

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

Case No. 13-42462

RAE-BECK HOLDING, L.L.C.,

Chapter 11

Debtor.

Judge Thomas J. Tucker

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**ORDER REQUIRING DEBTOR TO AMEND DISCLOSURE STATEMENT**

On August 12, 2013, Debtor filed a plan and disclosure statement, in a document entitled “Debtor’s Combined Plan of Reorganization and Disclosure Statement” (Docket # 57). The Court cannot yet grant preliminary approval of the disclosure statement contained within this document (“Disclosure Statement”). The Court notes the following problems, which Debtor must correct.

First, Debtor must treat the secured claim of ARS, Inc. and the secured claim of Williams Refrigeration & Heating, Inc., which are now being treated in Group III, in separate classes under Article III of the Plan, rather than in a Group under Article II of the Plan. And Debtor must delete Paragraph 2.3 of the Plan on page 10, because after Debtor amends the Plan, there will be no Group III claims.

Second, on page 9 of the Plan, Debtor must change the sentence “Administrative Creditors, Priority Creditors, and unimpaired creditors will be paid or treated as follows:” to “Administrative Creditors and Priority Tax Claims will be paid or treated as follows:”

Third, Debtor must state which claims are being treated in Group I and the estimated amount of each claim in Group I (*e.g.*, Group I consisting of allowed administrative claims, including the quarterly fees for the United States Trustee in the minimum amount of \$325.00 per quarter until the Case has been closed by the Court, and attorney fees for Debtor’s counsel in the estimated amount of \$30,000).

Fourth, Debtor must change “Group III” to “Group II” in the third sentence of Paragraph 2.2 of the Plan on page 10. In this paragraph, Debtor must also state that the Internal Revenue Service has filed a proof of claim for an estimated Priority Tax Claim of \$3,500.

Fifth, Debtor sometimes refers to Williams Refrigeration & Heating, Inc. as “Williams Refrigeration” and “Williams.” In addition, Debtor refers to “RRJ Metal” in multiple places in the Plan without having stated the corporation’s full name - RRJ Metal, Inc., and then defining the corporation in an abbreviated way. Debtor must define all abbreviated formal names that it uses.

Sixth, in Paragraph 3.1 of the Plan on page 11, Debtor states: “The Plan divides Claims and Interests into four Classes and treats them as follows.” Debtor must change “four Classes” to “six classes” to account for the fact that the secured claim of ARS, Inc. and the secured claim of Williams Refrigeration & Heating, Inc. will be treated in separate classes in Article III in the amended plan.

Seventh, Debtor must treat each secured creditor in a separate class, in Article III of the Plan. With regard to each secured creditor, Debtor must state the following when describing the treatment of the secured claim in the Plan: the amount of the claim without regard to the value of the collateral;<sup>1</sup> the fair market value of the Real Property securing the claim; whether any portion of the claim is unsecured; and if so, whether the secured creditor will have an unsecured deficiency claim, to be included and treated in the class of general unsecured claims; and if so, the amount of such deficiency claim. If more than one secured creditor has a lien on the Real

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<sup>1</sup> This is so even though the claim amounts are included in Paragraph D of the Disclosure Statement on page 27.

Property, Debtor must state the priority of each secured creditor (*i.e.*, which creditor has a first priority lien and which creditor has a second priority lien, etc.)

Eighth, in the description of the treatment of the Class 3 claims in Article III on page 13 of the Plan, Debtor must estimate the total amount of the general unsecured claims being treated in Class 3.<sup>2</sup>

Ninth, in Paragraph 3.5 of the Plan on page 13, describing the treatment of the Interests of Debtor's two members, Debtor states: "The Bazinskis will retain their membership interests free and clear of any and all claims, liens, interests, and encumbrances, in consideration of RRJ Metal's funding of this Plan through rent payments and post-confirmation loans to the Debtor." Debtor must state the estimated total amount of such funding of the Plan that RRJ Metal will contribute throughout the life of the Plan.

Tenth, Debtor must describe the background of Elizabeth Bazinski, the managing member of Debtor, *i.e.*, her education and work history.

Accordingly,

IT IS ORDERED that no later than **August 26, 2013**, Debtor must file an amended combined plan and disclosure statement that is consistent with this Order.

IT IS FURTHER ORDERED that no later than **August 26, 2013**, Debtor also must file a redlined version of the amended combined plan and disclosure statement, showing the changes Debtor has made to "Debtor's Combined Plan of Reorganization and Disclosure Statement" filed August 12, 2013.

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<sup>2</sup> This is so even though the expected total amount of the allowed general unsecured claims is stated in the Disclosure Statement on page 28.

**Signed on August 20, 2013**

**/s/ Thomas J. Tucker**  
**Thomas J. Tucker**  
**United States Bankruptcy Judge**