	Case 12-32118 Filed 11/18	3/14 Doc 1786
1 2 3 4 5 6 7 8	12 MARC A. LEVINSON (STATE BAR NO. 5761 malevinson@orrick.com NORMAN C. HILE (STATE BAR NO. 57299) nhile@orrick.com PATRICK B. BOCASH (STATE BAR NO. 262' pbocash@orrick.com ORRICK, HERRINGTON & SUTCLIFFE LLP 400 Capitol Mall, Suite 3000 Sacramento, California 95814-4497 Telephone: +1-916-447-9200 Facsimile: +1-916-329-4900 Attorneys for Debtor City of Stockton	
9	UNITED STATES BA	NKRUPTCY COURT
10	EASTERN DISTRICT OF CALIFORNIA	
11	SACRAMENTO DIVISION	
12		
13	In re:	Case No. 2012-32118
14	CITY OF STOCKTON, CALIFORNIA,	Chapter 9
15	Debtor.	NOTICE OF INTENT TO UPLOAD A FORM OF ORDER CONFIRMING
16 17		FIRST AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF CITY OF STOCKTON, CALIFORNIA, AS
18		MODIFIED (AUGUST 8, 2014)
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		NOTICE OF INTENT TO UPLOAD FORM OF ORDER CONFIRMING CITY'S PLAN OF ADJUSTMENT

	Case 12-32110 Fileu 11/10/14	200 2.00	
1	1 PLEASE TAKE NOTICE that the City of Sto	ckton, California (" <u>City</u> ") intends to upload	
2	2 the form of order, attached hereto as Exhibit 1 ("Form	the form of order, attached hereto as Exhibit 1 ("Form of Order"), confirming the Plan ¹ in the	
3	3 Chapter 9 Case after it has filed the Second Suppleme	Chapter 9 Case after it has filed the Second Supplemental Plan Supplement ² .	
4	4 On November 11, 2014, the City circulated a	On November 11, 2014, the City circulated a draft of the Form of Order to counsel for	
5	Ambac, Assured Guaranty, CalPERS, the California Department of Boating and Waterways,		
6	Franklin, the Indenture Trustee, NPFG, Operating Engineers Local No. 3, the Retirees		
7	Committee, the Stockton City Employees Association, the Stockton Police Officers Association,		
8	and the Stockton Professional Firefighters – Local 456. Several of the counsel, including counsel		
9	for Franklin, suggested revisions. The Form of Order incorporates virtually all of the proposed		
10	revisions, with slight modifications. The Form of Order incorporates only one of the two		
11	revisions suggested by Franklin. Specifically, it does not incorporate the suggested revision that		
12	would delete paragraph 6 of the Form of Order (referencing the Second Supplemental Plan		
13	13 Supplement). The City will file the Second Supplement	Supplement). The City will file the Second Supplemental Plan Supplement prior to uploading the	
14	14 Form of Order.		
15	15		
16		ARC A. LEVINSON	
17		ORMAN C. HILE TRICK B. BOCASH	
10	111		
18	111	rick, Herrington & Sutcliffe LLP	
18 19	18 19	ick, Herrington & Sutcliffe LLP	
	18 19 By	rick, Herrington & Sutcliffe LLP : <u>/s/ Marc A. Levinson</u> MARC A. LEVINSON	
19	18 19 20 By	rick, Herrington & Sutcliffe LLP	
19 20	18 19 20 21	tick, Herrington & Sutcliffe LLP : <u>/s/ Marc A. Levinson</u> MARC A. LEVINSON Attorneys for Debtor	
19 20 21	18 19 20 21 22	tick, Herrington & Sutcliffe LLP : <u>/s/ Marc A. Levinson</u> MARC A. LEVINSON Attorneys for Debtor	
 19 20 21 22 	18 19 20 21 22 23	tick, Herrington & Sutcliffe LLP : <u>/s/ Marc A. Levinson</u> MARC A. LEVINSON Attorneys for Debtor	
 19 20 21 22 23 	18 19 20 21 22 23 24	tick, Herrington & Sutcliffe LLP : <u>/s/ Marc A. Levinson</u> MARC A. LEVINSON Attorneys for Debtor	
 19 20 21 22 23 24 	18 On 19 By 20 By 21 By 22 By 23 By 24 By 25 By	tick, Herrington & Sutcliffe LLP <u>/s/ Marc A. Levinson</u> MARC A. LEVINSON Attorneys for Debtor City of Stockton	
 19 20 21 22 23 24 25 	18 Orr 19 By 20 By 21 By 22 By 23 Image: State of the state	ckton, California, As Modified (August 8, 2014) talized terms used herein shall have the meaning	
 19 20 21 22 23 24 25 26 	18 Orr 19 By 20 By 21 By 22 By 23 Image: State of the state of th	 <u>/s/Marc A. Levinson</u> <u>MARC A. LEVINSON</u> Attorneys for Debtor City of Stockton ckton, California, As Modified (August 8, 2014) talized terms used herein shall have the meaning not attached to this Notice. The Plan will be 	

