney received $1.35 billion cash. Citadel also distributes programming to 4,000 stations. The plan originally was negotiated with holders of 60 percent of the senior debt.

The case is In re Citadel Broadcasting Corp., 09-17442, U.S. Bankruptcy Court, Southern District New York (Manhattan).

Anna Nicole Smith Estate Asks for En Banc Rehearing

Although former Playboy model Anna Nicole Smith died in February 2007, her lawsuit lives on against the estate of Texas billionaire J. Howard Marshall. The lawyers for Smith's estate filed a motion last week asking all the active judges on the 9th U.S. Circuit Court of Appeals to rehear the case that resulted in a March 19 opinion by a panel of three judges dismissing her suit. The three-judge panel concluded that Smith's compulsory counterclaim wasn't a so-called core proceeding, with the result that the bankruptcy judge couldn't issue a final order. Before the judgment of the bankruptcy judge passed through the U.S. District Court, a state court in Texas entered judgment against Smith, saying she was entitled to nothing from her deceased husband's estate. Consequently, three judges from 9th Circuit in San Francisco said she lost the race to judgment because the district court was bound to follow the state court that was the first to issue a final judgment. On the bankruptcy law issue, the 9th Circuit said that a compulsory counterclaim isn't a core proceeding unless it is "so closely related to the proof of claim that the resolution of the counterclaim is necessary to resolve the allowance or disallowance of the claim itself."

In the petition for rehearing, the lawyers for Smith's estate contend that three other circuit courts plus a plethora of lower courts have held that there is always core jurisdiction over compulsory counterclaims. They pointed to opinions from the courts of appeal in Boston, New York and New Orleans as ruling the other way. Smith's estate wants a so-called en banc rehearing before all of the active judges on the 9th Circuit so the San Francisco court will have a chance to line up with sister courts. Should the circuit court decline to rehear the case, Smith's estate can file a petition asking for the U.S. Supreme Court to hear an appeal. On other issues, the case has been to the Supreme Court once already, with a result in Smith's favor. Smith lost when the case was remanded from the Supreme Court.

The case is Marshall v. Stern (In re Vickie Lynn Marshall), 02-56002, 9th U.S. Circuit Court of Appeals (San Francisco).

April 14 (Bloomberg) —

Newspaper publisher Tribune Co. may get an examiner following yesterday's hearing in Delaware bankruptcy court. Although he didn't rule, U.S. Bankruptcy Judge Kevin Carey said he agreed with the U.S. Trustee's argument as to why there should be an investigation by an independent examiner. Carey told both sides to confer and try to reach an agreement about the scope of an examination. If there is no agreement, Carey will hold another hearing on April 22 where he will decide whether there should be an examiner. Tribune filed a proposed chapter 11 plan on April 12 to implement a settlement negotiated with some creditors. Even before the plan was filed, holders of $3.6 billion in pre-bankruptcy secured debt announced their opposition to the plan and the settlement. The lenders, who say they have 42 percent of the secured debt under the May 2007 credit agreement, contend that all of the consideration flowing to unsecured creditors would come out of their take, while other participants in the allegedly defective leveraged buyout get away scot-free, protected by releases and indemnities. Some

creditors contend that the $13.8 billion leveraged buyout in December 2007, led by Sam Zell, included fraudulent transfers because operating subsidiaries pledged their assets for new loans and received no commensurate value in return. Tribune is the second-largest newspaper publisher in the U.S. It listed $13 billion in debt for borrowed money and assets of $7.6 billion in the chapter 11 reorganization begun in December 2008. The company owns the Chicago Tribune, Los Angeles Times, six other newspapers and 23 television stations.

The case is In re Tribune Co., 08-13141, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Pearl, Art Supply Dealer, Files in Fort Lauderdale

Pearl Cos., with six arts and crafts stores now in operation, filed a chapter 11 petition on April 9 in Fort Lauderdale, Florida, listing assets of $7.9 million and debt totaling $10.9 million. The liabilities don't include landlords' claims on 11 stores that were closed before the bankruptcy filing. Based in Fort Lauderdale, Pearl said in a court filing that revenue in 2009 was $41.9 million, resulting in a $6 million estimated net loss. For the ensuing 12 months, Pearl anticipates revenue of $26 million. Liabilities include $2.2 million owing to a bank with liens on all the assets. Pearl estimates that inventory is valued at $6 million, while the real-estate assets are worth $10 million.

The case is In re Pearl Companies Inc., 10-19336, U.S. Bankruptcy Court, Southern District Florida (Fort Lauderdale).

Majestic Star Casino Mortgages Valid, Lenders Say

Lenders to casino operator Majestic Star Casino LLC sought to debunk a theory espoused by the creditors' committee explaining why secured claims against two riverboat casinos in Gary, Indiana, are defective. The committee surfaced a theory based on the idea that the floating casinos are no longer vessels because they are now permanently attached to land. To have valid security interests, the committee postulates that liens must be perfected as fixtures. As fixtures, the committee argued that the necessary notices were incorrectly filed. Consequently, the committee filed a motion asking for authority to sue the lenders and void their security interests. The indenture trustee for $300 million in senior notes responded to the motion, to be argued April 27 in bankruptcy court, that the committee is "simply wrong" in its theory about how to file a lien on fixtures. Wells Fargo Capital Finance Inc., as agent for bank lenders, also contends that the casinos remain vessels, meaning that ship mortgages are still valid. Because there are no valid theories worth pursuing, according to the noteholders and banks, both lender groups urged the bankruptcy court to deny the committee the ability to bring suit. Majestic Star filed under chapter 11 in November. It has four casinos in total, plus hotels with 806 rooms serving the two riverboat casinos in Gary. The other casinos are in Tunica, Mississippi, and Black Hawk, Colorado. Debt includes $79.3 million owing on the senior secured credit facility. In addition to the $300 million in senior notes, Majestic Star owes $200 million on unsecured senior notes and $63.5 million on discount notes. The company reported assets of $406 million and debt of $750 million as of June 30.

