

1 VANDERHOFF LAW GROUP
Alan Vanderhoff, Cal. Bar No. 138032
2 Jeanne C. Vanderhoff, Cal. Bar No. 138011
600 West Broadway, Suite 1550
3 San Diego, California 92101
Telephone: (619) 299-2050

4 Attorneys for Pacific Imperial Railroad, Inc.
5

6

7

8

UNITED STATES BANKRUPTCY COURT

9

SOUTHERN DISTRICT OF CALIFORNIA

10

In re:

Case No. 16-06253-LT11

11

PACIFIC IMPERIAL RAILROAD, INC.,

**REDLINED PAGES OF PLAN AND
DISCLOSURE STATEMENT DATED
APRIL 3, 2017**

12

Debtor.

13

Date: June 8, 2017

14

Time: 2:00 p.m.

15

Dept: 3

Judge: Hon. Laura S. Taylor

16

Attached hereto as Exhibit "A" are redline pages of the Disclosure Statement to

17

Debtor's Second Amended Plan of Reorganization Dated April 3, 2017 showing the

18

changes from the disclosure statement that was filed on March 20, 2017. Attached hereto as

19

Exhibit "B" are redline pages of the Debtor's Second Amended Plan of Reorganization

20

Dated April 3, 2017 showing the changes from the Debtor's First Amended Plan of

21

Reorganization Dated March 17, 2017.

22

23

April 3, 2017

VANDERHOFF LAW GROUP

24

/s/ Alan Vanderhoff

25

By: _____

26

Alan Vanderhoff

27

Attorneys for Pacific Imperial Railroad, Inc.

28

EXHIBIT "A"

VANDERHOFF LAW GROUP
Alan Vanderhoff, Cal. Bar No. 138032
Jeanne C. Vanderhoff, Cal. Bar No. 138011
600 West Broadway, Suite 1550
San Diego, California 92101
Telephone: (619) 299-2050

Attorneys for Pacific Imperial Railroad, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re:

Case No. 16-06253-LT11

PACIFIC IMPERIAL RAILROAD, INC.,

Debtor.

~~PROPOSED~~ **FIRST AMENDED**
DISCLOSURE STATEMENT TO
DEBTOR'S ~~FIRST~~SECOND
AMENDED PLAN OF
REORGANIZATION DATED ~~March~~
17 APRIL 3, 2017

Date: ~~March 20~~ **June 8**, 2017
Time: 2:00 p.m.
Dept: 3
Judge: Hon. Laura S. Taylor

Pacific Imperial Railroad, Inc., debtor-in-possession in the above-captioned case (the "Debtor"), is providing this Disclosure Statement to each known holder of a Claim or Interest in the Debtor for the purpose of soliciting acceptances of its Second Amended Plan of Reorganization Dated ~~March 17~~ April 3, 2017 (the "Plan")¹ and to enable Creditors to make an informed decision with regard to voting on the Plan. A copy of the Plan is attached hereto as Exhibit "A."

I. INTRODUCTION

The purpose of this Disclosure Statement is to provide holders of claims against or interest in the Debtor with adequate information to enable them to make informed

¹¹ Many terms, capitalized and otherwise, used in this Disclosure Statement are defined in the Plan. You should consult the Plan for those definitions.

1 judgments about the Plan before exercising their right to vote for acceptance or rejection of
2 the Plan.

3 Acceptance or rejection of the Plan is important and must be made in writing. An
4 acceptance or rejection of the Plan may only be made by completing the Ballot that
5 accompanies the Plan and mailing it to:

6 Alan Vanderhoff, Esq.
7 Vanderhoff Law Group
8 600 West Broadway, Suite 1550
9 San Diego, CA 92101

10 In order for a vote to be counted, the completed Ballot must be received no later than
11 5:00 p.m. Pacific Time, May 8, 2017. The Disclosure Statement describes
12 the business background of the Debtor, the events that preceded the filing of this chapter 11
13 case, and summarizes the terms of the Plan. If the Plan is confirmed by the Court, it will
14 bind all creditors and interest holders regardless of whether an individual claimant voted for
15 or against the Plan and regardless of whether that claimant filed a proof of claim or interest.

16 The Debtor strongly urges that each recipient carefully and completely review the
17 contents of this Disclosure Statement and the Plan. Particular attention should be given to
18 the provisions of the Plan affecting or impairing the rights of each holder of a Claim or
19 Interest. The information contained in this Disclosure Statement has been submitted by the
20 Debtor, unless specifically stated to be from other sources. The Debtor has authorized no
21 representations concerning it or its financial affairs, other than those set forth herein.

22 The Plan is summarized below under the heading "Summary of the Plan," but all
23 summaries are qualified by the terms of the Plan itself, which are in all instances
24 controlling. You may not rely upon this Disclosure Statement for any purpose other than to
25 determine how to vote on the Plan. Nothing contained in the Plan or Disclosure Statement
26 shall constitute an admission of any fact or liability by any party, or be admissible in any
27 proceeding involving the Debtor or any other party.

