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*Proposed Substitute Counsel for Official Committee of
Unsecured Creditors of Toisa Limited, et al.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

TOISA LIMITED, *et. al.*,

Debtors.¹

Chapter 11

Case No. 17-10184 (SCC)

Jointly Administered

Related to Dkt. No. 982.

**THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS'
LIMITED OBJECTION TO THE DEBTORS' MOTION TO
APPROVE DISCLOSURE STATEMENT AND RELATED RELIEF IN
CONNECTION WITH THE FIRST AMENDED JOINT PLAN OF LIQUIDATION**

The Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors-in-possession (the "Debtors"), by and through counsel, hereby files this limited objection and reservation of rights ("Limited Objection")² to the *Debtors'* *Motion for an Order Approving (I) the Disclosure Statement for the First Amended Joint Plan of*

¹ The Debtors in these chapter 11 cases, are as follows: Edgewater Offshore Shipping, Ltd.; Toisa Horizon, Inc.; Toisa Limited; Trade And Transport Inc.; Trade Industrial Development Corporation; Trade Prosperity, Inc.; Trade Quest, Inc.; Trade Resource, Inc.; Trade Sky, Inc.; Trade Spirit, Inc.; Trade Unity, Inc.; Trade Vision, Inc.; Trade Will, Inc.; United Ambassador, Inc.; United Banner, Inc.; United Courage, Inc.; United Dynamic, Inc.; United Emblem, Inc.; United Honor, Inc.; United Ideal, Inc.; United Journey, Inc.; United Kalavryta, Inc.; United Leadership, Inc.; United Seas, Inc.

² By agreement, the Committee's objection deadline was extended from 12:00 p.m. on January 18, 2019 to 12:00 p.m. on January 22, 2019.



Liquidation for Toisa Limited and Certain of its Affiliates; (II) the Form and Manner of the Disclosure Statement Hearing Notice; (III) Certain Key Dates Relating to Confirmation of the Plan; (IV) Procedures for Solicitation; (V) Forms of Ballots and Notices; (VI) Procedures for Tabulation of Votes; and (VII) Procedures for Notice of the Confirmation Hearing and Objections to Confirmation of the Plan [Dkt. No. 982] (the “Disclosure Statement Motion”).³ In support of this Limited Objection, the Committee respectfully states as follows:

LIMITED OBJECTION⁴

1. The Committee files this Limited Objection as a placeholder in the event various material issues that predicate the Disclosure Statement Motion remain unresolved as of the date of the upcoming hearing. The Disclosure Statement and Plan are each characterized as the product of negotiations between the Debtors, the Informal Committee and the Committee, yet when filed on December 21, 2018, the parties had yet to agree on certain issues.⁵ Although narrowed during the intervening period, open items or issues include the scope of the (i) Secured Lenders’ Superpriority Claims, which consist of alleged adequate protection claims, and (ii) reserves set aside for non-deficiency general unsecured claims in Class 29 of the Plan.

2. A threshold inquiry for approval of the Disclosure Statement Motion is whether the Disclosure Statement itself contains adequate information under section 1125 of the Bankruptcy Code. “Adequate information” is “information of a kind, and in sufficient detail, as far as reasonably practicable in light of the nature and history of the debtor and the condition of

³ On January 18, 2019, the Debtors filed a “second amended” Plan and related Disclosure Statement [Dkt. Nos. 1015 and 1017]. The amended Plan, however, remains subject to a global settlement by and among the Debtors, Informal Committee and the Creditors’ Committee.

⁴ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Disclosure Statement Motion.

⁵ *E.g.*, Disclosure Statement Motion at ¶15.

the debtors' books and records . . . that would enable . . . a hypothetical investor of the relevant class to make an informed judgment about the plan.” 11 U.S.C. § 1125(a)(1). Here, the Disclosure Statement and Plan are contingent upon a global settlement among the Debtors, Informal Committee and the Committee. And it is self-evident that section 1125 is not satisfied where the settlement terms have not been finalized and recoveries for non-deficiency general unsecured creditors are unknown.

3. The Committee remains hopeful and expects that the global settlement described in the Disclosure Statement Motion (and referenced throughout the Disclosure Statement and Plan) will be completed by the scheduled hearing date on January 24, 2019. Until such time, however, the proposed Disclosure Statement Motion cannot be approved.

RESERVATION OF RIGHTS

4. As noted, the Committee continues to work with the Debtors and the Informal Committee on a global settlement to resolve all Disclosure Statement and Plan issues. In connection with such negotiations, the Committee reserves all rights in connection with the approval of the Disclosure Statement and confirmation of the Plan. This Limited Objection is submitted without prejudice to, and with a full reservation of, the Committee's rights to supplement or amend such objection in advance of, or in connection with, the hearing to approve the Disclosure Statement and confirmation of the Plan. Nothing herein is intended to be a waiver by the Committee of any right, objection, argument, claim, or defense with respect to any matters involving the Disclosure Statement and the Plan, all of which are hereby expressly reserved.

WHEREFORE, for the foregoing reasons, the Committee respectfully requests that the Court (i) deny the Disclosure Statement Motion pending resolution of the global

settlement referenced therein; and (ii) grant such other and further relief as is just and appropriate.

DATED: January 22, 2019

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