The case is In re Majestic Star Casino LLC, 09-14136, U.S. Bankruptcy Court, District of Delaware (Wilmington).

NVR to Buy Orleans Homebuilders for $170 Million

Orleans Homebuilders Inc., a builder of homes and condominiums in seven states, will sell most of the assets to NVR Inc. for $170 million, plus the replacement of $52.6 million in letters of credit, unless a higher offer appears at an auction tentatively scheduled for June 23. NVR, a homebuilder based in Reston, Virginia, operates under names including Ryan Homes. It is buying all but 200 of Orleans's 4,300 lots. Orleans's management and mortgage brokerage subsidiaries also aren't being sold. Orleans arranged a hearing on May 4 so the bankruptcy court in Delaware can set up auction and sale procedures. Orleans wants other bids by June 16, followed by a June 23 auction and a June 24 sale approval hearing. Orleans said in a statement that it received an $18.2 million tax refund that was turned over to the lenders. NVR generated $192.2 million of net income in 2009 on revenue of $2.68 billion. Orleans's chapter 11 filing on March 1 resulted from the maturity of a revolving credit in February. At maturity, about $325 million was owing to the banks, not including $15 million on letters of credit. Bensalem, Pennsylvania-based Orleans reported a $52.5 million net loss for the nine months ended March 31 on revenue of $247 million. The March 31 balance sheet listed assets of $591 million against total liabilities of $560 million.

The case is In re Orleans Homebuilders Inc., 10-10684, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Lehman Sues IRS for $110 Million in Tax Refunds

Lehman Brothers Holdings Inc. sued the Internal Revenue Service yesterday in bankruptcy court to recover more than $110 million in income tax refunds and penalties for 1999 to 2000. The dispute with the IRS relates to income tax on dividends paid on borrowed foreign stock in transactions with a Lehman subsidiary in the U.K. The IRS disallowed $91.9 million in deductions Lehman claimed for foreign taxes paid on the dividends and assessed penalties. Before the chapter 11 filing, Lehman paid the taxes and penalties, reserving its right to seek a refund. When the IRS didn't respond to a demand for a refund, Lehman exercised its right under bankruptcy law to sue the IRS in bankruptcy court. The Lehman holding company filed under chapter 11 in New York on Sept. 15, 2008, and sold office buildings and the North American investment-banking business to London-based

Barclays Plc one week later. The Lehman brokerage operations went into liquidation on Sept. 19, 2008, in the same court. The brokerage is in the control of a trustee appointed under the Securities Investor Protection Act.

The Lehman holding company chapter 11 case is In re Lehman Brothers Holdings Inc., 08-13555, while the liquidation proceeding under the Securities Investor Protection Act for the brokerage operation is Securities Investors Protection Corp. v. Lehman Brothers Inc., 08-01420, U.S. Bankruptcy Court, Southern District New York (Manhattan).

Fifth Third Attempting to Shut Off Cash for Zayat Stables

After a temporary peace, war has broken out again between racehorse owner Zayat Stables LLC and Fifth Third Bank, a secured lender owed more than $34 million. The stables sued the bank on April 5, alleging "misleading, deceptive and predatory lending practices." Four days later, the bank declared a default under an agreement for the use of so-called cash collateral and scheduled a hearing today to shut off the use of cash. After the chapter 11 reorganization began in February, the bank disputed the stables' right to use cash. The controversy ended in a temporary settlement allowing Zayat to use cash under a budget until May 8. It also provided a scheme for selling two-year-old horses at auction and others in claiming races. Proceeds were to be held in an escrow account. The agreement also requires the stables to file a chapter 11 plan by April 16. In papers filed in bankruptcy court on April 9, the bank recited how the agreement required selling nine two-year-old horses at auction. The bank contends that Zayat unilaterally withdrew four horses from the auction, in the process breaching the cash collateral agreement. The hearing today presumably will find the bank asking the bankruptcy judge in Newark, New Jersey, to shut off the use of cash. The stables' lawsuit alleges that the bank made "numerous promises to restructure" the loans. In asking for punitive damages, Zayat says the promises to restructure were "confirmed in a signed writing." A lawyer for the bank didn't return a call requesting comment on the suit and the cash collateral dispute. The bank says it holds personal guarantees given by Ahmed Zayat for as much as $38.7 million. Zayat said he personally invested $40 million in the business. The bank previously said that it wouldn't restructure the loan because Ahmed Zayat demanded a release from his personal guarantees. The stables, based in Hackensack, New Jersey, filed for chapter 11 protection on Feb. 3 in Newark, contending that the bankruptcy was precipitated by the bank's "predatory lending practices." Fifth Third was seeking the appointment of a receiver when the bankruptcy began. The stables' more than 200 horses, which are collateral for the bank loan, are valued at $37 million, according an appraisal mentioned in a court paper. Zayat's revenue in 2009 was $21 million.

The case is In re Zayat Stables LLC, 10-13130, U.S. Bankruptcy Court, District of New Jersey (Newark).

Regent Communications Confirms Prepack in Six Weeks

Control of radio-station owner Regent Communications Inc. will shift to Oaktree Capital Management LLC after the bankruptcy judge on April 12 signed a confirmation order approving the prepackaged reorganization that began March 1. The restructuring agreement was reached before the bankruptcy filing with holders of 76.3 percent of the $205 million in secured debt. In a swap for secured debt, the lenders are receiving all of the new stock, a $95 million secured loan and a $25 million unsecured loan that pays interest with more debt. Unsecured creditors are being paid in full, allowing existing shareholders to split $5.5 million, or 12.8 cents a share. The plan reduces long-term debt by $86.7 million. Regent said in a statement that it hopes to implement the plan around April 27. Cincinnati-based Regent has 62 stations in 13 small and mid-sized markets. The Sept. 30 balance sheet listed assets of $176 million and liabilities of $205 million. For the nine months through September, the net loss was $29.8 million on $62.8 million in revenue.

