

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS

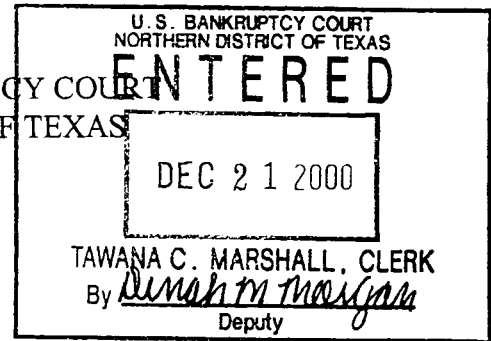
PROCEDURES FOR COMPLEX CHAPTER 11 CASES

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS



IN THE MATTER OF
PROCEDURES FOR COMPLEX
CHAPTER 11 CASES

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§

GENERAL ORDER 00-6

PROCEDURES FOR COMPLEX CHAPTER 11 CASES

Upon consideration of the recommendations of members of the bar of the Northern District of Texas, the court finds a need to implement policies and procedures to better serve the public and the bar in complex Chapter 11 cases. Accordingly,

IT IS ORDERED that the following procedures shall be implemented in complex Chapter 11 cases.

1. A “complex Chapter 11 case” is defined as a case filed in the Northern District of Texas under Chapter 11 of the Bankruptcy Code that requires special scheduling and other procedures because of a combination of the following factors:
 - a. The size of the case (usually total debt of more than \$10 million);
 - b. The large number of parties in interest in the case (usually more than 50 parties in interest in the case); or
 - c. The fact that claims against the debtor and/or equity interests in the debtor are publicly traded (with some creditors possibly being represented by indenture trustees).
2. If any party filing a Chapter 11 bankruptcy petition believes that the case should be classified as a complex Chapter 11 case, the party shall file with the bankruptcy petition a Notice of Designation as Complex Chapter 11 Case in the form attached as **Exhibit A**.
3. If a party has matters requiring expedited consideration by the court, it should submit a Request for Expedited Consideration of Certain 'First Day' Matters in the form attached as **Exhibit B**.

4. Each judge shall arrange the judge's calendar so that "first day" emergency hearings, as requested in the court-approved form entitled Request for Expedited Consideration of Certain First Day Matters, can be conducted consistent with the Bankruptcy Code and Rules, including Rule 4001, as required by the circumstances, but not more than two business days after the request for emergency "first day" hearings.
5. When a party has filed a Chapter 11 case and filed a Notice of Designation as Complex Chapter 11 Case,

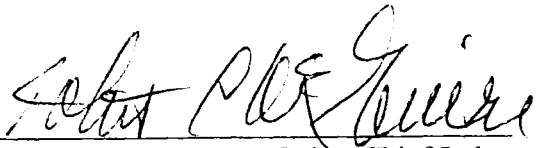
the Clerk of Court shall:

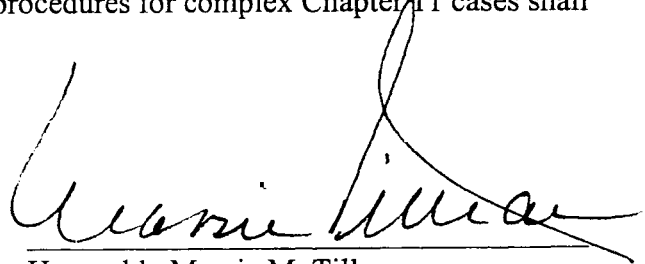
- a. Randomly allocate the case to a judge in accordance with the usual procedures and general orders;
- b. Immediately confer with the court about designating the case as a complex Chapter 11 case and about setting hearings on emergency or first day motions. If the court determines that the case does not qualify as a complex Chapter 11 case, the court shall issue an Order Denying Complex Case Treatment in the form attached as **Exhibit C**. If the court determines that the case appears to be a complex Chapter 11 case, the court shall issue an Order Granting Complex Chapter 11 Case Treatment in the form attached as **Exhibit D**; and
- c. Notify and serve counsel for the debtor with the order entered by the court relating to the complex case treatment and notify counsel for the debtor regarding the hearing settings for emergency or first day matters.

