

Aram Ordubegian (admitted *pro hac vice*)
Christopher K.S. Wong (admitted *pro hac vice*)
ARENTFOX SCHIFF LLP
555 West Fifth Street, 48th Floor
Los Angeles, CA 90013-1065
Telephone: 213.629.7400
Facsimile: 213.629.7401
aram.ordubegian@afslaw.com
christopher.wong@afslaw.com

Keith Chambers II (F0528)
CHAMBERS LAW LLC
Marianas Business Plaza, Suite 409
PMB 919 Box 10000
Saipan, MP 96950
Telephone: 670.234.9005/06
Facsimile: 670.235.9007
keith.chambers@chamberslawcnmi.com

Attorneys for the Official Committee
of General Unsecured Creditors

CHOI & ITO
Attorneys at Law

CHUCK C. CHOI (admitted *pro hac vice*)
ALLISON A. ITO (admitted *pro hac vice*)
700 Bishop Street, Suite 1107
Honolulu, Hawaii 96813

Telephone: (808) 533-1877
Fax: (808) 566-6900
Email: cchoi@hibklaw.com;
aito@hibklaw.com

McDONALD LAW OFFICE
CHARLES McDONALD
2nd Floor ICC, Room 203
Gualo Rai, Saipan, MP 96950
Telephone: (866) 967-7567
E-Mail: charles@mcdonald.law

Attorneys for Debtor
and Debtor-in-Possession

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS
BANKRUPTCY DIVISION

In re:
**IMPERIAL PACIFIC INTERNATIONAL
(CNMI) LLC,**

Debtor and Debtor in Possession.

Case No. 1:24-bk-00002

Chapter 11

NOTICE OF HEARING

Hearing Date and Time (ChST):

Date: March 25, 2025

Time: 9:00 a.m.

Judge: Hon. Robert J. Faris

[Related to ECF 367]

**YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THESE PAPERS
CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY, IF YOU HAVE ONE.
IF YOU DO NOT HAVE ANY ATTORNEY, YOU MAY WISH TO CONSULT ONE.
TO CREDITORS AND OTHER PARTIES IN INTEREST:**

PLEASE TAKE NOTICE that on February 14, 2025, Imperial Pacific International



(CNMI) LLC, the above-captioned debtor and debtor in possession (the “Debtor”) and the Official Committee of General Unsecured Creditors (the “Committee”) in the above-captioned chapter 11 case (the “Chapter 11 Case”), through their respective undersigned counsel, filed a motion (the “Motion”)¹ [ECF No. 367] pursuant to 11 U.S.C. §§ 105(a), 363(b), (f), and (m), and 365, Fed. R. Bankr. Proc. 2002, 6004, and 6006 and Local Bankruptcy Rules 6004-1 for entry of an order, (1) authorizing the sale of the Assets to the Buyer or any successful over-bidder(s) free and clear of all liens, claims, interests and encumbrances; (2) finding that the Buyer or any successful over-bidder(s) are “good faith” purchasers entitled to all of the protections and benefits of 11 U.S.C. § 363(m); (3) authorizing the Debtor to assume and assign the Assigned Contracts upon payment of the proposed cure amounts provided in Exhibit 3; (4) approving the Break-up Fee; and (5) waiving the 14-day stay provided in Rule 6004(h); and (6) granting such other and further relief the Court deems just and proper.

PLEASE TAKE FURTHER NOTICE that that the material terms and conditions of the proposed sale are as follows:

- **The Purchased Assets:** (a) all Contracts and unexpired leases set forth on Schedule 2.01(a) (the “Assigned Contracts”); (b) all of Seller’s membership interest in the entity named Imperial Pacific Properties, LLC (the “IPP Membership Interest”); (c) all edifices, construction improvements, and related fixtures, whether completed or in progress, located at the real property known as CPL Derence Jack Road, Orchid Street, Garapan, Saipan, MP 96950 (the “Infrastructure”); (d) all construction raw materials, containers, furniture, equipment, machinery, forklifts, tools, vehicles, office equipment, supplies, computers, telephones, and other tangible personal property, wherever located (the “Tangible Personal Property”); (e) all of Seller’s respective inventory of liquor, tobacco, cigars, finished goods, samples, components, in existence on the Closing Date, wherever located (the “Inventory”); (f) all accounts or notes receivable held by Sellers, and any security, claim, remedy or other right related to any of the foregoing (the “Accounts Receivable”); (g) all rights to any Actions of any nature available to or being pursued by Seller to the extent related to the Business, the Purchased Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise, except as set forth in **Error! Reference source not found.** of the APA; (h) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees relating to Purchased Assets; (i) all of Seller’s rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets; (j) originals, or where not available, copies, of all books and records, including, but not limited to, books of account, ledgers