28 The statements contained in this Disclosure Statement are made as of the date hereof,
unless another time is specified herein. Neither delivery of this Disclosure Statement nor

1 possible that the primary asset of the Debtor could be lost if the Debtor's case was converted
2 to a chapter 7. Creditors under the Plan will receive as least as much as they would have
3 received if the Debtor's case was a chapter 7 case.

4 **V. ADDITIONAL SOURCES OF INFORMATION**

5 Additional sources of information available to all creditors include the various
6 schedules and reports which were filed by the Debtor in accordance with the provisions of
7 Bankruptcy Code. These include, without limitation, the "Chapter 11 Statement of
8 Financial Affairs for Debtor Engaged in Business," Schedules and monthly operating
9 reports for all periods from October 2016 to the present. The schedules and operating
10 reports described above are available for inspection and review by the public in the office of
11 the Clerk of the United States Bankruptcy Court located at 325 West F Street, San Diego,
12 California during regular business hours (Monday - Friday, 9:00 a.m. to 4:00 p.m.).

13 **VI. VOTING INSTRUCTIONS AND CONFIRMATION PROCEDURES**

14 **A. Voting Procedure.**

15 Bankruptcy is a type of creditor democracy. The Plan divides the Claims of
16 Creditors and Equity Interest holders into six (6) separate classes. Only impaired classes of
17 creditors are entitled to vote on the Plan. As a general rule "impaired classes" include
18 creditors who, under the Plan, will not receive payment in full of their Claims on the
19 Effective Date of the Plan. In this case, all Classes are impaired.

20 All creditors entitled to vote on the Plan must cast their vote by completing, dating
21 and signing the "Ballot," which is enclosed with this Disclosure Statement. When fully
22 executed, the Ballot must be mailed to Alan Vanderhoff, Esq., 600 West Broadway, San
23 Diego, California 92101 such that it is received not later than 5:00 p.m. (PDT) on
24 ~~_____~~ May 8, 2017. A vote rejecting the Plan may be changed to a vote accepting
25 the Plan anytime prior to the conclusion of the confirmation hearing by providing notice of
26 the change to counsel for the Debtor.

27 **B. Confirmation of Plan/Solicitation of Acceptances.**

28 This Disclosure Statement has been approved by the Bankruptcy Court in accordance

1 with Section 1125 of the Bankruptcy Code and is provided to each person whose Claim or
2 Equity Interest has been scheduled by the Debtor or who has filed a proof of Claim or
3 Equity Interest with respect to the Debtor or its property, and to the Debtor. The Disclosure
4 Statement is intended to assist creditors in evaluating the Plan and determining whether to
5 accept the Plan.

6 In determining acceptance of the Plan, votes of creditors will only be counted if
7 submitted by a creditor whose Claim is duly scheduled by the Debtor as undisputed, non-
8 contingent and liquidated, or who has filed with the Court a proof of Claim or proof of
9 interest to which no objection has been filed.

10 **C. Hearing on Confirmation of Plan.**

11 The Court has set , June 8, 2017, at , 2:00 p.m., in
12 Department Three (3) of the Bankruptcy Court as the time, date and place for the hearing to
13 determine whether the Plan has been accepted by the requisite number of creditors and
14 whether the other requirements for confirmation of the Plan have been satisfied. Each
15 creditor will receive, with this Disclosure Statement, a Notice of Hearing on Confirmation
16 of the Plan which gives the details of that hearing and a date by which objections to the
17 confirmation of the Plan, if any, must be filed. That hearing may be continued from time to
18 time by announcements made by the Bankruptcy Court in open session at the hearing
19 without any further written notice being provided to you. Your attendance at the hearing on
20 Confirmation of the Plan is encouraged.

21 **D. Acceptances Necessary to Confirm Plan.**

22 At the scheduled hearing, the Court must determine, among other things, whether the
23 Plan has been accepted by each impaired class. Under Section 1126 of the Code, an
24 impaired Class of Claims is deemed to have accepted the Plan upon a favorable vote of at
25 least two-thirds in (dollar) amount and more than one-half in number of the Allowed Claims
26 of Class members voting on the Plan. Further, unless there is unanimous acceptance of the
27 Plan by an impaired class, the Court must also determine that Class members will receive at
28

EXHIBIT "B"

VANDERHOFF LAW GROUP
Alan Vanderhoff, Cal. Bar No. 138032
Jeanne C. Vanderhoff, Cal. Bar No. 138011
600 West Broadway, Suite 1550
San Diego, California 92101
Telephone: (619) 299-2050

Attorneys for Pacific Imperial Railroad, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

<p>In re: PACIFIC IMPERIAL RAILROAD, INC., Debtor.</p>	<p>Case No. 16-06253-LT11 DEBTOR'S FIRSTSECOND AMENDED PLAN OF REORGANIZATION DATED MARCH 17APRIL 3, 2017 Date: No hearing set June 8, 2017 Time: 2:00 p.m. Dept: 3 Judge: Hon. Laura S. Taylor</p>
--	---

Pacific Imperial Railroad, Inc., the debtor and debtor-in-possession in the above-captioned case (the “Debtor”), hereby proposes this plan of reorganization (the “Plan”).