Counsel for the debtor, upon receipt of notice of entry of an order regarding complex Chapter 11 case treatment, shall:

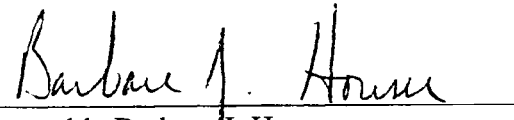
- a. Serve the order granting or denying complex Chapter 11 case on all parties in interest within seven days.
 - b. Provide notice of the first day or emergency hearings in accordance with the procedures shown in the form attached as **Exhibit E**.
6. Counsel shall follow the agenda guidelines for hearings in complex Chapter 11 cases attached as **Exhibit F** and the guidelines for mailing matrices and shortened service lists attached as **Exhibit G**.
 7. These procedures shall be reevaluated in the last quarter of 2002.

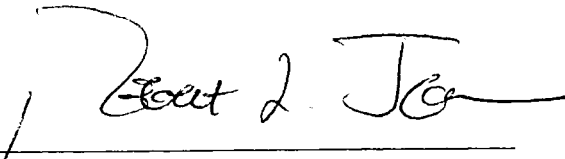
IT IS FURTHER ORDERED that these procedures for complex Chapter 11 cases shall apply to cases filed on or after January 1, 2001.


Honorable Robert C. McGuire, Chief Judge


Honorable Massie M. Tillman


Honorable Steven A. Felsenthal


Honorable Barbara J. Houser


Honorable Robert L. Jones

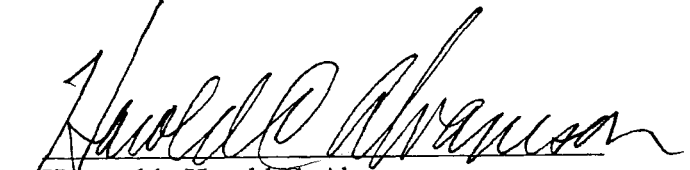

Honorable Harold C. Abramson

EXHIBIT A

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

IN RE: _____
 §
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 § CASE NO.
 §
 §
 §
DEBTOR. _____

NOTICE OF DESIGNATION AS COMPLEX CHAPTER 11 BANKRUPTCY CASE

This bankruptcy case was filed on _____, 200__. The undersigned party in interest believes that this case qualifies under General Order No. 00-6 as a complex Chapter 11 case because:

- _____ The debtor has total debt of more than \$10 million;
- _____ There are more than 50 parties in interest in this case;
- _____ Claims against the debtor are publicly traded;
- _____ Other: Substantial explanation is required. (Attach additional sheets if necessary.)

_____, 200__

Name

Address

Telephone and Fax Numbers

EXHIBIT B

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

IN RE:

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CASE NO.

DEBTOR.

REQUEST FOR EXPEDITED CONSIDERATION OF CERTAIN ‘FIRST DAY’ MATTERS

On _____, _____ filed a petition for relief under Chapter 11 of the Bankruptcy Code. Counsel for the debtor believes that the case qualifies as a “Complex Chapter 11 Case” as defined by General Order No. 00-6. The debtor needs expedited consideration of the following initial case matters (check those that apply):

_____ JOINT MOTION FOR JOINT ADMINISTRATION

_____ MOTION FOR ORDER EXTENDING TIME TO FILE SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS

_____ MOTION RE MAINTENANCE OF BANK ACCOUNTS AND EXISTING CASH MANAGEMENT, ATTACHING NOTICE OF CONFERENCE WITH U. S. TRUSTEE

_____ MOTION TO PAY PRE-PETITION WAGES, SALARIES, ET AL., ATTACHING NOTICE OF CONFERENCE WITH U. S. TRUSTEE AND DETAILED EXHIBIT SHOWING WHO DEBTOR PROPOSES TO PAY AND AMOUNTS

