

7.

The Disclosure Statement at page 17, paragraph E discusses claims against others and references avoidance actions against Bayou Engineering for the annulment of a lease however Cleco understands that Bayou Engineering continues to occupy the premises and does not pay rent. The Disclosure Statement offers no additional information.

8.

Further, the Debtor has filed a Motion (#326) to lease the property to the management company of the Debtor. The Disclosure Statement further references leases at page 19 and indicates that all leases will be rejected unless specifically accepted. The status of the Bayou Engineering lease is not clear.

9.

Although the plan proposed is a liquidating plan, the Liquidation Analysis provided in the Disclosure Statement beginning at page 24 (#236) states that “as the value of the property is speculative and unknown at this time, the Debtor believes that a Chapter 7 liquidation would result in more fees and commissions being paid and less money would be available for distribution to general unsecured claimants than would be available in a Chapter 11 case.”

10.

Local Rule 3016-2(2, 3 and 4) states that a Disclosure Statement should include complete financial statements and forecasts as well as a description of all assets and a valuation of same. The Disclosure Statement, as Amended, fails to provide this information.

11.

Further, it is impossible to determine how the Chapter 11 Debtor, with no marketing plan, no appraisal and no business operations, could conceivably create more value out of the property, at this time, than a Chapter 7 Trustee could by selling and marketing the property at auction.

12.

Likewise, the Disclosure Statement is inadequate in providing sufficient information regarding Local Rule 3016-2 numbers 6, 7, 8 and 9.

13.

The Local Rule also provides that a mere reference to the Schedules filed in the case is insufficient for satisfactory disclosure under 11 U.S.C. 1125 and the Disclosure Statement violates this rule at page 5 (#236).

14.

The Disclosure Statement fails to address potential litigation related to the Debtor. On or about September 5, 2017, counsel for Revolution Aluminum, LLC, the parent company of the Debtor, caused

notice of a potential lawsuit to be transmitted to multiple parties and persons including Cleco and 8 of its employees which notice stated in part that “there is a pending bankruptcy proceeding involving Revolution Aluminum Propco, LLC under number 16-81024” and further stating that “the claims arise from activity surrounding that proceeding, as well as other activities related to the business of Revolution Aluminum, LLC.” Neither the bankruptcy record nor the Disclosure Statement contain any information regarding potential claims arising out of activities surrounding the bankruptcy proceeding.

15.

This Court previously entered an Order (#289) authorizing sanctions against several parties including the representative of the Debtor, Roger Boggs. There is also pending on the docket of this Court a Motion to Appoint Trustee (#95) which is set for hearing on September 20, 2017.

16.

The Disclosure Statement fails to address the management issues and actions of Roger Boggs related to the management of the Debtor in the Disclosure Statement and fails to provide any information regarding same. The management has repeatedly failed to timely provide for payment of utility services, pre and post petition.

17.

Further, counsel for Cleco was advised that Whitney Bank had resigned as Trustee of the Solid Waste Standby Trust for the Debtor for the failure of the Debtor to pay the fee. The LDEQ website is not complete but appears to contain limited information indicating that the Debtor is not in compliance. The Disclosure Statement fails to address any of these issues or any environmental issues. Further, the Disclosure Statement fails to address any exposure or potential environmental liability arising out of the cancellation of the trust agreement. The provisions of 11 U.S.C. 1125 do not require or place the burden of proof upon creditors and parties in interest to research and ferret out information which should be willingly and fully disclosed by the Debtor.

18.

Cleco submits that the Disclosure Statement, for the reasons stated above, fails to comply with 11 U.S.C. 1125(a)(1) and (b).

22.

Further, Cleco adopts the objections raised by the Unsecured Creditors Committee (#240) as if fully set forth herein.

WHEREFORE CLECO POWER, LLC PRAYS that this objection be deemed good and sufficient and that this Court deny approval of the Disclosure Statement, as Amended.

Respectfully submitted,

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ATTORNEYS FOR CLECO POWER, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the above and foregoing Response and Opposition has been served upon the following via CM/ECF this 13th day of September, 2017.

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