

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
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JUL 22 2010



D. Michael Lynn
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

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|------------------------------------|---|-------------------|
| IN RE | § | |
| | § | CHAPTER 11 |
| TEXAS RANGERS BASEBALL PARTNERS | § | |
| | § | |
| DEBTOR. | § | CASE No. 10-43400 |
| | § | |
| ----- | § | |
| IN RE | § | |
| | § | CHAPTER 11 |
| RANGERS EQUITY HOLDINGS, L.P., | § | |
| | § | |
| DEBTOR. | § | CASE No. 10-43624 |
| | § | |
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| IN RE | § | |
| | § | CHAPTER 11 |
| RANGERS EQUITY HOLDINGS, G.P., LLC | § | |
| | § | |
| DEBTOR. | § | CASE No. 10-43625 |
| | § | |
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Memorandum Order

On July 19, 2010, Rangers Equity Holdings, L.P. (“Rangers Equity LP) and Rangers Equity Holdings, G.P., LLC (“Rangers Equity GP”) at the direction of their Chief Restructuring Officer, William Snyder (the “CRO”), filed their *Motion of Rangers Equity Holdings, L.P. and Rangers Equity Holdings GP, LLC Pursuant to 11 U.S.C. § 363(b) of the Bankruptcy Code for Authority to File Motion for Substantive Consolidation* (the “Motion”). On the same day, Rangers Equity LP and Rangers Equity GP at the direction of the CRO filed their *Motion to Expedite Hearing Regarding Motion of Rangers Equity Holdings, L.P. and Rangers Equity Holdings GP, LLC Pursuant to 11 U.S.C. § 363(b) of the Bankruptcy Code for Authority to File Motion for Substantive Consolidation* (the “Motion to Expedite”). On July 20, 2010, Texas Rangers Baseball Partners (“TRBP”) filed an objection to the Motion to Expedite, and on July 22, 2010, Rangers Baseball Express, LLC filed an objection to the Motion to Expedite.

By the Motion, Rangers Equity LP and Rangers Equity GP request that the Court substantively consolidate their cases with the case of TRBP. Substantive consolidation is an “extreme and unusual remedy.” *In re Pacific Lumber Co.*, 584 F.3d 229, 249 (5th Cir. 2009) (quoting *In re Gandy*, 299 F.3d 489, 499 (5th Cir. 2002)). Substantive consolidation affects the fundamental rights of the parties and is therefore “subject to heightened judicial scrutiny.” *In re Babcock and Wilcox Co.*, 250 F.3d 955, 959 n.6 (5th Cir. 2001). The Court of Appeals for the Third Circuit characterized substantive consolidation as a “rough justice” remedy of “last resort.” *In re Owens Corning*, 419 F.3d 195, 211 (3rd Cir. 2005); *see also In re Bonham* 229 F.3d 750, 767 (9th Cir. 2000) (noting that almost every other Court of Appeals has found that substantive consolidation should be used

“sparingly”).

In the Court’s view, substantive consolidation should only occur after the parties have had ample opportunity to develop the facts. In the cases at bar, not only have the parties not had such an opportunity, but many other pressing matters require their immediate, focused attention. Thus, at least under the circumstances here existing, an expedited hearing is inappropriate for consideration of such an extreme remedy.

It is therefore;

ORDERED that the Motion to Expedite is denied.

End of Order