_____ MOTION FOR ENTRY OF INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL

_____ MOTION FOR INTERIM APPROVAL OF POST-PETITION SECURED AND SUPER-PRIORITY FINANCING PURSUANT TO SECTION 364(c) OF THE BANKRUPTCY CODE

____ MOTION, PURSUANT TO 11 U.S.C. § 366, FOR ENTRY OF INTERIM ORDER (1) DETERMINING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES AND (2) RESTRAINING UTILITY COMPANIES FROM DISCONTINUING, ALTERING, OR REFUSING SERVICE

____ MOTION TO ESTABLISH INTERIM NOTICE PROCEDURES

____ MOTION FOR ORDER APPROVING INTERIM RETENTION OF PROFESSIONALS

____ OTHERS (list):

_____, 200__

Name

Address

Telephone and Fax Numbers

- * Counsel should attach all pleadings designated above.
- * NOTE: The court expects the parties to exercise judgment regarding which motions are applicable.

EXHIBIT C

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

IN RE:

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CASE NO.

DEBTOR.

ORDER DENYING COMPLEX CASE TREATMENT

This bankruptcy case was filed on _____, 200__. A Notice of Designation as Complex Chapter 11 Case (see General Order No. 00-6) was filed. After review of the initial pleadings filed in this case, the court concludes that the case does not appear to qualify as a complex Chapter 11 case. Therefore, the case will proceed under the local bankruptcy rules and procedures generally applicable to bankruptcy cases without special scheduling orders. The court may reconsider this determination on motion, after hearing.

Signed this _____ day of _____, 200__.

United States Bankruptcy Judge

The Clerk shall notice:

Debtor

Debtor's Counsel

U. S. Trustee

d. The initial service list shall be filed within 3 days after entry of this order. A revised list shall be filed 7 days after the initial service list is filed. The debtor shall update the service list, and shall file a copy of the updated service list, (i) at least every 7 days during the first 30 days of the case; (ii) at least every 15 days during the next 60 days of the case; and (iii) at least every 30 days thereafter throughout the case.

2. The court sets _____ of each week at _____ .m. as the pre-set hearing day and time for hearing all motions and other matters in these cases. (There may be exceptions; those exceptions will be noted on the court's internet schedule, available at www.txnb.uscourts.gov.)

a. All motions and other matters requiring hearing, but not requiring expedited or emergency hearing, shall be noticed for hearing, after approval by the courtroom deputy, on the next hearing day that is at least 23 days after the notice is mailed. As a preface to each pleading, just below the case caption, in lieu of the language required by Local Bankruptcy Rule 9007.1, the pleading shall state:

A HEARING WILL BE CONDUCTED ON THIS MATTER ON _____ AT _____ .M. IN COURTROOM _____, _____, TEXAS.
IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

b. All motions and other matters requiring expedited or emergency hearing shall comply with the usual court requirements for explanation and verification of the emergency. Specifically, if a party in interest has an emergency or other situation that it believes requires consideration on less than 23-days' notice, the party should file and serve a separate, written motion for expedited hearing, in respect of the underlying motion, and may present the motion for an expedited hearing either (a) ex parte at a regular docket call of the presiding judge, or (b) at the next available pre-set hearing day. The court will rule on the motion for expedited hearing within 24 hours of the time it is presented. If the court grants the motion for expedited hearing, the underlying motion will be set by the courtroom deputy at the next available pre-set hearing day or at some other appropriate shortened date approved by the court. The party requesting the hearing shall be responsible

for providing proper notice in accordance with this order and the Bankruptcy Code and Rules. Parties should authorize fax or e-mail notice to facilitate notice of emergency and expedited hearings.

3. Emergency and expedited hearings (and other hearings in limited circumstances) in this case may be conducted by telephone conference. Parties must request permission to participate by telephone by calling the courtroom deputy, _____, at ____ - ____ _____.
4. If a matter is properly noticed for hearing and the parties reach a settlement of the dispute prior to the final hearing, the parties may announce the settlement at the scheduled hearing. If the court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement, (i.e., that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated) the court may approve the settlement at the hearing without further notice of the terms of the settlement.
5. The debtor shall give notice of this order to all parties in interest within 7 days. If any party in interest, at any time, objects to the provisions of this order, that party shall file a motion articulating the objection and the relief requested. After hearing the objection and any responses the court may reconsider any part of this order and may grant relief, if appropriate.

