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17 Paper Liquidating Trust

18 UNITED STATES BANKRUPTCY COURT
19 NORTHERN DISTRICT OF CALIFORNIA
20 OAKLAND DIVISION

21	In re:)	Jointly Administered
22)	Case No. 00-41584 N
23	CROWN VANTAGE, INC.,)	Chapter 11
24	CROWN PAPER CO.,)	
25)	AMENDED MOTION BY LIQUIDATING
26	Debtors.)	TRUSTEE FOR ENTRY OF AN
27)	ORDER EXTENDING THE
28	Employer I.D, # 54-1752384)	TERM OF THE LIQUIDATING
)	TRUST
)	
)	

29 **TO: THE HONORABLE RANDALL J. NEWSOME**
30 **UNITED STATES BANKRUPTCY JUDGE**

31 **I. Notice Of Liquidating Trustee's Amended Motion**

32 PLEASE TAKE NOTICE that Jeffrey H. Beck, Liquidating Trustee of the Crown Paper
33 Liquidating Trust (the "Liquidating Trustee"), by and through undersigned counsel, hereby moves
34 this Court for entry of an order extending the term of the Crown Paper Liquidating Trust (the
35 "Liquidating Trust") pursuant to 11 U.S.C. § 105(a) and the terms of the Joint Liquidating Plan of
36 Reorganization, dated November 19, 2001 as amended from time to time (the "Plan").

1 This Amended Motion By Liquidating Trustee for Entry of an Order Extending the Term of
2 the Liquidating Trust (the "Amended Motion") amends the previously filed Liquidating Trustee's
3 Motion for Entry of an Order Extending the Term of the Liquidating Trust (the "Motion", D.E.
4 #1808) by (a) incorporating the Court's ruling that shortened the objection period to the Motion to
5 ten days and (b) shortening the requested extension of the Liquidating Trust's term to one year. The
6 Amended Motion is based on this Notice of Liquidating Trustee's Amended Motion and such other
7 and further evidence and memoranda as may be submitted to the Court prior to any hearing which
8 may be scheduled by the Court on this matter.
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10 **Bankruptcy Local Rule 9014-1 of the United States Bankruptcy Court for the Northern**
11 **District of California, as amended by Court Order, prescribes the procedures to be followed**
12 **and that any objection to the requested relief, or a request for hearing on the matter, must be**
13 **filed and served upon the initiating party within ten (10) days of mailing of this notice.**
14 **Further, a request for hearing or objection must be accompanied by any declarations or**
15 **memoranda of law the party objecting or requesting wishes to present in support of its**
16 **position.**
17

18 **If there is not a timely objection to the requested relief or a request for hearing, the**
19 **Court may enter an order granting the relief by default. In the event an objection or request**
20 **for hearing is timely made, the initiating party will give at least 10 days written notice of**
21 **hearing to the objecting or requesting party, and to any trustee or committee appointed in the**
22 **case.**
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II. Relief Requested

1. As set forth more fully below, the Liquidating Trustee of the Liquidating Trust hereby moves for entry of an order extending the term of the Liquidating Trust for a one-year period through March 1, 2008 to allow for the additional time necessary to complete the orderly liquidation of the remaining assets of the Liquidating Trust, and in support thereof states as follows:

III. Jurisdiction And Venue

2. This Court has jurisdiction over this Amended Motion pursuant to 11 U.S.C. § 105 and 28 U.S.C. § 1334. Further, pursuant to the Plan, the Court retained jurisdiction to "construe and take any action to enforce the Plan and issue such orders as may be necessary for the implementation, execution and consummation of the Plan" and to "ensure Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan," both of which are implicated by the Amended Motion. *See* Plan §12.1(b) and (f). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409(a). This matter is a core proceeding pursuant to 28 U.S.C. § 157.

