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9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SAN FERNANDO VALLEY DIVISION**

12 In re
13 MERUELO MADDUX PROPERTIES, INC.,
et al.¹,
14 Debtors.

CASE NO. 1:09-bk-13356-KT
Adv No. (Jointly Administered)
Chapter 11

15
16 Affects all Debtors
17 Affects the following Debtor(s):

**COUNTY OF LOS ANGELES TAX
COLLECTOR'S LIMITED OBJECTION
TO FIRST AMENDED DISCLOSURE
STATEMENT**

Hearing:
Date: March 19, 2010
Time: 9:30 a.m.
Crtrm.: Courtroom 301
United States Bankruptcy Court
21041 Burbank Blvd.
Woodland Hills, CA 91367

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25 ¹ Pursuant to an order of the Court, this case is being jointly administered with 53 chapter 11 cases filed by affiliated
entities. The affiliated case numbers are as follows: 1:09-bk-13338-KT; 1:09-bk-13358-KT; 1:09-bk-13359-KT; 1:09-bk-13360KT; 1:09-bk-13361-
26 KT; 1:09-bk-13362-KT; 1:09-bk-13363-KT; 1:09-bk-13364-KT; 1:09-bk-13365-KT; 1:09-bk-13366-KT; 1:09bk-13367-KT; 1:09-bk-13368-KT;
1:09-bk-13369-KT; 1:09-bk-13370-KT; 1:09-bk-13371-KT; 1:09-bk-13372-KT; 1:09-bk-13373KT; 1:09-bk-13374-KT; 1:09-bk-13375-KT; 1:09-
27 bk-13376-KT; 1:09-bk-13377-KT; 1:09-bk-13378-KT; 1:09-bk-13379-KT; 1:09bk-13380-KT; 1:09-bk-13381-KT; 1:09-bk-13382-KT; 1:09-bk-
13383-KT; 1:09-bk-13384-KT; 1:09-bk-13385-KT; 1:09-bk-13386KT; 1:09-bk-13387-KT; 1:09-bk-13388-KT; 1:09-bk-13389-KT; 1:09-bk-
13390-KT; 1:09-bk-13391-KT; 1:09-bk-13392-KT; 1:09bk-13393-KT; 1:09-bk-13394-KT; 1:09-bk-13395-KT; 1:09-bk-13396-KT; 1:09-bk-
13397-KT; 1:09-bk-13398-KT; 1:09-bk-13399KT; 1:09-bk-13400-KT; 1:09-bk-13401-KT; 1:09-bk-13402-KT; 1:09-bk-13403-KT; 1:09-bk-
13404-KT; 1:09-bk-13405-KT; 1:09bk-13406-KT; 1 :09-bk-13407 - KT; 1:09-bk-13434- KT; and 1 :09-bk-13439- KT.

1 **TO: THE HONORABLE KATHLEEN T. THOMPSON, UNITED STATES**
2 **BANKRUPTCY JUDGE, DEBTORS, DEBTORS' COUNSEL, OFFICE OF THE UNITED**
3 **STATES TRUSTEE, AND ALL INTERESTED PARTIES HEREIN:**

4 The County of Los Angeles Tax Collector (the "County"), a secured creditor and party in
5 interest in these jointly administered chapter 11 cases, by and through its undersigned counsel,
6 submits this limited objection (the "Objection") to the *First Amended Disclosure Statement* (the
7 "Disclosure Statement"), filed by Meruelo Maddux Properties, Inc. ("MMPI"), and its fifty-three
8 debtor related entities (collectively, the "Debtors"). In support of its Objection, the County
9 respectfully represents, as follows:

10 1. The County timely filed secured proofs of claim in the Debtors' bankruptcy cases
11 seeking payment for unpaid real property taxes in connection with the various properties owned by
12 the Debtors. On November 30, 2009, Debtors filed their *Joint and Consolidated Chapter 11 Plan*
13 *of Reorganization of Meruelo Maddux Properties, Inc., et. al.* (the "Plan")². On December 4,
14 2009, Debtors filed their joint proposed Disclosure Statement ("Disclosure Statement").³

15 2. On January 6, 2010, the County filed an objection to the Debtors' Disclosure
16 Statement on the grounds that, among other things, it contained inadequate information, including
17 the amount of the County's aggregated amount of real property taxes, interest and penalties, and
18 the Debtors' proposed treatment of the County's claims did not comply with the pertinent sections
19 of the Bankruptcy Code nor California state law.⁴ The Debtors filed a reply and the County filed a
20 sur reply.⁵

21 3. On January 20, 2010, the Court held a hearing to consider the Debtor's Disclosure
22 Statement but did not approve the Disclosure Statement for the reasons set forth on the record.