Signed this _____ day of _____, 200____.

United States Bankruptcy Judge

The Clerk shall notice:
Debtor
Debtor's Counsel
U.S. Trustee

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EXHIBIT E

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS

Procedures for Obtaining Hearings in Complex Chapter 11 Cases

I. Hearing on First Day Matters: Official Form for Request for Expedited Consideration of Certain First Day Matters.

Upon the filing of a complex Chapter 11 case, if the debtor has matters that require expedited consideration (“first day” or “near first day” relief), the debtor should file a “Request for Expedited Consideration of Certain ‘First Day’ Matters” using the form of Exhibit B to the Procedures for Complex Chapter 11 Cases (“First Day Hearing Request”). The first day hearing request will be immediately forwarded by the clerk of court to the judge who has been assigned the complex Chapter 11 case (or if there are multiple, related debtor cases, to the judge assigned to the first-filed case). The court will hold a hearing within 2 business days of the time requested by the debtor’s counsel and the courtroom deputy will notify counsel for the debtor of the time of the setting. If the judge assigned to the complex Chapter 11 case is not available to hold the hearing within 2 business days of the time requested by the debtor’s counsel, an available judge will hold a hearing within 2 business days of the time requested by the debtor’s counsel and the courtroom deputy will notify counsel for the debtor of the time of the setting. The debtor’s counsel should (1) serve by fax and electronically, if the e-mail address is available, (or by immediate hand-delivery) a copy of the first day hearing request on all affected parties, including the U.S. Trustee, simultaneously with its filing; and (2) notify by fax and electronically, if the e-mail address is available, or telephonically (or by immediate hand-delivery) all affected parties of the hearing time on first day matters as soon as possible after debtor’s counsel has received confirmation from the court. The court will allow parties in interest to participate telephonically at the hearing on first day matters whenever (and to the extent) practicable, and debtor’s counsel will be responsible for the coordination of the telephonic participation.

II. Pre-Set Hearing Dates.

The debtor may request (as one of its first day matters or otherwise) that the court establish in a complex Chapter 11 case a weekly/bi-monthly/monthly setting time (“Pre-Set Hearing Dates”) for hearings in the complex Chapter 11 case (e.g., every Wednesday at 1:30 p.m.). The court will accommodate this request for pre-set hearing dates in a complex Chapter 11 case if it appears justified. After pre-set hearing dates are established, all matters in the complex Chapter 11 case (whether initiated by a motion of

the debtor or by another party in interest) will be set upon approval by the courtroom deputy on the first pre-set hearing date that is at least 23 days after the filing/service of a particular motion (unless otherwise requested by a party or ordered by the court) and the movant shall indicate the hearing date and time on the face of the pleading.

III. Case Emergencies (Other than the First-Day Matters).

If a party in interest has an emergency or other situation that it believes requires consideration on less than 23-days' notice, the party should file and serve, a separate, written motion for expedited hearing, in respect of the underlying motion, and may present the motion for an expedited hearing either (a) ex parte at a regular docket call of the presiding judge, or (b) at the next available pre-set hearing date. The court will rule on the motion for expedited hearing within 24 hours of the time it is presented. If the court grants the motion for expedited hearing, the underlying motion will be set by the courtroom deputy at the next available pre-set hearing date or at some other appropriate shortened date approved by the court. Motions for expedited hearings will only be granted under emergency or exigent circumstances.

EXHIBIT F

IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS

AGENDA GUIDELINES FOR HEARINGS IN COMPLEX CHAPTER 11 CASES

In complex Chapter 11 cases where five or more matters are noticed for the same hearing date, counsel for the debtor-in-possession, the party requesting the hearings, or trustee shall file and serve by fax an agenda describing the nature of the items set for hearing.

