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11 Vahan and Anoush Chamlian

12
13 **UNITED STATES BANKRUPTCY COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **SAN FERNANDO VALLEY DIVISION**
16

17 In re)
18)
19 MERUELO MADDUX PROPERTIES, INC.,)
20 et al.)
21)
22 Debtors and Debtors-in-Possession.)

CASE NO. 1:09-bk-13356-KT

Chapter 11

(Jointly Administered)

**OBJECTION OF VAHAN AND ANOUSH
CHAMLIAN TO DEBTOR'S SECOND
AMENDED DISCLOSURE STATEMENT AND
JOINDER TO OTHER SECURED
CREDITORS' OBJECTIONS**

Disclosure Statement Hearing

- 23 Affects all Debtors)
24 Affects the following Debtor(s):)
25)
26)
27)

Date: March 14, 2010
Time: 9:30 a.m.
Place: Courtroom 301
21041 Burbank Blvd.
Woodland Hills, California

28 ///

1 Vahan and Anoush Chamlian (the “Chamlians”), a married couple and secured creditors in the
2 above-captioned bankruptcy case, respectfully submit their Objection to the Debtor’s Second Amended
3 Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code Accompanying Joint and
4 Consolidated Plan of Reorganization (the “Disclosure Statement”), and Joinder to Other Secured
5 Creditors’ Objections. This Objection represents only a summary of the Chamlian’s various grounds to
6 the Second Amended Disclosure Statement and the Chamlian’s specifically reserve their rights to
7 supplement this Objection with more comprehensive filing, and respectfully states as follows:

8 **I.**

9 **THE CHAMLIAN’S OBJECTIONS**

10 A disclosure statement is supposed to provide creditors of the debtor with information sufficient
11 to enable the creditors to understand and analyze the treatment of their claims under the debtors’
12 proposed plan of reorganization. The disclosure statement must be based upon substantiated facts and
13 describe a plan that conforms to the requirements of the Bankruptcy Code in order for the creditors to
14 conduct this analysis. The Second Amended Disclosure Statement filed by Meruelo Maddux Properties,
15 Inc., et al (the “Debtor”) filed on May 1, 2010, contains a fundamental flaw that bars any possibility of
16 approval; it describes a chapter 11 plan of reorganization (the “Plan”) that cannot be confirmed as a
17 matter of law.

18 The Second Amended Disclosure Statement does not contain “adequate information” as required
19 by Section 1125 of the Bankruptcy Code,¹ and for that reason it cannot be approved. The Second
20 Amended Disclosure Statement is deficient and does not include an adequate description of the
21 following:

- 22
- 23 ■ The Second Amended Disclosure Statement is misleading and indecipherable because
24 there are too many classes of creditors.
 - 25 ■ The Debtors’ treatment of the Chamlian claim is unclear.
 - 26 ■ Debtor fails to provide enough information regarding the source and use of the “new
27 value.”

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¹ All statutory references are to Title 11 of the United States Code (the “Bankruptcy Code”) unless otherwise noted.

In re: MERUELO MADDUX PROPERTIES, INC., et al. Debtor(s).	CHAPTER: 11 CASE NUMBER: 1:09-13356-KT
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NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: Beitchman & Zekian, PC, 16130 Ventura Blvd., Suite 570, Encino, California 91436.

A true and correct copy of the foregoing document described **OBJECTION OF VAHAN & ANOUSH CHAMLIAN TO DEBTOR'S SECOND AMENDED DISCLOSURE STATEMENT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):

On I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on May 17, 2010 I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

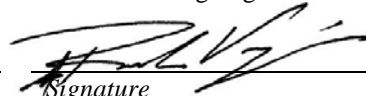
Hon. Kathleen Thompson, U.S. Bankruptcy Court, 21041 Burbank Blvd, Woodland Hills, CA 90012, Suite 301, Woodland Hills, CA 91367 (via personal delivery)

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

May 17, 2010
Date

Rouben Varozian
Type Name


Signature

ADDITIONAL SERVICE INFORMATION (Section I)

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2
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