ARTICLE 1

Definitions

1.01 “Administrative Claim” means any cost or expense of administration of the Debtor’s Chapter 11 bankruptcy case entitled to priority in accordance with the provisions of sections 503(b) and 507(a)(1) of the Bankruptcy Code.

1.02 “Administrative Claim Request” means a request for payment of an Administrative Claim that is to be filed with the Bankruptcy Court and served on the Debtor and counsel for the Debtor by not later than the Administrative Claim Request Deadline.

ARTICLE 2

Payment of Administrative Claims and Priority Tax Claims

2.01 Administrative Claims. Unless the holder of an Administrative Claims agrees to a different treatment, Administrative Claims Allowed pursuant to Bankruptcy Code sections 503(b)(1) and 507(a)(2) (and not previously paid), shall be paid in full on the Effective Date ~~to the extent that there are funds available that are not otherwise subject to a lien of security interest.~~ All unpaid fees to the United States Trustee shall be paid in full on the Effective Date.

2.02 Administrative Claim Request Deadline. In order to be paid an Administrative Claim, all administrative claimants, other than professionals employed pursuant to Bankruptcy Code section 327, must file Administrative Claim Requests and serve those requests on counsel for the Debtor not later than the Administrative Claim Request Deadline. All Administrative Claims for which an Administrative Claim Request is not filed and served prior to the Administrative Claim Request Deadline shall be forever barred.

2.03 Priority Tax Claims. Taxes entitled to priority under Section 507(a)(8) of the Bankruptcy Code shall be paid in full on the Effective Date. The Debtor does not believe that there are any priority tax claims in this case.

ARTICLE 3

Classification of Claims and Equity Interests

3.01 Class 1. Class 1 consists of the Allowed Secured Claim, if any, of Charles Fletcher.

3.02 Class 2. Class 2 consists of the Allowed Secured Claim of the Imperial County Tax Collector.

3.03 Class 3. Class 3 consists of Allowed Secured Claim of the San Diego Tax Collector.

In re Pacific Imperial Railroad, Inc.

Case No. 16-06253-LT11

PROOF OF SERVICE BY ECF

I, the undersigned, declare that I am, and was at the time of service of the papers herein referred to, over the age of 18 years and not a party to the within action or proceeding. My business address is 600 West Broadway, Suite 1550, San Diego, California 92101.

On April 3, 2017, I served the following document(s):

Disclosure Statement to Debtor's Second Amended Plan of Reorganization Dated April 3, 2017

Debtor's Second Amended Plan of Reorganization Dated April 3, 2017

Redlined Pages of Plan and Disclosure Statement Dated April 3, 2017

by CM/ECF Notice Of Electronic Filing by causing such document(s) listed above to be served through this Court's electronic transmission facilities via the Notice of Electronic Filing (NEF) and hyperlink, to the parties and/or counsel who are determined this date to be registered CM/ECF Users set forth in the service list obtained from this Court on the Electronic Mail Notice List set forth below.

- Robert R. Barnes bbarnes@allenmatkins.com, jholman@allenmatkins.com
- Michael D. Breslauer mbreslauer@swsslaw.com, wyones@swsslaw.com
- Jess R. Bressi jess.bressi@dentons.com, kimberly.sigismondo@dentons.com
- Judith A. Descalso jad@jdescalso.com
- Joseph R. Dunn jrdunn@mintz.com, tlmayo@mintz.com; aobrient@mintz.com; dsjohnson@mintz.com; docketing@mintz.com
- Michael A. Gardiner mgardiner@gardinerlegal.com, ctally@gardinerlegal.com
- Christopher V. Hawkins hawkins@sullivanhill.com, hill@sullivanhill.com; millerick@sullivanhill.com; bkstaff@sullivanhill.com; vidovich@ecf.inforuptcy.com; hawkins@ecf.inforuptcy.com
- James P. Hill Hill@sullivanhill.com, hawkins@sullivanhill.com; bkstaff@sullivanhill.com; vidovich@ecf.inforuptcy.com; hill@ecf.inforuptcy.com; millerick@sullivanhill.com
- Joseph M. Hoats josephhoats@hotmail.com
- Mark A. Maasch m-law@cox.net
- Kristin Mihelic Kristin.T.Mihelic@usdoj.gov, tiffany.l.carroll@usdoj.gov
- Abigail O'Brient aobrient@mintz.com, docketing@mintz.com; CJGreen@mintz.com; DEHashimoto@mintz.com
- Fletcher W. Paddison fletcherpaddison@outlook.com
- Stewart J Powell stewart@yplawfirm.net
- Donald Stoecklein djs@prologicanalytics.net
- United States Trustee ustp.region15@usdoj.gov
- Alan Vanderhoff alan.vanderhoff@vanderhofflaw.com, alanvanderhoff@cox.net

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct. This proof of service was executed on April 3, 2017, in San Diego, California.

/s/ Alan Vanderhoff

Alan Vanderhoff