Exhibit 1

	Case 12-32118 Filed 11/18/14 79	Doc 1786	
1	MARC A. LEVINSON (STATE BAR NO. 57613)		
2	malevinson@orrick.com NORMAN C. HILE (STATE BAR NO. 57299)		
3	nhile@orrick.com PATRICK B. BOCASH (STATE BAR NO. 262763)		
4	pbocash@orrick.com ORRICK, HERRINGTON & SUTCLIFFE LLP 400 Capitol Mall, Suite 3000 Sacramento, California 95814-4497 Telephone:		
5			
6	Telephone: +1-916-447-9200 Facsimile: +1-916-329-4900		
7	Attorneys for Debtor City of Stockton		
8			
9	UNITED STATES BANKRUPTCY COURT		
10	EASTERN DISTRICT OF CALIFORNIA		
11	SACRAMENTO I	DIVISION	
12			
13	In re:	Case No. 2012-32118	
14	CITY OF STOCKTON, CALIFORNIA, C	Chapter 9	
15		ORDER CONFIRMING FIRST AMENDED PLAN FOR THE	
16 17		ADJUSTMENT OF DEBTS OF CITY OF STOCKTON, CALIFORNIA, AS MODIFIED (AUGUST 8, 2014)	
18		Continued Confirmation Hearing	
19		Date: October 30, 2014 Time: 10:00 a.m.	
20		Dept: Courtroom 35 udge: Hon. Christopher M. Klein	
21			
22	The City of Stockton (the " <u>City</u> ") having proposed and filed the following:		
23	1. First Amended Plan for the Adjustmen	1. First Amended Plan for the Adjustment of Debts of City of Stockton, California,	
24	As Modified (August 8, 2014) [Dkt. No. 1645] (the "Plan"), a copy of which is attached as		
25	Exhibit A;		
26	2. Modified Disclosure Statement with Respect to First Amended Plan for the		
27	Adjustment of Debts of City of Stockton, California (November 15, 2013) [Dkt. No. 1215]; and	
28	///		
	-1-	ORDER CONFIRMING FIRST AMENDED PLAN FOR CITY OF STOCKTON, CALIFORNIA , AS MODIFIED (AUGUST 8, 2014)	

1	3. Second Supplemental Plan Supplement in Connection with the First Amended	
2	Plan for the Adjustment of Debts of City of Stockton, California, As Modified (August 8, 2014)	
3	[Dkt. No] ("Second Supplemental Plan Supplement"). ¹	
4	The Bankruptcy Court, having entered the Order (1) Approving Modified Disclosure	
5	Statement with Respect to First Amended Plan for the Adjustment of Debts of City of Stockton,	
6	California (November 15, 2013); (2) Setting Confirmation Procedures; and (3) Scheduling Filing	
7	Dates and the Confirmation Hearing [Dkt. No. 1220], having considered the evidence adduced at	
8	the Confirmation Hearing, the pleadings, and the arguments of the City and the other interested	
9	parties in this case, and having made its findings of fact and conclusions of law pursuant to	
10	Bankruptcy Rules 7052 and 9014 at hearings conducted on October 1 and October 30, 2014:	
11	IT IS HEREBY ORDERED that:	
12	1. The Plan is confirmed.	
13	2. Subpart (iii) of definition 69 of the Plan (Contracts for Loan Guarantee)	
14	erroneously refers to "a promissory note issued by the City numbered B-03-MC-06-0036." Such	
15	subpart of Definition 69 of the Plan is modified to refer to "a promissory note issued by the City	
16	numbered B-03-MC-06-0026."	
17	3. The objection to the Plan filed by creditors Franklin High Yield Tax-Free Income	
18	Fund and Franklin California High Yield Municipal Fund [Dkt. No. 1273] and all other	
19	objections to the Plan are overruled.	
20	4. The record of the Confirmation Hearing is closed.	
21	5. Any holder of a Claim that has accepted or rejected the November 15, 2013, plan	
22	of adjustment [Dkt. No. 1204] is deemed to have accepted or rejected the Plan. The City is not	
23	required to resolicit acceptances or rejections of the Plan.	
24	6. All transactions contemplated under the Plan, the Second Supplemental Plan	
25	Supplement and documents related thereto are hereby authorized and approved.	
26	111	
27		
28	¹ Capitalized terms used but not defined in this Order have the meanings set forth in the Plan. ORDER CONFIRMING FIRST AMENDED PLAN -2- FOR CITY OF STOCKTON, CALIFORNIA, AS MODIFIED (AUGUST 8, 2014)	