IV. Background

3. On March 15, 2000 (the "Petition Date"), Crown Vantage, Inc. and Crown Paper, Inc. (collectively, the "Debtors") each filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). By order dated March 16, 2000, the Debtors' cases were ordered to be jointly administrated under Case No. 00-41584 N.

4. By Order dated November 19, 2001, this Court confirmed the Debtors' Second Amended Disclosure Statement and Joint Liquidating Plan of Reorganization (the "Plan"), which provided for the creation of the Liquidating Trust, and appointed Jeffery H. Beck to serve as Liquidating Trustee.

1 Trustee will distribute the settlement proceeds to the various creditor constituencies of the estate
2 pursuant to the terms of the Plan.

3
4 10. Second, the Liquidating Trust is in the process of appealing an order of the Ninth
5 Circuit Court of Appeals to the United States Supreme Court (the "Supreme Court") which, if the
6 appeal is successful, may result in additional funds to the Trust. The Supreme Court has granted
7 certiorari to hear the appeal and the appeal will be argued in late April 2007 and is expected to be
8 decided by the end of the year. Depending upon the ruling by the Supreme Court, there may be
9 further proceedings thereafter.

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11 11. Third, the Liquidating Trust owns mineral rights that it has leased to an oil company.
12 The oil company has advised the Liquidating Trustee that the property has commercial quantities of
13 natural gas, and that the first well on the property should be available to produce natural gas starting
14 in May of 2007. Once production starts, the Liquidating Trustee will need to assess whether it is
15 advantageous to hold or sell the mineral rights, and act accordingly.

16
17 12. Fourth, the administration of general unsecured claims needs to be completed. From
18 the Effective Date, the Liquidating Trust has been administratively insolvent. Because of the
19 Liquidating Trust's dire financial situation from the Effective Date through the present time, the
20 Liquidating Trustee has prosecuted administrative and priority claim objections, but not the
21 approximately 1,900 general unsecured claims. Prior to the Fort James Settlement, it was unclear
22 whether the Liquidating Trust has sufficient funds to undertake such administration and whether it
23 would be necessary to administer those claims.

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25 13. Because the proceeds of the Fort James Settlement will allow general unsecured
26 creditors to receive a distribution, it is necessary for the Liquidating Trustee to now administer such
27 claims. Once the Fort James Settlement is approved by the Court, the Liquidating Trustee will
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1 immediately initiate and prosecute claim objections with respect to the objectionable general
2 unsecured claims so that the claims administration process can be completed.

3
4 14. Finally, there are other various administrative tasks that must be accomplished to
5 fully wind-down the estate and terminate the Trust, including distributions to the various creditor
6 constituencies and the preparation and filing of the Litigation Trust's tax returns.

7 15. Because of the complexity of the numerous matters still pending, the Liquidating
8 Trustee believes it will take at least one year to wind-down the estate and terminate the Liquidating
9 Trust.

10 16. If the Liquidating Trust's term is not extended, the Liquidating Trust will be
11 terminated and the very purpose of the Plan, to ensure distributions to allowed claimants are
12 accomplished pursuant to the provisions of the Plan, would be thwarted.
13

14 **VI. Reservation of Rights**

15 17. The Liquidating Trustee reserves the right to seek an additional extension of the term
16 of the Liquidating Trust, if an additional extension becomes necessary and in the best interest of the
17 Liquidating Trust's beneficiaries.

18 **VII. Conclusion**

19 18. Based on the foregoing, the Liquidating Trustee respectfully submits that good and
20 sufficient cause exists in to grant the Amended Motion and extend the term of the Liquidating Trust
21 an additional year through March 1, 2008.
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1 WHEREFORE, the Liquidating Trustee respectfully requests that the Court (a) approve the
2 Amended Motion; (b) extend the term of the Liquidating Trust by one year to March 1, 2008; and (c)
3 grant the Liquidating Trustee such other and further relief as the Court deems appropriate.
4

5 Dated: February 9, 2007.

Respectfully submitted,

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10 By: /s/ Kenneth T. Law

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