1. **Timing of Filing**

Counsel shall file an original and two copies of the agenda at least 24 hours prior to the date and time of the hearing. At the same time, counsel shall also serve a copy of the agenda on all attorneys who have filed papers with respect to the matters scheduled and the service list.

2. **Sequence of Items on Agenda**

Uncontested matters should be listed ahead of contested matters. Contested matters should be listed in the order in which they appear on the court's docket.

3. **Status Information**

For each motion filed in the complex Chapter 11 case, each motion filed in an adversary proceeding concerning the Chapter 11 case, each objection to claim, or application concerning the case, the agenda shall indicate the moving party, the nature of the motion, the docket number of the pleading, if known, the response deadline, and the status of the matter. The status description should indicate whether the motion is settled, going forward, whether a continuance is requested (and any opposition to the continuance, if known) and any other pertinent information.

4. **Information for Motions in the Case**

For each motion that is going forward, or where a continuance request is not consensual, the agenda shall also list all pleadings in support of the motion, and any objections or responses. Each pleading listed shall identify the entity that filed the pleading, and the docket number of the pleading, if known. If any entity has not filed a responsive pleading, but has engaged in written or oral communications with the debtor, that fact should be indicated on the

agenda, as well as the status or outcome of those communications.

For an omnibus objection to claims, responses to the objection which have been continued by consent may be listed collectively (e.g., “the following responses have been continued by consent.”).

5. Changes in Agenda Information

After the filing of the agenda, counsel shall notify judge’s chambers by phone or letter of additional related pleadings that have been filed, and changes in the status of any agenda matter.

6. The requirements listed above should not be construed to prohibit other information of a procedural nature that counsel thinks would be helpful to the court.

COUNSEL ARE REMINDED THAT ALL MOTIONS AND PLEADINGS SHALL CONTAIN THE HEARING DATE AND TIME BELOW THE CASE/ADVERSARY NUMBER PER L.B.R. 5005.1(e)(4).

EXHIBIT G

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS

Guidelines for Mailing Matrices and Shortened Service Lists in Complex Chapter 11 Cases

I. Mailing List or Matrix (a/k/a the Rule 2002 Notice List)

A. Helpful Hints Regarding Whom to Include on the Mailing Matrix in a Complex Chapter 11 Case.

There are certain events and deadlines that occur in a Chapter 11 case which Bankruptcy Rule 2002 requires be broadly noticed to all creditors, indenture trustees, equity interest holders, and other parties in interest (“Rule 2002 notice list”). To facilitate this, L.B.R. 1007.2 requires a debtor to file a mailing list or matrix at the commencement of any case. This list must include all creditors, equity interest holders, and certain other parties in interest (who might be impacted by any relief granted in the bankruptcy case), in order to ensure that parties receive reasonable and adequate notice and are insured due process. When preparing the mailing matrix and after consultation with the clerk of court, debtor’s counsel shall evaluate and consider whether the following people are required to be included:

1. creditors (whether a creditor’s claim is disputed, undisputed, contingent, non-contingent, liquidated, unliquidated, matured, unmatured, fixed, legal, equitable, secured or unsecured);
2. indenture trustees;
3. financial institutions at which the debtor has maintained accounts (regardless of whether such institutions are creditors);
4. vendors with whom the debtor has dealt, even if the debtor’s records currently indicate no amount is owed;
5. parties to contracts, executory contracts or leases with the debtor;
6. all federal, state, or local taxing authorities with which the debtor deals, including taxing authorities in every county in which the debtor owns real or personal property with regard to which ad valorem taxes might be owed;
7. all governmental entities with which the debtor might interact (including, but not limited to, the U.S. Trustee and the SEC);
8. any party who might allege a lien on property of the debtor;

9. parties to litigation involving the debtor;
10. parties with which the debtor might be engaged in some sort of dispute, whether or not a claim has formally been made against the debtor;
11. tort claimants or accident victims;
12. insurance companies with whom the debtor deals or has policies;
13. active and retired employees of the debtor;
14. officers or directors of the debtor;
15. customers who are owed deposits, refunds, or store credit;
16. utilities;
17. shareholders (preferred and common), holders of options, warrants or other rights or equitable interests in the debtor;
18. miscellaneous others who, in debtor's counsel's judgment, might be entitled to "party in interest" status or who have requested notice.