The case is In re Regent Communications Inc., 10-10632, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Flying J Settles Pollution Claims Against Shell

Flying J Inc., an oil producer, refiner and marketer, agreed to settle $12.7 million in environmental claims against Shell Oil Products US in return for payments totaling $8.5 million. A hearing will be held on April 26 for approval of the settlement. The claims arose from the Big West oil refinery that Flying J purchased from Shell in 2005. Flying J was authorized in March to sell the non-operating, 70,000-barrel-a-day refinery in Bakersfield, California, to an affiliate of Alon USA Energy Inc. for $40 million cash plus the value of inventory. The refinery is owned by Flying J affiliate Big West Oil LLC. Flying J filed a reorganization plan in February to pay creditors in full, with the excess going to existing shareholders. At the outset of the chapter 11 reorganization in December 2008, Flying J had a $53 million revolving credit along with a $395 million secured term loan. Pipeline-owner Longhorn Partners Pipeline LP owed $45 million on a revolving credit and $166 million on a secured note. The companies also owed $90 million on an unsecured revolving credit with Zions Bank.

The case is In re Flying J Inc., 08-13384, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Barclays Moves to Dismiss Last Week's Westland Filing

Westland Devco LP, the owner of 55,000 acres of mostly undeveloped land in Albuquerque, New Mexico, filed a chapter 11 petition on April 5 and one week later is facing a motion by the secured lender to dismiss the case. The lender, Barclays Capital Real Estate Inc., claims it is owed more than $194 million. Barclays said in the motion to dismiss that the bankruptcy filing was designed to "stave off imminent state court foreclosure." The affiliate of the London-based bank

noted that the chapter 11 petition was filed 45 minutes before a hearing in the state foreclosure court. While Westland claims the property is worth $353 million, Barclays says its appraisal pegs the value at one-third of that amount. Barclays contends the reorganization is hopeless, partly because Westland has only $50,000 a year in income and no more than $4,000 in cash. In the chapter 11 petition, Westland listed assets of $361 million against debt totaling $198 million.

The case is In re Westland Devco LP, 10-11166, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Assets Sold, Aviza Technology Confirms Liquidating Plan

Aviza Technology Inc. sold the business of supplying chipmaking equipment and confirmed a liquidating chapter 11 plan on April 8. The plan hands out sale proceeds according to priorities in bankruptcy law. The disclosure statement doesn't say how much creditors may receive, partly because the $58 million purchase price includes notes for $38.7 million. Sumitomo Precision Products Co. bought the assets in October for $15 million in cash, plus notes and the assumption of debt. Outstanding secured claims are $18.7 million, with unsecured claims totaling almost $10 million, according to the disclosure statement. Secured creditors were paid $10.2 million when the sale was completed. Scotts Valley, California-based Aviza filed under chapter 11 in June in San Jose, California. The company in formal lists showed assets for $2.6 million and debt totaling $38.3 million.

The case is In re ATI Liquidating Inc., 09-54511, U.S. Bankruptcy Court, Northern District of California (San Jose).

Evolution Lighting to Acquire Catalina Lighting

Catalina Lighting Inc., a designer, importer and distributor of lighting products that filed a chapter 11 petition in February, was authorized last week to sell the assets to Evolution Lighting LLC for just enough to pay off the $3.3 million owed to secured creditor Wachovia Bank NA. Evolution also owned $18.6 million in Catalina's second-lien debt that will be exchanged for the assets. The order approving the sale requires Catalina to file a motion by June 1 either to dismiss the chapter 11 case or convert to liquidation in chapter 7. Evolution is affiliated with Boyne Capital Partners Inc. Court papers said Catalina's assets were less than $10 million while debt exceeds $10 million. Catalina's brands include Catalina, Dana, Illuminada and Tensor. Manufacturing is in Asia through an affiliate. The products are sold in big box stores, a court filing says.

The case is In re Catalina Lighting Inc., 10-14786, U.S. Bankruptcy Court, Southern District of Florida (Miami).

Madoff Trustee Allowed to Ease Terms of Surge Trading Sale

The trustee for Bernard L. Madoff Investment Securities Inc. was authorized by the bankruptcy judge yesterday to modify the contract with Castor Pollux Securities LLC, which bought the Madoff market-making business in June 2009 for $1 million cash plus as much as another $24.5 million based on gross revenue through December 2013. Without modifying the contract, the trustee said that Castor Pollux, now formally named Surge Trading Inc., would go out of business. The Madoff firm began liquidating in December 2008 with the appointment of a trustee under the Securities Investor Protection Act. Madoff himself went into an involuntary chapter 7 liquidation in April. His bankruptcy case was consolidated with the firm's liquidation.

The liquidation case is Securities Investor Protection Corp. v. Bernard L. Madoff Investment Securities Inc., 08-01789, U.S. Bankruptcy Court, Southern District New York (Manhattan). The criminal case is U.S. v. Madoff, 09-cr-00213, U.S. District Court for the Southern District of New York (Manhattan).

Student Loan Discharge Complaint Allowed After Discharge

An individual was allowed three years after receiving a discharge in chapter 7 to file papers declaring student loans to be dischargeable as an undue hardship, the Bankruptcy Appellate Panel for the 8th Circuit ruled in an April 9 opinion. The three judges on the panel concluded that bankruptcy rules don't require filing a complaint to discharge student loans before the general discharge is granted. They also ruled that the bankruptcy judge properly considered the bankrupt's financial condition at the time of the student loan discharge trial, not at discharge three years earlier. On the merits, the appellate judges found that the bankruptcy judge didn't err in finding that the student loans were an undue hardship. The woman had been unable to work, largely because she was caring for two autistic children. She had five children in total.

The case is Educational Credit Management Corp. v. Walker (In re Walker), 09-6022, Bankruptcy Appellate Panel for the 8th Circuit.