23 4. On February 1, 2010, the Debtors filed a motion seeking the Court's determination
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25 ² See Docket No. 899.

26 ³ See Docket No. 922.

27 ⁴ See Docket No. 988.

28 ⁵ See Docket Nos. 1025 and 1032.

1 of the County's claims for purposes of treatment under the Plan (the "Claims Determination
2 Motion").⁶ On February 3, 2010, the Debtors filed a *Notice of Constitutional Question Re:*
3 *California Revenue and Taxation Code § 4103(b)*⁷. On February 17, 2010, the County filed an
4 objection to the Debtors' Claims Determination Motion and the Debtors filed a reply.

5 5. Prior to the continued March 10, 2010 hearing on the Claims Determination
6 Motion, the County and the Debtors settled their disputes therein. Accordingly, the parties
7 appeared at the March 10 hearing and advised the Court that a settlement had been reached
8 (pending the parties' execution of the final settlement documents and Court approval). The salient
9 terms of the settlement were read into the record and the parties reserved their respective rights
10 pending approval of the settlement.

11 6. The Court set a hearing for April 7, 2010 at 9:30 a.m. for approval of the parties'
12 settlement agreement and a status conference regarding the Claims Determination Motion.

13 **WHEREFORE**, the County hereby expressly reserves its rights to object and/or respond
14 to the Debtors' First Amended Disclosure Statement and accompanying First Amended Plan in the
15 event the parties' are unable to execute final settlement documents and/or obtain Court approval
16 with regard to the parties' settlement agreement; and requests such further relief as the Court
17 deems just and proper.

18 Dated: March 12, 2010

Respectfully submitted,

19 **STECKBAUER WEINHART JAFFE, LLP**

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21 By: /s/ Barry S. Glaser

Barry S. Glaser

Jacquelyn H. Choi

Attorneys for County of Los Angeles Tax Collector

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27 ⁶ See Docket No. 1073.

⁷ See Docket No. 1074.

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MERUELO MADDUX PROPERTIES, INC., et al.

Debtor(s).

CASE NUMBER: 1:09-bk-13356-KT
(Jointly Administered)

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 a 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:
333 South Hope Street, Thirty-Sixth Floor, Los Angeles, California 90071-1406.

A true and correct copy of the foregoing document described as **COUNTY OF LOS ANGELES TAX COLLECTOR'S LIMITED OBJECTION TO FIRST 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 March 12, 2010, 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 e-mail address indicated below:

- Michael C Abel mca@dgdk.com
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January 2009

[KFOX\BANKR\525680.1]

F 9013-3.1

Debtor(s).

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Service Information continued on attached page.

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

On March 12, 2010, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or

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Debtor(s). CASE NUMBER: 1:09-bk-13356-KT

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 follow. 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.

Via Federal Express

The Honorable Kathleen Thompson
U.S. Bankruptcy Court
21041 Burbank Blvd., Suite 305
Woodland Hills, CA 91367-6606

Via U.S. Mail

Janis G Abrams
The Gersh Law Firm Inc
15821 Ventura Blvd Ste 515
Encino, CA 91436

Via U.S. Mail

David P Beitchman
16130 Ventura Blvd Ste 570
Encino, CA 91436

Via U.S. Mail

Arthur J Hazarabedian
California Eminent Domain Law Group
3429 Ocean View Blvd Ste L
Glendale, CA 91208

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 _____, 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 mailing to the judge will be completed no later than 24 hours after the document is filed.

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.

March 12, 2010

Date

Patricia Dillamar

Type Name

/s/ Patricia Dillamar

Signature