

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

JAN 11 2000

Michael N. Milby, Clerk
By Deputy: *Joyce Hutcherson*

IN THE MATTER OF
PROCEDURES FOR COMPLEX CHAPTER 11 CASES

GENERAL ORDER 2000-2

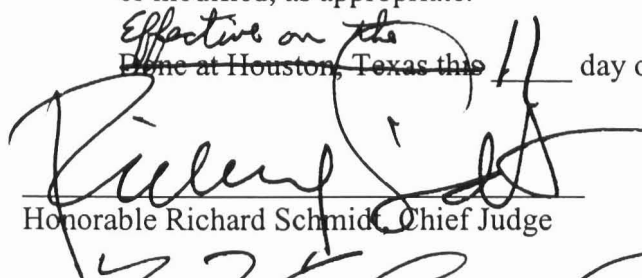
PROCEDURES FOR COMPLEX CHAPTER 11 CASES

Upon consideration of the Report of the Attorney Members of the Advisory Committee on Chapter 11 Issues for the Southern District of Texas dated December 21, 1999, the Court finds that there is a need to implement certain policies and procedures to better serve the public and the bar in Complex Chapter 11 Cases. Accordingly, it is hereby ORDERED that the following procedures shall be implemented in Complex Chapter 11 Cases on a trial basis and shall be reevaluated at the end of 2001.

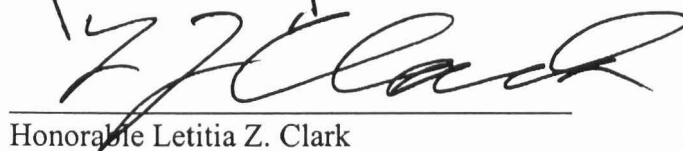
1. A "Complex Chapter 11 Case" is defined as a case filed in the Southern District of Texas under chapter 11 of the Bankruptcy Code that requires special scheduling and other procedures because of a combination of one or more of the following factors:
 - a. The need for "first day" emergency hearings for consideration of the use of cash collateral, debtor-in-possession financing, and other matters vital to the survival of the business;
 - b. The size of the case (usually total debt of more than \$5 million or more than \$2 million in unsecured non-priority debt);
 - c. The large number of parties in interest in the case;
 - d. The fact that claims against the debtor and/or equity interests in the debtor are publicly traded (with some creditors possibly being represented by indenture trustees);
 - e. The need for simplification of noticing and hearing procedures to reduce delays and expense; or
 - f. Other similar factors.
2. If any party filing a chapter 11 bankruptcy petition believes that the case should be classified as a Complex Chapter 11 Case, the party shall file **with the bankruptcy petition** a Notice of Designation as Complex Chapter 11 Case.
3. The assignment of Complex Chapter 11 Cases shall be governed by the court's work order.
4. Each judge who may be assigned Complex Chapter 11 cases shall arrange the judge's calendar so that "first day" emergency hearings can be conducted as required by the circumstances, but not more than two business days after the request for emergency "first day" hearings.

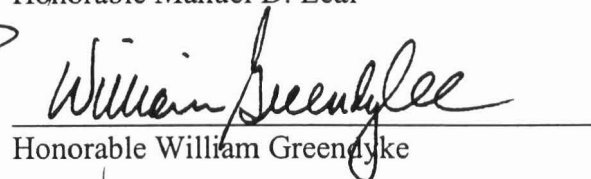
5. When a party has filed a chapter 11 case and filed a Notice of Designation as Complex Chapter 11 Case, the clerk shall:
- Randomly allocate the case to a judge on the Complex Chapter 11 Case Panel as provided in the Court's Work Order.
 - Immediately confer with the assigned judge about setting hearings on any emergency motions and about issuing the Initial Order;
 - If the assigned judge determines that the case does not qualify as a Complex Chapter 11 Case, the assigned judge shall issue an Initial Order Denying Complex Case Treatment (such as the attached form). The assigned judge may retain the case or may assign it to another judge. If the assigned judge determines that the case appears to be a Complex Chapter 11 Case, the assigned judge shall issue an Initial Order for Complex Business Bankruptcy Case (such as the attached form). (The judge shall make such changes in the form orders as the judge may see fit and may rescind, revise, or issue subsequent scheduling orders at any time.)
6. This procedure shall be reevaluated at the end of 2001, and shall be continued, terminated, or modified, as appropriate.

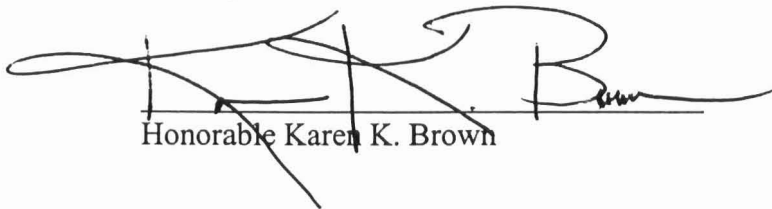
Effective on the
~~Done at Houston, Texas this~~ 11 day of January, 2000.

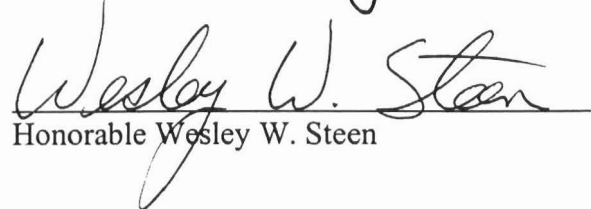

Honorable Richard Schmidt, Chief Judge


Honorable Manuel D. Leal


Honorable Letitia Z. Clark


Honorable William Greenlyke


Honorable Karen K. Brown


Honorable Wesley W. Steen

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
_____ DIVISION

IN RE:

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CASE NO.

