

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In re:)	
)	
HARBOR BAR, INC.)	Case No. 17-10990-cjf
)	
Debtor.)	Chapter 11

**UNITED STATES TRUSTEE’S OBJECTION
TO DEBTOR’S DISCLOSURE STATEMENT**

The United States Trustee, Patrick S. Layng, by his attorney, Thomas P. Walz, hereby objects to approval of the Debtor’s Disclosure Statement dated January 22, 2018 (Dkt 33) (“the Disclosure Statement”) because it does not provide “adequate information” as that term is defined in Section 1125(a)(1). In support of the objection, the United States Trustee alleges:

1. As a preliminary matter, the Disclosure Statement inaccurately states that this is a small business case. It is not clear whether the Debtor meets the definition of a “small business debtor” in Section 101(51D). However, the Debtor did not check the box on its Voluntary Petition indicating that the Debtor is a small business debtor. *See*, Dkt 1, page 2, par. 8. The docket therefore does not indicate that this is a small business case.¹

2. The Disclosure Statement is inaccurate and incomplete in numerous ways. The Disclosure Statement does not provide some of the most basic information necessary to evaluate Debtor’s Plan of Reorganization, such as the holder and amount of several secured claims, an accurate description of the classes of claims, and the proposed treatment of those classes. In the interest of judicial economy, the United States Trustee will not attempt to describe in this

¹ The United States Trustee did not respond to Debtor’s designation of this case as a non-small business case because Debtor’s affiliate, Harbor Bar Docks, Incorporated (Case No. 17-10989) is not a small business debtor (because it’s primary activity is owning and operating real property) and Debtor advised the United States Trustee that it intended to file a motion for joint administration and then file a joint disclosure statement and plan with the affiliate. Debtor filed a motion for joint administration (Dkt 8), but then withdrew the motion after the time for the United States Trustee to respond to Debtor’s designation expired under Bankruptcy Rule 1020(b) (*See*, Dkt 28).

preliminary objection all of the ways that the Disclosure Statement is inadequate because the United States Trustee anticipates that the Disclosure Statement will be amended prior to the hearing on approval of the Disclosure Statement.² If the Debtor does not file an amended Disclosure Statement prior to the hearing on approval of the Disclosure Statement, the United States Trustee will file a supplemental and detailed objection.

3. In any event, the Court should not approve the Disclosure Statement unless it is amended to include sufficient information for creditors to determine whether to accept or reject Debtor's Plan.

WHEREFORE, the U.S. Trustee requests that the Court deny approval of Debtor's Disclosure Statement, and grant any additional relief appropriate under the circumstances.

Dated: January 30, 2018

Respectfully submitted,

PATRICK S. LAYNG
United States Trustee

BY: /s/ Thomas P. Walz
THOMAS P. WALZ
Attorney for U.S. Trustee

Office of the U.S. Trustee
780 Regent St., Suite 304
Madison, WI 53715
(608) 264-5522, ext. 5643

² The Disclosure Statement appears to be a "rush job" that was hastily filed on the last day that the Debtor could have filed a disclosure statement under Section 1121(e)(2), if the Debtor was in fact a small business debtor.