California's Bankruptcy Exemptions Ruled Constitutional

California has two sets of laws exempting some of an individual's property from creditors' claims. One applies only to individuals in bankruptcy and another protects some of an individual's property outside of bankruptcy. The California bankruptcy exemptions contain a so-called wild card that is almost twice as large as the wild card provided in bankruptcy law for people who elect to use federal exemptions. A bankruptcy trustee challenged California's special exemptions, contending they violated the Supremacy and Uniformity Clauses of the U.S. Constitution. The Bankruptcy Appellate Panel for the 9th Circuit came down on the side of lower courts holding that separate "bankruptcy only" state exemptions don't violate the Constitution. One of these days, the issue will reach the U.S. Supreme Court.

The case is Sticka v. Applebaum (In re Applebaum), 09-1134, U.S. Bankruptcy Appellate Panel for the 9th Circuit.

2nd Circuit Narrowly Construes Contempt Powers

Although parties in a bankruptcy case were guilty of "reprehensible conduct" after a chapter 11 plan was confirmed, the 2nd U.S. Circuit Court of Appeals in Manhattan vacated an award of $335,000 in sanctions for violating the discharge injunction contained in the plan confirmation order. The circuit court held that violating discharge couldn't be the basis for imposing sanctions for bad conduct because the guilty parties weren't attempting to collect a pre-bankruptcy judgment. The court also ruled that the bankruptcy judge didn't have so-called inherent power to impose the contempt sanction under section 105 of bankruptcy law. The court remanded the case to the lower court, leaving open the possibility that the bankruptcy judge will be able to fashion a theory under which contempt sanctions will hold up.

The case is Solow v. Kalikow (In re Kalikow), 08-5268, 2nd U.S. Circuit Court of Appeals (Manhattan).

April 15 (Bloomberg) —

Lehman Brothers Holdings Inc. filed a disclosure statement last night explaining the chapter 11 reorganization plan filed in March. While telling unsecured creditors of the holding company they can expect a 14.7 percent recovery, on an undiscounted basis, the disclosure statement warns creditors that an effort will be made to impose so-called substantive consolidation if the plan is not accepted. The disclosure statement says that the facts "strongly support" having the cases substantively consolidated, where all assets and all the debts are put into one pot without regard for which Lehman affiliate owned the assets or which Lehman company owed a debt to a particular creditor. Lehman's March plan avoids substantive consolidation while treating the assets and creditors of each company separately, with an important exception. The plan is built around a cap of $115.3 billion in affiliate and third-party guarantee claims against the Lehman parent company. The plan includes a $21.2 billion cap on affiliate guarantee claims. While the plan, with the guarantee cap, means that some creditors with guarantee claims may not come out so well compared with a plan having no cap, Lehman in effect is telling holders of guarantee claims that they will come out still worse if they block the March plan and Lehman in turn has the bankruptcy judge impose substantive consolidation. In addition to the predicted recovery of 14.7 percent by unsecured creditors of the parent holding company, the disclosure statement tells unsecured creditors of Lehman Commercial Paper that the undiscounted predicted recovery is 44.2 percent. For Lehman Brothers Commodity Services and Lehman Brother Special Funding, the predicted recoveries are 26.8 percent and 24.1 percent, respectively. The disclosure statement is almost 400 pages, including exhibits. Lehman's plan segregates creditors of the holding company and subsidiaries into more than 130 different classes where the assets of each company will be distributed to creditors of each company according to the priorities contained in bankruptcy law, subject to the guarantee cap. In other developments, examiner Anton Valukas said in portions of his report unsealed yesterday that Lehman may have grounds for suing Goldman Sachs Group Inc. and Barclays Plc for demanding $1.2 billion in taking over Lehman trading positions prior to bankruptcy in September 2008. Futures and options exchange CME Group Inc. unsuccessfully argued that the identity of the buyers shouldn't be disclosed publicly. Valukas concluded that Lehman might have fraudulent transfer claims on the theory that it didn't receive adequate consideration for the transfers. The Lehman holding company filed under chapter 11 in New York on Sept. 15, 2008, and sold office buildings and the North American investment banking business to London-based Barclays Plc one week later. The Lehman brokerage operations went into liquidation on Sept. 19, 2008, in the same court. The brokerage is in the control of a trustee appointed under the Securities Investor Protection Act.

The Lehman holding company chapter 11 case is In re Lehman Brothers Holdings Inc., 08-13555, while the liquidation proceeding under the Securities Investor Protection Act for the brokerage operation is Securities Investors Protection Corp. v. Lehman Brothers Inc., 08-01420, U.S. Bankruptcy Court, Southern District New York (Manhattan).

New York's St. Vincent Files Again, Closing This Time

St. Vincent Catholic Medical Centers, whose flagship operation is a 727-bed acute-care hospital in Manhattan's Greenwich Village, returned to bankruptcy court by filing another chapter 11 petition late yesterday in New York. The new petition listed assets of $348 million against debt totaling $1.09 billion.

Although the hospitals emerged from the prior reorganization in July 2007 with a chapter 11 plan said to have a "a realistic chance" of paying all creditors in full, the bankruptcy left the medical center with more than $1 billion in debt. The new filing occurred after a $64 million operating loss in 2009 and the last potential buyer terminated discussions for taking over the flagship hospital. The hospital's chief restructuring officer said in a court filing that there are seven non-binding letters of intent to sell the non-hospital operation. The main hospital, composed of 941,000 square feet in 10 buildings, will halt operations in an "orderly wind down." Secured debt includes $313 million owning to General Electric Capital Corp. on a term loan and revolving credit dating from the end of the prior reorganization. There is also a $56.4 million mortgage owing to Sun Life Assurance Co. of Canada from the prior bankruptcy confirmation. Other secured debts include a $40.3 million mortgage held by the New York State Dormitory Authority and $113 million in second and third mortgages held by a medical malpractice trust arising from the first reorganization. The chapter 11 case will be financed with an $85 million secured loan from GECC and TD Bank NA. The largest unsecured

claim, an estimated $180 million, is owing to the Pension Benefit Guaranty Corp., also mostly related to the prior bankruptcy. The largest facility aside from the main hospital is a 133-bed psychiatric hospital in Harrison, New York. The not-for-profit hospital is sponsored by the Catholic Diocese of Brooklyn and the Sisters of Charity. It was founded in the mid-19th century and provided $36 million in charity care last year. At the time of filing, only 340 of the 727 licensed beds were in use. When the prior bankruptcy began in July 2005, St. Vincent had seven operating hospitals. Five were sold. The first petition listed assets of $971 million against debt totaling $1.1 billion. The judge who presided over the prior case since retired. By early this morning, a judge hadn't been assigned to the new case.