B. Flexible ("User-Friendly") Format Rules for Mailing Matrix in a Complex Chapter 11 Case in Which Debtor's Counsel Serves Notices.

In a complex Chapter 11 case, where the mailing matrix is likely to be very lengthy, the following special format rules will apply, in lieu of L.B.R. 1007.2, whenever it is the debtor's responsibility to serve notices in the case. The debtor (since it will typically be the party serving all notices in the Chapter 11 case rather than the clerk of court) may create the mailing matrix in whatever format it finds convenient so long as it is neatly typed in upper and lower case letter-quality characters (in no smaller than 10 point and no greater than 14 point type, in either Courier, Times Roman, Helvetica or Orator font) on 8 ½ x 11 inch blank, unlined, standard white paper. The mailing matrix, if lengthy, should ideally include separate subheadings throughout, to help identify categories of parties in interest. By way of example, the following subheadings (among others) might be used:

Debtor and its Professionals
Secured Creditors
Indenture Trustees
Unsecured Creditors
Governmental Entities
Current and Retired Employees
Officers and Directors
Tort Claimants
Parties to Executory Contracts
Equity Interest Holders
Etc.

Parties in interest within each category/subheading should be listed alphabetically.

Also, the mailing matrix may be filed in separate volumes, for the separate categories of parties in interest, if the mailing matrix is voluminous (e.g., Volume 2: Unsecured Creditors). Finally, if there are multiple, related debtors and the debtors intend to promptly move for joint administration of their cases, the debtors may file a consolidated mailing matrix, subject to later being required to file separate mailing matrices if joint administration is not permitted.

C. **When Inclusion of Certain Parties in Interest on a Mailing Matrix is Burdensome.**

If inclusion of certain categories of parties in interest on the mailing matrix would be extremely impracticable, burdensome and costly to the estate, the debtor may file a motion, pursuant to B.R. 2002(1), requesting authority to provide notice by publication in lieu of mailing certain notices to certain categories of parties in interest and may forego including those categories of parties in interest on the mailing matrix if the court grants the motion.

II. Shortened Service List Procedure in a Complex Chapter 11 Case.

A. Procedures/Contents/Presumptions.

If the court has entered an order granting complex Chapter 11 case treatment, the debtor shall provide service as required by ¶1 of that order. If the court has not entered such an order, the debtor may move to limit notice – that is, for approval of a shortened service list – that will be acceptable for noticing most events in the bankruptcy case, other than those events/deadlines that B.R. 2002 contemplates be served on all creditors and equity interest holders. At a minimum, the shortened list should include the debtor and its professionals, the secured creditors, the 20 largest unsecured creditors, any official committees and the professionals for same, the U.S. Trustee, the IRS and other relevant governmental entities, and all parties who have requested notice. Upon the court’s approval of a shortened service list in a complex Chapter 11 case, notice in any particular situation during a case shall be presumed adequate if there has been service on (1) the most current service list on file in the case; plus (2) any other party directly affected by the relief requested and not otherwise included on the service list.

B. Obligation to Update, File and Serve Service List

The debtor must update the service list as parties request to be added to it or as circumstances otherwise require. To be added to the list, a party should file a notice of appearance and request for service and serve the notice on debtor’s counsel. Parties should include fax or e-mail transmission information if they wish to receive expedited service of process during the case. Additionally, the debtor should file an updated service list and should

serve a clean and redlined copy of the updated service list on all parties on the service list weekly for the first month after filing, then bi-monthly for the next 60 days, then monthly thereafter during the pendency of the case. If, in a particular month, there are no changes to the service list, the debtor should simply file a notice with the court so stating.

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