

FILED
Clerk
District Court

MAY 30 2024

for the Northern Mariana Islands

By af
(Deputy Clerk)

MINUTES OF THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS

May 30, 2024
8:35 a.m.

1:24-bk-00002
1:19-cv-00008

**IN RE: IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC
JOSHUA GRAY -vs- IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC et. al.,**

PRESENT: HON. RAMONA V. MANGLONA, CHIEF JUDGE PRESIDING
PAMELA HUYNH, LAW CLERK
FRANCINE ATALIG, COURTROOM DEPUTY
AARON HALEGUA, PRO HAC VICE ATTORNEY FOR JOSHUA GRAY (vtc)
BRUCE BERLINE, ATTORNEY FOR JOSHUA GRAY
JOSHUA GRAY, PLAINTIFF IN CV 19-08
MICHAEL WHITE, ATTORNEY FOR CLEAR MANAGEMENT AND CREDITORS
MARTIN WRIGHT, CLEAR MANAGEMENT (vtc)
CHARLES H. MCDONALD II, PROPOSED ATTORNEY FOR DEBTOR
HOWYO CHI, IPI REPRESENTATIVE
MICHAEL CHEN, PROPOSED PRO HAC VICE ATTORNEY FOR DEBTOR (vtc)
CHUCK C. CHOI, PROPOSED PRO HAC VICE ATTORNEY FOR DEBTOR (vtc)
ALLISON ITO, PROPOSED PRO HAC VICE ATTORNEY (vtc)
CURTIS CHING, ASSISTANT U.S. TRUSTEE (vtc)
J. ROBERT GLASS, ATTORNEY FOR CNMI
KEITH CHAMBERS, II, PROPOSED ATTORNEY FOR CREDITOR COMMITTEE OFFICIAL
ARAM ORDUBEGIAN, PROPOSED ATTORNEY FOR CREDITOR COMMITTEE OFFICIAL (vtc)
CHRISTOPHER WONG, PROPOSED ATTORNEY FOR CREDITOR COMMITTEE OFFICIAL (vtc)
COLIN THOMPSON, ATTORNEY FOR USA FANTER AND OTHER CREDITORS
RICHARD MILLER, ATTORNEY FOR HUGHES HUBBARD AND REED AND GENC
MICHAEL DOTTS, ATTORNEY FOR DOTTS LAW OFFICE

PROCEEDINGS: MOTION FOR EXPENSE PROCEDURE / MOTION FOR RELIEF
FROM STAY / MOTION TO OBTAIN POSTPETITION SECURED
INDEBTEDNESS / STATUS CONFERENCE

Attorney Ordubegian reported that counsel remains as proposed counsel for the creditor committee. Attorney Glass reported the PHV fee was paid and that Mr. Butler will not be joining in today's proceeding. Attorneys Dotts and Miller stated they were observing today's proceeding but no arguments to be made.

Court first addressed the Motion for Order Authorizing Debtor to Obtain Postpetition Secured Indebtedness. Attorney Choi responded to the amendment to the term sheet of the loan. He represented that the proposed Lender was willing to accept the US Trustee's proposed redlines. Assistant US Trustee Ching argued in response and stated the Trustee's position as to the DIP financing.



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On behalf of the Committee, Attorney Ordubegian made arguments and stated the Committee's position as to the DIP loan. Attorney Glass and Halegua argued in opposition to the motion.

Court **granted** on an INTERIM basis the Debtor's Motion for an Order Authorizing Debtor to Obtain Postpetition Secured Indebtedness, ECF No. [12]. Court ordered that the Debtor provide a copy of the loan agreement with all specifics to the US Trustee for review. Counsel to meet and ensure that all outstanding matters are addressed. Court adopted the Trustee's recommendation that the Debtor's motion is granted only to the extent the amended term sheet or loan agreement is inconsistent with the terms of this order. Court apprised Attorney Choi to submit a proposed order and circulate among the parties for their approval. Attorney Choi confirmed that he would share the proposed order with the US Trustee and the Committee.

Court addressed the Debtor's Motion for Order Establishing Interim Fee Application and Expense Reimbursement Procedures, ECF No. [9]. Attorney Choi represented that the motion was unopposed, and that the Debtor did not oppose the US Trustee's requested modifications. Court **granted** the motion, subject to the US Trustee's proposed modification, on an INTERIM basis. Attorney Choi to draft an order which is to first be provided to the US Trustee and others before the Court's approval.

Court addressed Creditor Gray's Motion for Relief from Stay and stated its inclination. Attorney Halegua argued in support of the motion. Attorney Choi did not concede and apprised the Court that the property is not a part of the estate and made further arguments.

Court recessed at 10:00 am and reconvened at 10:15 am.

Assistant US Trustee Ching did not take a position as to the Motion for Relief from Stay. Attorney Choi argued in opposition to the motion. Attorney White reported to the Court the status of the sale of the vehicles and further reported on the amount in the Receiver's account along with the outstanding unpaid vehicles. Mr. Wright reported to the Court the balance of the sale of the gaming equipment. Attorneys Ordubegian and Choi made further arguments. Court had questions and Attorney Choi responded. Attorney White apprised the Court that the Receiver agrees with creditor Gray and that the relief from stay should be granted and made further arguments. Attorney White requested that Clear Management retain the commission it earned, and the expenses incurred. Attorney Choi responded to arguments made by Attorney White.

Court **denied** without prejudice Creditor Gray's Motion for Relief from Stay, ECF No. [48]. Court to set forth its decision.

Court apprised all that a Final Hearing is currently set for June 21, 2024 on the first day motions. The Debtor's supplementals as to all motions are due no later than June 11, 2024, and any objections to the motions are due no later than June 17, 2024. Attorney Choi to submit proposed interim orders with the approval of the Committee and US Trustee no later than June 6, 2024.

Court addressed Gray's request for relief from the stay in order for the Court to adjudicate his pending attorney's fees petition. Without objections by the Debtor, Court **granted** the portion of the motion for relief allowing the Court to adjudicate the petition for attorney's fees. Attorney Halegua apprised the Court that Creditor Gray intends in resubmitting the motion for relief from stay. Court apprised Attorney Halegua it will entertain the motion for relief from stay after the final motion hearing.

Court to consider scheduling matter and will issue an order no later than end of business tomorrow. Court apprised all the order will include the procedure of the Receiver's handling of funds and assets.

Court then proceeded to address CV 19-08, status conference. Court addressed the Decision and Order that was issued on May 22, 2024. Court ordered counsel for Gray, IPI, and the Limited Receiver, to meet and confer regarding scheduling for evidentiary hearing. Court continued the **Status Conference** continued to **June 21, 2024, at 8:30 am** to follow the bankruptcy matter. Court apprised all a pretrial order should be discussed at the meet and confer.

Adjourned at 11:20 a.m.
/s/ Francine Atalig, Courtroom Deputy

CERTIFICATE OF OFFICIAL COURT RECORDER

I, Francine Atalig, certify that I am a duly appointed Courtroom Deputy for the United States District Court for the Northern Mariana Islands, and I was present in the courtroom of this court on 05/30/2024. On this date during the regular course of my profession, I made electronic sound recording(s) of the proceedings, for the above-entitled case. I have played back the recording and certify that it is a true and correct record of the proceedings, that is sufficiently intelligible when played on the FTR Touch, that it can be transcribed without undue difficulty, and that I have filed the original recording with the Clerk of Court, as required by 28 U.S.C. § 753(b).