The new case is In re Saint Vincent Catholic Medical Centers of New York, 10-11963, U.S. Bankruptcy Court, Southern District of New York (Manhattan). The prior case was In re Saint Vincent Catholic Medical Centers of New York, 05-14945, in the same court.

Bullet-Proof Vets Maker Point Blank Files for Reorganization

Point Blank Solutions Inc., a manufacturer of soft body armor for the military and law enforcement, filed for chapter 11 reorganization yesterday in Delaware, listing assets of $64 million against debt totaling $68.5 million. Point Blank has a plant and head office in Pompano Beach, Florida, and a second plant in Jacksboro, Tennessee. Revenue in 2009 exceeded $153 million. The company has $14 million in financing for the reorganization. The new loan will repay the existing $10.5 million in secured debt that was defaulted before the chapter 11 filing. Point Blank says it also owes $28.2 million to trade suppliers. The company settled securities lawsuits by shareholders alleging fraudulent statements with regard to the efficacy of the product. Later, three former officers were indicted on charges of securities fraud. The company said it received a so-called Wells Notice in August where securities regulators said they intended to bring civil actions. Point Blank said that some of its financial problems were due to $600,000 a month it has been spending on lawyers. The stock reached its highest closing price of $22.53 on Dec. 23, 2004. It fell 15 cents yesterday to 5 cents in over-the-counter trading. For the quarter ended in September, Point Blank had a $3.8 million net loss on net sales of $19.9 million. The cost of goods sold exceeded revenue in the quarter.

The case is In re Point Blank Solutions Inc., 10-11255, U.S. Bankruptcy Court, District of Delaware.

Visteon Working on 'Toggle' Plan to Suit Creditors

Auto parts maker Visteon Corp. said it's "seriously exploring" the possibility of what it called a "toggle" reorganization plan as a substitute for the one filed by the company on March 15. Although unsecured creditors would get 15 percent of the new stock under the company's March plan, the official creditors' committee and some bondholders expressed "deep dissatisfaction and opposition" to the plan. To avoid a fight, Visteon in an April 13 court filing said it's working on an alternative in which the company will confirm a plan proposed by unsecured creditors as long as bondholders "deliver their promised cash infusion." If the cash doesn't materialize, the toggle feature of the plan would allow Visteon to confirm a reorganization along the lines of the March 15 plan where debt is exchanged for equity. To accommodate discussions and search for money, Visteon pushed back the hearing until April 30 for approval of the disclosure statement. The committee's motion to end so-called exclusivity was also adjourned to April 30. Separately, the bankruptcy judge on April 12 authorized affiliates of Johnson Controls Inc. to buy two plants that make parts for Chrysler Group LLC. The price is $17 million. The Visteon plan from March 15 proposes recoveries for unsecured creditors between 19 percent and 57 percent. They would have received nothing on $1.3 billion in claims under the prior version filed in December. Visteon filed for reorganization in May 2009, listing assets of $4.6 billion against debt totaling $5.3 billion. Sales in 2008 were $9.5 billion, including $3.1 billion to Ford Motor Co. Visteon was spun off from Ford in 2000. Van Buren Township, Michigan-based Visteon at the outset owed $2.7 billion for borrowed money, including $1.5 billion on a secured term loan, $862 million on unsecured bonds, and $214 million on other debt obligations.

The case is In re Visteon Corp., 09-11786, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Simon Has New and Improved Offer for General Growth

Simon Property Group Inc., a shopping center owner, disclosed a new and improved offer yesterday to participate in financing the reorganization of General Growth Properties Inc. In late March General Growth, second only to Simon in ownership of malls, filed definitive documents showing how it would raise $6.55 billion in new equity from three investors in return for 65 percent of the stock. General Growth will set up formal bidding procedure where other investors could end up being the equity sponsor, buying stock to help finance the reorganization. The new proposal from Simon suggests the auction has already begun. The three investors under the March agreements are Fairholme Capital Management LLC, Pershing Square Capital Management LP, and Brookfield Asset Management Inc. The statement by Indianapolis-based Simon said it would take Brookfield's place while investing the same $2.5 billion at the same $10 a share price. As an inducement, Simon said it will require no warrants for being a so-called stalking horse and for providing the same backstop for rights offerings. Simon calculates that the absence of warrants equates to a $895 million benefit and will cause less dilution for existing shareholders. For another sweetener, Simon is offering to limit its voting rights and ability to participate in management, presumably to forestall objections to the investment on antitrust grounds. Simon said its proposal

includes a $1 billion co-investment by Paulson & Co. Simon offered to welcome Fairholme and Pershing Square as co-investors. It warned that alternative capital sources are waiting in the wings. General Growth says the plan will be sufficient to pay unsecured creditors in full with interest. Unless there is a change of course in view of the new Simon proposal, there will be a bankruptcy court hearing on April 29 when General Growth will ask for approval of warrants for the stalking horse investors and a schedule for wrapping up the case. General Growth wanted the first round of bids submitted by April 19, even before the auction procedures were formally approved. The hearing for approval of the disclosure statement is now scheduled to take place on July 30, followed by a confirmation hearing for approval of the plan on Sept. 30. In seven batches of confirmations since December, General Growth has formally reorganized property-owning subsidiaries holding all except $1 billion on debt below the holding companies. General Growth began the largest real estate reorganization in history by filing under chapter 11 in April 2009. The books of Chicago-based General Growth had assets of $29.6 billion and total liabilities of $27.3 billion as of Dec. 31, 2008. It owns or manages more than 200 shopping-mall properties.

