

Rule 3017-2 Combined Hearings on Approval of Disclosure Statements and Confirmation of Plans in Liquidating Chapter 11 Cases.

- (a) Applicability. This Local Rule shall be applicable to all cases arising under chapter 11 of the Code where the following requirements are met:
- (i) All or substantially all of the assets of the debtor[s] were or will be liquidated pursuant to a sale under 11 U.S.C. § 363; and
 - (ii) The plan of liquidation proposes to comply with section 1129(a)(9) of the Code; and
 - (iii) The plan of liquidation does not seek non-consensual releases/injunctions with respect to claims creditors may hold against non-debtor parties; and
 - (iv) The debtor's combined assets to be distributed pursuant to the proposed plan of liquidation are estimated, in good faith, to be worth less than \$25 million (excluding causes of action).
- (b) Combined Disclosure Statement and Plan of Liquidation. A plan proponent may combine the disclosure statement and plan of liquidation into one document.
- (c) Interim Approval of the Disclosure Statement; Approval of Solicitation Procedures and Scheduling Combined Hearing on Approval of the Adequacy of Disclosure Statement and Confirmation of Plan. In the event that the requirements of subsection (a) above are satisfied, upon the filing of a disclosure statement and proposed plan of liquidation, a plan proponent may file a motion requesting (1) interim approval of the disclosure statement; (2) approving solicitation procedures; and (3) the scheduling of a joint hearing to consider final approval of the adequacy of the disclosure statement and confirmation of the proposed plan of liquidation. Such motion may be granted without notice and a hearing if:
- (i) Notice. The motion provides at least fourteen (14) days' notice to the United States Trustee and the creditors' committee (or the twenty (20) largest unsecured creditors, if no creditors' committee is formed), and all parties who have requested service of notices under Fed. R. Bankr. 2002(d). If an

objection is timely filed within such notice period, a hearing on the motion will not occur less than seven (7) days after expiration of the notice period; and

- (ii) Provisions to be Highlighted. All motions under this rule requesting a joint disclosure statement and confirmation hearing must: (A) recite whether the proposed form of order and/or plan of liquidation contains any provision of the type indicated below and (B) identify the location of any such provision in the proposed form of order and/or plan of liquidation:
 - (A) Provisions which seek consensual releases/injunctions with respect to claims creditors may hold against non-debtor parties; and
 - (B) Provisions that seek to release any claims the debtor[s] may have against non-debtor parties who are insiders of a debtor; and
 - (C) Any provision which seeks an exemption under section 1146 of the Code; and
- (iii) The motion identifies the proposed balloting agent, which may include counsel to the plan-proponent; and
- (iv) The motion identifies any voting procedures in addition to those required in section (d) of this Local Rule; and
- (v) The requested hearing date will not occur earlier than forty-five(45) days after entry of an order scheduling the combined hearing to consider the final approval of the adequacy of the disclosure statement and confirmation of the plan of liquidation; and
- (vi) The motion is accompanied by a proposed order which, in addition to setting the hearing date, approves:
 - (A) on an interim basis, the disclosure statement;
 - (B) the voting procedures to be utilized; (C) the form of notice to be provided to creditors and interest holders of the debtor[s]; and (D) the form of ballot which will be provided to creditors and interest holders entitled to vote on the proposed

plan of liquidation. The proposed order shall further provide that objections not made to the types of relief requested under (B), (C) or (D) of this subparagraph (vi) at the time of the hearing on the motion shall not be considered at the time of the combined hearing on the disclosure statement and plan.

- (d) Solicitation and Voting Procedures. The proposed order shall contain, inter alia, the following provisions:
 - (i) Establishment of a record date pursuant to Fed. R. Bankr. P. 3017(d) and 3018(a); and
 - (ii) Establishment of a voting deadline not more than ten (10) days prior to the combined hearing.
- (e) Form of Ballots. If a proposed plan of liquidation seeks consensual releases/injunctions with respect to claims creditors may hold against non-debtor parties, then the ballot must inform the creditors of such releases/injunctions and disclose the manner in which to indicate assent or opposition to such consensual releases/injunctions.
- (f) Combined Confirmation Hearing. The order approving the voting procedures shall provide for a combined hearing on the final approval of the disclosure statement and confirmation of the plan not less than forty-five (45) days from the entry of the order approving the voting procedures and the objection deadline shall be at least thirty-eight (38) days from such date.
- (g) Plan Supplements. The plan proponent must file any plan supplement on or before seven (7) days prior to the earlier of (a) the deadline for submission of ballots to vote to accept or reject a plan, or (b) the deadline to object to confirmation of the plan, unless otherwise ordered by the Court.