

UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT



In re:
FIBERMARK, INC.,
FIBERMARK NORTH AMERICA, INC., and
FIBERMARK INTERNATIONAL HOLDINGS, INC.,
Debtors.

Chapter 11 Case
04-10463
Jointly Administered

FINDINGS, ORDER AND NOTICE OF HEARING
SETTING A SECTION 105(D) CASE MANAGEMENT CONFERENCE
TO ADDRESS THE NOTICING OF THE DEBTORS' DISCLOSURE STATEMENT AND PLAN
AND MODIFYING SCHEDULING ORDER AS TO EVIDENTIARY HEARING ON FEE APPLICATIONS

PROCEDURAL BACKGROUND

On June 2, 2005, this Court entered an Order which, *inter alia*, (1) set a section 105(d) Status Conference for July 12, 2005, to address the findings of the Examiner and any issues relating to the noticing of proposed disclosure statements and plans, and (2) stated that the Court will determine, on an ongoing basis, when and how any of the proposed disclosure statements and plans of reorganization should be noticed to creditors and parties in interest, and in what sequence (par. 3 and 6, respectively, of doc. # 1515).¹ On June 3, the Court entered a Continuance Order (doc. # 1521) which established the litigation schedule with respect to the evidentiary hearings to be held on the Akin Third Application and the Chanin Third Application (as those terms are defined therein) and set July 26, 2005 as the date for the evidentiary hearing, to give the Parties two weeks to determine how to integrate the Examiner's findings and report into their preparation for the evidentiary hearing.

This Order is entered to schedule another earlier Case Management Conference, to address the disclosure statement/plan topic, and also the evidentiary hearing on pending fee applications that require an evidentiary hearing, in order to expedite the Debtors' reorganization.

CURRENT, OPEN ISSUES

On June 23, 2005, the Debtors filed a "[First Proposed] Amended Joint Plan" (doc. # 1578) and a "[First Proposed] Disclosure Statement with Respect to Amended Joint Plan of Reorganization under Chapter 11" (doc. # 1579). No other party has filed a disclosure statement or plan to date. On June 24, 2005, after more than a half-day of evidence, the Court denied the motion of AIG for an Order directing

¹ This Order was amended on June 3 (see doc # 1520) but the amendment did not alter the provisions described herein.

the Debtors to provide non-public due diligence materials to potential purchasers. According to the testimony presented at the hearing, it appears that, as a result of that ruling, none of the parties anticipate filing a sale plan. The evidence also made clear that all Parties believe it is in the best interest of the estate for the Debtors to emerge from chapter 11 as soon as possible.

On June 27, 2005, the Debtors, the Official Committee of Unsecured Creditors, the Office of the United States Trustee, Chanin Capital Partners and Silver Point Capital filed a Stipulation (doc. # 1586) which, if approved by the Court, would effect a modification of the Continuance Order as it relates to the Chanin Third Application. In essence, the Stipulation seeks authority for the Parties to stipulate to a discovery schedule that would be longer than previously set and to propose a date for the evidentiary hearing on the Chanin Third Application for sometime after July 26th. Significantly, the Stipulation does not seek parallel extensions of time in connection with the Akin Third Application and provides no explanation for bifurcating the two hearings that were both set for July 26th.

COURT FINDINGS

The COURT HEREBY FINDS that

1. it serves the interests of justice and judicial economy, and is likely to expedite the Debtors' emergence from chapter 11, to notice the Debtors' Disclosure Statement and Amended Plan (docs # 1578 & 1579) immediately and to hold the hearing on the Disclosure Statement on July 26th;
2. it will be less expensive, and a more streamlined process, to hold the hearing on both the Chanin Third Application and the Akin Third Application on the same day, and unless there is a compelling reason presented to do otherwise that the Stipulation should be modified to have its terms apply to both Akin and Chanin;
3. pursuant to the terms of the June 2nd Order the Court will determine this week whether it is more appropriate to send notice of the Debtors' Disclosure Statement and Amended Plan at this time or wait until other plans are filed;
4. holding a section 105(d) conference to address both these issues, and to solicit information as to whether any other party intends to file a competing disclosure statement and plan, fosters the expeditious and economical handling of these cases; and
5. convening the conference via telephone, and scheduling the conference for the soonest possible date that all parties are available, is the most cost-effective and efficient way to proceed.

NOTICE OF HEARING

PLEASE TAKE NOTICE that a telephonic hearing will be held pursuant to section 105(d) on **Friday, July 1, 2005 at 10:00 a.m. EST** to address the following issues:

- A. whether there is a compelling reason not to notice the Debtors' Disclosure Statement and Amended Plan (docs # 1578 & 1579) immediately and hold the hearing on the Disclosure Statement on July 26th;
- B. why the Stipulation should not be modified to (i) hold the hearings on the Chanin Third Application and the Akin Third Application on the same day, and (ii) have its terms apply to both Akin and Chanin;
- C. whether any other party intends to file a competing disclosure statement and plan; and
- D. any other issues that a Party or the Court raises that is relevant to the status of the instant cases.

The Debtor shall establish the conference call and distribute the call-in information to the Court and the following parties: the Official Committee of Unsecured Creditors (and its individual members), GECC, and the Office of the U.S. Trustee.

SO ORDERED.

June 29, 2005
Rutland, Vermont



Colleen A. Brown
United States Bankruptcy Court