The case is In re General Growth Properties Inc., 09-11977, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

Abitibi Hopes for 'Consensual' Plan in a Few Weeks

AbitibiBowater Inc., the largest newsprint maker in North America, said it hopes to file a "consensual" reorganization plan within the "next few weeks." The company therefore filed a third motion for an extension of the exclusive right to propose a plan. If approved by the judge at a May 26 hearing, so-called exclusivity will be pushed out to July 21. Abitibi also secured consent from the lenders to extend the plan-filing deadline to May 4 under the financing agreement for the chapter 11 case. By working on a consensual plan, Abitibi implies that it's attempting to mollify the creditors' committee with regard to the panel's belief that there are defects in parts of a $400 million term loan made in April 2008. The committee believes the loan was a fraudulent transfer as to subsidiaries who guaranteed new debt because they were not obligated on the debt being paid off or refinanced. AbitibiBowater was formed in October 2007 through a merger between Montreal-based Abitibi-Consolidated Inc. and Greenville, South Carolina-based Bowater Inc. Abitibi is a producer of newsprint, uncoated mechanical paper, and lumber. Bowater also makes newsprint along with papers, bleached kraft pulp, and lumber. The Montreal-based company began reorganizing with 24 pulp and paper mills plus 30 wood-product plants. Revenue was $6.8 billion in 2008. In chapter 11 petitions filed in April 2009, the combined AbitibiBowater companies listed assets of $9.9 billion and debt totaling $8.8 billion as of Sept. 2008.

The case is In re AbitibiBowater Inc., 09-11296, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Parking Co. Creditors' Panel Opposes Liquidating Plan

Parking Co. of America Airports LLC, the operator of 31 off-airport parking facilities, will face opposition in bankruptcy court today from the creditors' committee at a hearing for approval of the disclosure statement explaining the liquidating chapter 11 plan. The committee contends the company seeks "approval of flawed solicitation procedures for an unconfirmable plan." In the committee's view, the plan improperly releases claims against secured lenders, "leaving unsecured creditors with essentially no hope for future recovery." The auction for the parking lots, located near 20 major airports, is scheduled for April 27. Bainbridge ZKS - Corinthian Holdings LLC already made a $111.5 million offer. The hearing for approval of the sale is currently set for May 14. The liquidating chapter 11 plan calls for secured lenders on the term loan, owed $199.5 million, to receive proceeds from the sale of their collateral. Unsecured creditors are to receive anything that's left after creditors with higher priorities are paid. The PCAA companies, owned by Macquarie Infrastructure Co. LLC, operate near seven of the 10 largest U.S. airports under the names AviStar, FastTrack, and SkyPark. PCAA owns 70 percent of the facilities where it operates. Assets were on the books for $94 million on Sept. 30 when debt totaled $233 million. For nine months ended in September, revenue was $51 million. For 2008, revenue was $75 million.

The case is In re PCAA Parent LLC, 10-10250, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Deep Marine to Auction Four Vessels for $74.5 Million

Deep Marine Technology Inc., a provider of subsea services for the offshore oil and gas industry, will hold an auction on May 17 testing whether anyone will top the $74.5 million offer for the four vessels, related equipment, and technology. Absent a higher offer, the intended buyer is Oceaneering International Inc., a Houston-based engineering services provider for the petroleum industry that generated $1.82 billion in revenue last year. Under auction and sale procedures approved by the bankruptcy judge in Houston, other bids are initially due May 13. A hearing to approve the sale is scheduled for June 2. The Houston-based company filed under chapter 11 in its hometown on Dec. 4, saying assets and debt both exceed $100 million.

The case is In re Deep Marine Holdings Inc., 09-39313, U.S. Bankruptcy Court, Southern District of Texas (Houston).

Nevis Government Wants Hotel Involuntary Halted

The government of Nevis says the 36-square mile island is facing a "national emergency" precipitated by the involuntary chapter 11 petition filed in March against Hotel Equity Fund V LLC, whose principal asset is the Four Seasons Resort.

The papers, filed April 12 in the Delaware bankruptcy court, recited how the hotel by itself was responsible for 40 percent of the island's gross national product. Directly or indirectly, the hotel supported upwards of 40 percent of jobs on the island. Troubles began when the hotel was damaged by Hurricane Omar in 2008 and closed. The hotel was due to be rebuilt and open in time for the winter season in late 2010, until there was what the island called an "intercreditor dispute." Unless the hotel can be foreclosed so reconstruction can begin by May 1, the island contends the next winter season will be lost. The island government therefore will ask the bankruptcy judge at a May 5 hearing to "abstain," thus permitting foreclosure to proceed. Wells Fargo Bank already filed a motion to dismiss the case, saying one of the involuntary petitioners is an affiliate of an out-of-the-money lender. The three petitioning creditors have claims just above $300,000. The largest of the three is $275,000 owing to real estate investment trust Capstead Mortgage Corp. from Dallas. The petition was filed in Delaware where the debtor has a registered agent.

The case is In re Hotel Equity Fund V LLC, 10-10951, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Electroglas Liquidating Plan Has May 26 Confirmation

Electroglas Inc., a supplier of semiconductor manufacturing test equipment before the assets were sold, scheduled a May 26 confirmation hearing for approval of the liquidating chapter 11 plan when the bankruptcy judge in Delaware approved the explanatory disclosure statement on April 13. The assets were sold in two sales for $8.36 million total. The plan calls for creditors to split up $500,000 that was carved out from the sales. Any unsecured creditors who vote against the plan are not to receive any distribution. Creditors who do not vote will receive a distribution. The chapter 11 petition in July listed assets of $19.6 million against debt totaling $31.5 million. Debt of the San Jose, California-based company included $7.5 million revolving credit and $25.75 million on subordinated notes. Electroglas stock was worth more than $43 a share in March 2000.