NOTICE OF DESIGNATION AS COMPLEX CHAPTER 11 BANKRUPTCY CASE

This bankruptcy case was filed on _____, 200___. The undersigned party in interest believes that this case qualifies under General Order 2000-2 as a Complex Chapter 11 Bankruptcy Case because:

_____ There is a need for emergency consideration of the following “first day” motions. **(NOTE: This ground alone would NOT normally be sufficient).**

_____ The Debtor has total debt of more than \$_____ million and unsecured non-priority debt of more than \$_____ million;

_____ There are more than _____ parties in interest in this case;

_____ Claims against the Debtor are publicly traded;

_____ Equity interests in the Debtor are publicly traded;

_____ Other: Substantial explanation is required. (Attach additional sheets if necessary.)

_____, 200__

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
_____ DIVISION

IN RE:

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CASE NO.

INITIAL ORDER DENYING COMPLEX CASE TREATMENT

This bankruptcy case was filed on _____, 200_. A Notice of Designation as Complex Chapter 11 Case (see General Order 2000-2) was filed. After review of the initial pleadings filed in this case, the Court concludes that the case does not appear to qualify as a Complex Chapter 11 Case. Therefore, the case will proceed under the bankruptcy local rules generally applicable to bankruptcy cases without special scheduling orders. The Court may reconsider this determination on motion, after hearing.

SIGNED _____, 200_.

UNITED STATES BANKRUPTCY JUDGE

The Clerk shall notice:

Debtor

Debtor's Counsel

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
_____ DIVISION

IN RE:

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CASE NO.

INITIAL ORDER FOR COMPLEX CHAPTER 11 BANKRUPTCY CASE

This bankruptcy case was filed on _____, 200 _____. A Notice of Designation as Complex Chapter 11 Case (see General Order 2000-2) was filed. After review of the initial pleadings filed in this case, the Court concludes that this appears to be a Complex Chapter 11 Case and issues this scheduling order, subject to rescission, revision, or modification as provided below:

1. The Debtor shall maintain a service list ("Service List"), identifying the parties that must be served whenever a motion or other pleading requires notice. Upon establishment of such a list, notices of motions and other matters will be limited to the parties on the Service List.
 - a. The Service List shall initially include the Debtor, Debtor's counsel, counsel for the Unsecured Creditors' Committee, U.S. Trustee, all secured creditors, 20 largest unsecured creditors of each Debtor, any indenture trustee, and any party that requests notice;
 - b. Any party in interest that wishes to receive notice, other than as listed on the Service List, shall be added to the Service List merely by request filed into the record and served on the Debtor, and Debtor's Counsel;
 - c. Parties on the Service List are encouraged to give a fax number or e-mail address for service of process and parties are encouraged to authorize service by fax or e-mail; consent to fax or e-mail service may be included in the party's notice of appearance and request for service; notwithstanding consent to e-mail service, "hard copy" shall be served by fax or by regular mail;
 - d. The initial Service List shall be filed within 3 days after entry of this order. A revised list shall be filed after 15 days after the Initial Service List is filed. Debtors shall update the Service List, and shall file into the record a copy of the updated Service List, at least every 30 days thereafter.
2. The Court hereby establishes _____ of each week at _____ .m. as the scheduled hearing day ("Hearing Day") and time for hearing all motions and other

matters in these cases. (There may be exceptions; those exceptions will be noted on the Court's internet schedule, available at <http://www.txs.uscourts.gov/judges/judgeban.htm>.)

- a. All motions and other matters requiring hearing, but not requiring expedited or emergency hearing, shall be noticed for hearing on the next Hearing Day that is at least 23 days after the notice is mailed. As a preface to each pleading, just below the case caption, in lieu of the language required by Bankruptcy Local Rule 9013(b), the pleading shall state:

A HEARING WILL BE CONDUCTED ON THIS MATTER ON _____ AT _____ M. IN COURTROOM _____, _____, HOUSTON, TEXAS. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST GIVE A COPY OF YOUR RESPONSE TO THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

- b. All motions and other matters requiring expedited or emergency hearing shall comply with the usual court requirements for explanation and verification of the emergency, but shall be noticed for hearing on the next Hearing Day immediately following the mailing of notice. At the hearing, the Court will call the matter and will first determine whether expedited treatment is required and whether adequate notice has been given.
 - i. Motions or other matters requiring even more expedited hearing may be heard prior to the next Hearing Day. An emergency hearing may be requested by ex parte motion. Emergency hearings will be rare, but in exceptional cases will be granted on less than 24 hours notice. If the Court grants emergency treatment, the Court will direct the requisite notice and will set a hearing date and time.
 - ii. Parties should authorize fax or e-mail notice to facilitate notice of emergency and expedited hearings.
3. Emergency and expedited hearings (and other hearings in limited circumstances) in this case may be conducted by "Meet Me" telephone conference. Parties must request permission to participate by telephone by calling the Court's case manager, _____, at 713-_____. The case manager can also give instructions concerning use of the Meet Me telephone facility.
4. If a matter is properly noticed for hearing and the parties reach agreement on a settlement of the dispute prior to the final hearing, the parties may announce the settlement at the

scheduled hearing. If the Court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement, (*i.e.* that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated) the Court may approve the settlement at the hearing without further notice of the terms of the settlement.

5. The Debtor shall give notice of this order to all parties in interest within 7 days. If any party in interest, at any time, objects to the provisions of this order, that party shall file a motion articulating the objection and the relief requested. The motion shall comply with the provision of this order. After hearing the objection and any responses, the Court shall reconsider any part of this order and shall grant appropriate relief, if any is required.

SIGNED _____, 200_.

UNITED STATES BANKRUPTCY JUDGE

The Clerk shall notice:

Debtor

Debtor's Counsel