1 7. The assumption of executory contracts and unexpired leases pursuant to 2 Section VI.A. of the Plan is approved. Any party to an executory contract or unexpired lease 3 assumed by the City that asserts that any payment or other performance is due as a condition to 4 the proposed assumption shall, within 90 days of the Effective Date, file with the Bankruptcy 5 Court and serve upon the City a written statement and accompanying declaration in support 6 thereof, specifying the basis for its Claim. The failure to timely file and serve such a statement 7 shall be deemed to be a waiver of any and all objections to the proposed assumption and any 8 claim for cure amounts of the agreement at issue.

9 8. If a party to an executory contract or unexpired lease assumed by the City timely 10 asserts that any payment or other performance is due as a condition to the proposed assumption, 11 and the Bankruptcy Court enters an order determining that the City is required to pay a cure 12 amount or otherwise render performance as a condition to such assumption, then the City may 13 elect, within 14 days after the date of any such order, to reject such executory contract or 14 unexpired lease by filing a motion with the Bankruptcy Court seeking approval of such rejection. 15 9. The rejection by the City of the following executory contracts or unexpired leases 16 is approved: (1); Office Building Standby Agreement; (2) Lease, dated as of June 21, 1988, 17 between the City, as lessor, and Stockton Sailing Club, a California corporation, as lessee, as 18 amended by the First Amendment to Lease, dated as of August 22, 1994; (3) Lease, dated as of 19 December 27, 1974, between the City, as lessor, and Stephens Marine, Inc., a California 20 corporation, as lessee, as amended; and (4) Agreement for Purchase and Sale of Real Property, 21 dated as of August 17, 2004, by and between the City and the County of San Joaquin. Upon the 22 Effective Date, such executory contracts and unexpired leases shall be deemed rejected by the 23 City without further action by the City or the Bankruptcy Court.

Without prejudice to the right of the City or any other party in interest to object to
a proof of claim filed after any applicable bar date as untimely, and except as expressly provided
in any order approving a Rejection Motion, any proof of claim filed after the date that is 35 days
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after the date of entry of this Order shall be deemed not timely filed and shall be disallowed in its
 entirety without any further action by the City or the Bankruptcy Court.

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11. On the Effective Date, and upon the City's payment to the Retiree Health Benefit
Claimants of an aggregate amount of \$5,100,000 for the Allowed Retiree Health Benefit Claims
as provided in Class 12 of the Plan, the Retirees Committee shall be released and discharged of
and from all further authority, duties, responsibilities, and obligations relating to and arising from
and in connection with the Chapter 9 Case, and, except for the limited purpose of presenting to
the City any invoices for fees and expenses, the Retirees Committee shall be deemed dissolved.

9 12. Within 14 days of the entry of this Order, the City shall, pursuant to Bankruptcy 10 Rule 3020(c)(2), cause to be served by mail to all creditors, parties in interest, and all parties to 11 the City's executory contracts and unexpired leases a Notice of Entry of this Order ("Notice of 12 Entry") in the form of or substantially similar to Exhibit B hereto. The mailing of the Notice of 13 Entry shall include a CD containing this Order, the Plan and the Second Supplemental Plan 14 Supplement, and shall provide that any party in interest desiring a paper copy of such documents 15 may request these documents at no cost from the City's claims agent, Rust Omni, via the City's 16 chapter 9 website, U.S. Mail, or facsimile.

17 13. The City shall cause the Notice of Entry to be published in a newspaper of general
18 circulation in the City. The Plan need not be reprinted in such publication, which shall instead
19 provide information enabling any interested party to obtain a copy of the Plan or this Order at no
20 cost via internet or U.S. Mail.

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14. In the event of any inconsistency between the Plan and this Order, this Order shall govern.

EXHIBIT A

FIRST AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF CITY OF STOCKTON, CALIFORNIA, AS MODIFIED (AUGUST 8, 2014)

(Intentionally omitted)