The case is In re Electroglas Inc., 09-12416, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Smurfit-Stone Has Green Light for Confirmation Today

Smurfit-Stone Container Corp., a corrugated container and containerboard maker, said that creditors, with one exception, voted in sufficient majorities to allow the bankruptcy courts in Canada and the U.S. to approve the reorganization plans at confirmation hearings today. The company said that a special-purpose finance subsidiary named Stone Container Finance Co. of Canada II will be dropped from the reorganization, without delaying the exit from bankruptcy. The chapter 11 petition in Jan. 2009 by the Chicago-based company listed assets of $7.45 billion against debt totaling $5.58 billion as of Sept. 30, 2008. Debt at the time included $1.2 billion under secured revolving credit and term loan agreements, five issues of unsecured notes totaling $2.275 billion, $388 million under an accounts receivable securitization facility, and $284 million owing on tax-exempt bonds.

The case is In re Smurfit-Stone Container Corp., 09-10235, U.S. Bankruptcy Court, District of Delaware (Wilmington).

Payments to Unlicensed Contractor Are Not Fraud Debts

California law provides that an owner of real estate can recover whatever is paid to a contractor who's not licensed. A state court gave judgment to a landowner for $123,000 paid to an unlicensed contractor who later filed bankruptcy. The owner contended that the $123,000 was not dischargeable as a fraud. Although the U.S. Court of Appeals in San Francisco said it was a "somewhat close question," the circuit court ruled on April 13 that the debt did not fall within the definition of a debt non-dischargeable on account of fraud. The appeals court's result in part rested on a finding in the state court that the owner sustained no actual damages. Had there been damages such as faulty work, the opinion implies that the result might have been different, although it's unclear whether the owner would have been required to prove some other type of fraud.

The case is Ghomeshi v. Sabban (In re Sabban), 08-60017, 9th U.S. Circuit Court of Appeals (San Francisco).

International Daily Bankruptcy News Wrap-Up

By Ben Moshinsky, Anthony Aarons, and Caroline Binham

April 12 (Bloomberg) —

Japan Airlines Corp., restructuring under a 900 billion yen ($9.7 billion) state-backed plan, shouldn't allow government aid to distort competition, the International Air Transport Association said. "Restructuring has to be fast and painful," IATA Director General Giovanni Bisignani told reporters in Tokyo today. "They have to cut costs." JAL, which was delisted from the Tokyo Stock Exchange in February, is planning to cut almost a third of its workforce, slash flights and retire older planes over three years to return to profit. All Nippon Airways Co. President Shinichiro Ito last month said he was concerned that JAL would distort competition if it used government funds to buy new planes. JAL plans to receive a 300 billion-yen cash injection from state-backed Enterprise Turnaround Initiative Corp. of Japan and 600 billion yen in loans from ETIC and state-owned Development Bank of Japan, under a turnaround plan announced in January.

Karstadt Creditors Approve Bankruptcy Plan, DPA Reports

The creditors of Arcandor AG's insolvent Karstadt department-store chain approved the company's bankruptcy plan,

DPA reported, without saying where it had obtained the information. The approval means there are no obstacles for the engagement of an investor, the newswire said, adding that interested parties have until April 23 to submit bids.

Lehman Europe Unit to Settle Small Claims of $10,000 or Less

Lehman Brothers International Europe plans to pay about $1 million out of its general estate to settle client-money claims of as much as $10,000 each to reduce administrative costs. PricewaterhouseCoopers, the administrators of the European unit of the failed investment bank Lehman Brothers Holdings Inc., will pay creditors to close the claims over the next four months, PwC said in an e-mailed statement on April 9. PwC said it wants to settle 500 of the 1,500 client-money claims to save administrative costs. LBIE is holding $2.1 billion in client-money accounts from before its collapse. “This is a significant step to help smaller pre-administration client money claimants reach finality in their claims,” PwC partner Andrew Clark said in the statement. “It will materially reduce the costs associated with dealing with client monies for the benefit of all LBIE creditors.” Creditors seeking more than $10,000 will not be paid until an appeal is heard in a London court in June. The investment bank, two of its affiliates and CRC Credit Fund Ltd. are appealing a ruling from December that jeopardizes the ability of some clients to claim money that should have been ring-fenced.

Pamodzi’s Middelvlei Gold Mine for Sale, Liquidators Say

The liquidators of Pamodzi Gold Ltd. are offering to sell the Middelvlei gold mine near Johannesburg and the rest of the assets of the Pamodzi Gold West Rand Ltd. unit, they said in an advertisement in the Business Times newspaper yesterday.

IMF Wants Ukraine to Decide on Nadra by Mid-May, Delo Reports

The International Monetary Fund wants Ukraine to decide on the future of VAT Nadra Bank by May 15, Delo reported, citing First Deputy Governor Anatoliy Shapovalov. The government may take over part of the lender, which is under temporary administration, and sell another part to an investor, the newspaper said.

April 14 (Bloomberg) —

A Dutch court ruled against Dubai International Capital LLC’s petition to prevent Oaktree Capital Management LLC from seizing its Almatis unit in a debt restructuring. Dubai International, the fund owned by Dubai’s ruler, appealed last month to Amsterdam’s Enterprise Chamber to prevent managing boards of the Frankfurt-based alumina-products maker from implementing U.S. Chapter 11 bankruptcy proceedings to restructure about $1 billion of loans. The Dutch court ruled that “there are no grounds for Dubai International’s s request to grant injunctive relief,” Almatis said in a statement April 12. Dubai International said yesterday it will continue to seek a refinancing of Almatis’s debt on its own terms. The United Arab Emirates-based private equity fund bought Almatis for an undisclosed amount in 2007. The fund is seeking to retain its controlling stake in Almatis by honoring about $660 million of senior debt, and handing junior lenders equity in return for canceling their loans. Almatis breached its debt terms last year as the global economic slowdown hurt demand for its products. Los Angeles-based Oaktree, the biggest senior lender, rallied support in July for a takeover after the debt breach. Lenders to a company that violates loan conditions can demand immediate repayment. Dubai International said its proposal “more accurately and fairly reflects the true value of the business,” according to a statement sent to Bloomberg. Two-thirds of senior lenders to Almatis in March have already voted in favor of Oaktree’s proposal to take over the company in exchange for writing down more than half its debt. Oaktree’s plan would cut Almatis’s debt to about $420 million and put the company under Chapter 11 protection. The Dutch court’s decision doesn’t hamper Dubai International’s pursuit of an alternative restructuring plan, the fund said. “If Almatis commences proceedings under Chapter 11 in the U.S., we expect that the reorganization plan currently contemplated by Almatis and Oaktree will be strongly contested,” according to Dubai International.