EXHIBIT B

NOTICE OF ENTRY OF CONFIRMATION ORDER

	Case 12-32118 Filed 11/18/14	Doc 1786	
	3		
1	MARC A. LEVINSON (STATE BAR NO. 57613)		
2	malevinson@orrick.com NORMAN C. HILE (STATE BAR NO. 57299)		
3	nhile@orrick.com PATRICK B. BOCASH (STATE BAR NO. 262763)		
4	pbocash@orrick.com ORRICK, HERRINGTON & SUTCLIFFE LLP		
5	400 Capitol Mall, Suite 3000 Sacramento, California 95814-4497		
6	Telephone: +1-916-447-9200 Facsimile: +1-916-329-4900		
7	Attorneys for Debtor		
8	City of Stockton		
9	UNITED STATES BANKRUPTCY COURT		
10	EASTERN DISTRICT OF CALIFORNIA		
11	SACRAMENTO DIVISION		
12			
13	In re: Ca	se No. 2012-32118	
14	CITY OF STOCKTON, CALIFORNIA, Ch	apter 9	
15		TICE OF ENTRY OF ORDER	
16	j PL	NFIRMING FIRST AMENDED AN FOR THE ADJUSTMENT OF BTS OF CITY OF STOCKTON,	
17		LIFORNIA, AS MODIFIED JGUST 8, 2014)	
18		JGUST 8, 2014)	
19	,		
20	TO ALL CREDITORS, PARTIES IN INTERES	ST, PARTIES TO THE CITY'S	
21	EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND THEIR ATTORNEYS OF		
22	RECORD:		
23	PLEASE TAKE NOTICE that on November, 2014, the United States Bankruptcy		
24	Court for the Eastern District of California entered the Order Confirming First Amended Plan For		
25	The Adjustment Of Debts Of City Of Stockton, Californ	nia, As Modified (August 8, 2014) (the	
26	6 "Order" confirming the "Plan").		
27	PLEASE TAKE FURTHER NOTICE that a CD	containing a copy of (i) the Order,	
28	including its exhibits (one of which is the Plan), and (ii)	the City's Second Supplemental Plan	
		NOTICE OF ENTRY OF ORDER CONFIRMING CITY'S PLAN OF ADJUSTMENT	

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Supplement has been included with this Notice. Paper copies of the Order, its exhibits, and the

Second Supplemental Plan Supplement can be obtained at no cost by (i) visiting the City's

3 chapter 9 website (stocktonchapter9.com) and requesting a copy or (ii) mailing or faxing a request

Consulting/Omni Bankruptcy at the following address: Rust Consulting/Omni

ptcy, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367 (facsimile: 818-783-

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PARTICULARLY FOR PARTIES TO THE CITY'S EXECUTORY CONTRACTS AND PIRED LEASES, PLEASE TAKE FURTHER NOTICE that:

9 1. Pursuant to the Plan and the Order, the City has rejected the following contracts: (1) 1(Building Standby Agreement; (2) Lease, dated as of June 21, 1988, between the City, as 1 and Stockton Sailing Club, a California corporation, as lessee, as amended by the First 12 ment to Lease, dated as of August 22, 1994; (3) Lease, dated as of December 27, 1974, 13 n the City, as lessor, and Stephens Marine, Inc., a California corporation, as lessee, as 14 d; and (4) Agreement for Purchase and Sale of Real Property, dated as of August 17, 15 y and between the City and the County of San Joaquin.

16 2. Subject to Paragraph 3 of this Notice, the City is assuming all other executory contracts 17 xpired leases. The City believes that it is not in default under any such executory 18 s and unexpired leases. Pursuant to the Plan, any party to an assumed executory contract 19 pired lease that asserts that any payment or other performance is due as a condition to the tion shall, no later than 90 days after the Effective Date of the Plan¹, file with the 20 2° ptcy Court and serve upon counsel for the City a written statement and accompanying 22 ion in support thereof, specifying the basis for its claim. The failure to timely file and 23 ich a statement and declaration shall be deemed to be a waiver of any and all objections to 24 the assumption and to any claim for cure amounts of the agreement at issue.

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26 Bank, National Public Finance Guaranty, Assured Guaranty Corp. and Ambac Assurance

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3. Notwithstanding Paragraph 2 of this Notice, the agreements relating to Wells Fargo

¹ The Plan defines the Effective Date as the first business day after the conditions specified in Section XIII of the 28 Plan have been satisfied.

		11/10/14 DOC 1780
1	Corporation have been assumed pursuant t	to the Plan and have been modified as set forth in the
2	Plan and in the documents contained in the Second Supplemental Plan Supplement.	
3	For additional information, creditors and parties in interest, including those who are	
4	parties to the City's executory contracts or unexpired leases, may contact counsel for the City,	
5	Patrick Bocash, Orrick, Herrington & Sutcliffe LLP, at pbocash@orrick.com or by mail at the	
6	address in the upper left hand corner of the first page of this Notice of Entry.	
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8		
9	Dated: November, 2014	MARC A. LEVINSON
10		NORMAN C. HILE PATRICK B. BOCASH
11		Orrick, Herrington & Sutcliffe LLP
12		Der
13		By: MARC A. LEVINSON
14		Attorneys for Debtor City of Stockton
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	OHSUSA:759330136.5	- 3 - NOTICE OF ENTRY OF ORDER CONFIRMING CITY'S PLAN OF ADJUSTMENT