KPMG Says Named Administrators to Bethell Rail, Seeks Buyers

KPMG LLP said it appointed Brian Green and Paul Flint as joint administrators to Bethell Rail Ltd. The administrator is seeking a buyer for Bethell Rail’s business and assets, “including ongoing contracts,” KPMG said in an e-mailed statement yesterday.

Dutch Regulators Clear Former DSB Board Member Robin Linschoten

A reassessment of the reliability of Robin Linschoten, a former supervisory board member at bankrupt DSB Bank NV, by the Dutch central bank and regulator AFM was positive, Dutch Finance Minister Jan Kees de Jager wrote in a letter to parliament today. Linschoten currently sits on the supervisory board of Dutch health insurer Menzis.

Kumho Industrial, Creditors Sign Debt Restructuring Agreement

Kumho Industrial Co. and its creditors signed a debt-restructuring agreement, the Seoul-based company said in a regulatory filing. Kumho Industrial creditors have agreed to swap about 2.5 trillion won ($2.2 billion) of debt for equity and provide 360 billion won of fresh funds.

JAL May Stop Contributions to Industry Groups, Nikkei Says

Japan Airlines Corp. may halt payments of membership fees and contributions to industry groups as it undergoes state-backed restructuring, Nikkei English News said, without citing a source. The airline is considering stopping contributions to the Air Safety Foundation, the Association of Air Transport Engineering and Research, and a group that helps train pilots, the report said.

April 15 (Bloomberg) —

The German probe into K1 Group, a hedge-fund at the center of an international investigation, yielded two more arrests, prosecutors said. The managing director of K1 Global Ltd. and K1 Invest Ltd., the group's funds based in the British Virgin Islands, as well as the managing director of a trustee company were arrested, Dietrich Geuder, the spokesman for the Wuerzburg Prosecutors' Office said in an e-mailed statement today. He didn't provide their names. "So far the investigation has shown that these investment companies were Ponzi schemes with no intention to make profits," Geuder said. Prosecutors suspect investors lost more than 90 million euros ($122 million), he said. K1 Group is at the center of an international criminal probe after saddling banks including Barclays Plc, JPMorgan Chase & Co. and BNP Paribas SA with losses. European and U.S. authorities are examining whether K1 founder Helmut Kiener, who helps manage funds of hedge funds, deceived the banks when he borrowed money. Kiener, who was arrested in October, may have used his business relations to the banks to channel their money to K1 Global and K1 Invest via a net of funds and sham companies, said Geuder. K1 Global and K1 Invest both have filed for liquidation.

Former New Zealand Attorney General Faces Civil Proceedings

New Zealand's securities regulator is taking civil proceedings against the directors of failed Lombard Finance & Investments Ltd., who include former Attorney General Doug Graham. The regulator alleges offer documents and advertisements issued in 2007 misrepresented the risks of investment in the company, the Securities Commission said in a statement. The directors do not accept the allegations and will be defending all proceedings, Graham said in a separate e-mailed statement. Lombard went into receivership in April 2008 owing NZ$127 million ($91 million) to about 4,400 investors, saying that property developers were unable to repay loans amid a housing slump. Secured creditors are likely to get less than 30 percent of their original investment, the commission said April 13. The commission alleges that a prospectus in September 2007 and other documents in December that year contained false statements because they said the company's financial position hadn't materially changed since balance date. The regulator wants the court to declare civil liability, which is the first step toward investors making claims for compensation against the directors, it said. Graham and fellow directors Michael Reeves, Bill Jeffries and Lawrence Bryant are named in the proceedings. Graham was attorney general, responsible for advising the government on legal matters, from 1997 to 1999 and was a cabinet minister for nine years. Graham, a lawyer before entering parliament, said he is dismayed at the time taken to make the allegations and disappointed the commission never raised any concerns it had over the prospectus with him.

Angola Appoints New Administrators for Sonangol, RNA Reports

Angolan President Jose Eduardo dos Santos appointed three new administrators for state-run oil company Sonangol EP, Radio Nacional de Angola said, citing a government statement. Dos Santos appointed Baptista Nsumbo and Sebastiao Gaspar Martins as executive administrators and former oil minister Albina Assis Africano as a non-executive administrator, the Luanda-based radio station said. The new officials will join Sonangol's six current administrators, four of whom are executives, Sonangol spokesman Rosa Santos said by telephone from the capital.

Spanish Soccer League Strike Is Called Off by Players' Union

A player strike in the Spanish soccer league set for the weekend was canceled after unpaid wages were guaranteed, the league said. Second- and third-division players will be paid some 5 million euros ($6.8 million) owed to them under an agreement last night between the government, soccer officials and the players' union, Efe news wire reported. Spanish television has shown unpaid players cleaning car windows to raise money and staging locker room sit-ins. Nine clubs sought protection from creditors since 2007 as banks rein in loans amid mounting defaults. Bad loans at Spanish lenders climbed to 5.3 percent of total credit in January, the highest level since 1996, the Bank of Spain said March 18. "I'm happy because all the players with clubs that have protection from creditors will be covered from now on," Luis Rubiales, president of the union, the Association of Spanish Soccer Players, told Efe. Real Sociedad, Malaga and Albacete are among clubs that sought protection from creditors amid Spain's worst recession in 60 years. Valencia, the top-ranked club behind Barcelona and Real Madrid, was refused more credit by savings bank Bancaja in February 2009, when it had to delay wage payments. The April 16–19 strike would have made it difficult to complete the 38-game league season before the World Cup, the league had said. Barcelona leads Real Madrid by three points with seven games left through May 16.

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- Robert A. Schwinger, Litigation Partner, Chadbourne & Parke LLP, New York, New York

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