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

and general, financial and accounting records, machinery and equipment maintenance files, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, quality control records and procedures, customer complaints and inquiry files, research and development files, records and data (including all correspondence with any Governmental Authority), sales material and records (including pricing history, total sales, terms and conditions of sale, sales and pricing policies and practices), strategic plans, internal financial statements, and marketing and promotional surveys (“Books and Records”); and (k) all goodwill of the Business.

- **The Stalking Horse Bidder:** Loi Lam Sit, an individual, or his assignee
- **The Purchase Price:** In addition to assuming the Assumed Liabilities, as consideration for the purchase of the Purchased Assets, Purchaser shall, subject to the terms and conditions hereof, pay to Seller an aggregate amount of approximately Twelve Million Five Hundred Thousand and No/100 Dollars \$12,500,000.00 (the “Purchase Price”).
- **Purchaser’s Option to Acquire the Casino License.** Notwithstanding the foregoing, in conjunction with the sale of the Purchased Assets, Purchaser shall have an exclusive option to acquire the Casino License for a period of nine (9) months after the Closing Date (the “Option Period”). If Purchaser is successful in reaching agreement with the Casino Commission regarding the assignment of the Casino License to Purchaser at Purchaser’s sole expense, Purchaser shall pay the Seller an additional amount of Two million five hundred thousand and No/100 Dollars (\$2,500,000) (the “Casino License Fee”) within ninety (90) days of the entry of a Final Order by the Bankruptcy Court approving the assignment. If the Option Period expires without agreement between the Purchaser and the Casino Commission for the assignment of the Casino License, the Casino License shall be deemed rejected pursuant to Section 365 of the Bankruptcy Code.
- **As Is, Where Is.** Purchaser shall acquire the Purchased Assets at the Closing “as is, where is” and, except as otherwise expressly provided in this Agreement, Seller is making no representations or warranties whatsoever, express or implied, with respect to any matter relating to the Purchased Assets.
- **Assumption of Liabilities.** Except as otherwise expressly provided in this Section, Purchaser shall not assume or be responsible for, and shall in no event be liable for any debts, liabilities or obligations of (or Claims against) Seller or any of its Affiliates, whether fixed or contingent, known or unknown, liquidated or unliquidated, suspected or unsuspected, material or immaterial, absolute or contingent, matured or unmatured, determinable or undeterminable, direct or indirect, secured or unsecured, or otherwise. As the sole exception to the first sentence of this Section 2.04, effective as of the Closing Date, Purchaser hereby assumes and agrees to pay, discharge or perform, as appropriate, when due or otherwise on a timely basis, only the following liabilities (collectively, the “Assumed Liabilities”): (a) all liabilities and obligations of Seller accruing, arising out of, or to be performed from and after the Closing Date under the Assigned Contracts; and (b) except as otherwise provided herein, all liabilities and obligations relating to or arising out of the ownership or use of the Purchased Assets from and after the Closing Date.

- **Breakup Fee.** Seller shall pay to Purchaser the amount of \$200,000.00 (the “Breakup Fee”) in the event this Agreement is terminated as a result of either (i) an Event of Default by a Debtor, or (ii) a breach by a Debtor of a material term of, or failure to timely satisfy a condition to closing that is a Debtor’s obligation under this Agreement. The Breakup Fee shall constitute an administrative expense claim. If this Agreement is terminated because of a superior bid, then the Breakup Fee shall be payable at the time of Closing from the proceeds of an alternative transaction.
- **The Overbidding Provisions:** The initial overbid shall be no less than \$12,500,000.00 in cash, plus (a) the amount of the Breakup Fees, \$200,000.00 and (b) \$250,000.00T (collectively, the “Minimum Bid Amount”).

PLEASE TAKE FURTHER NOTICE that a hearing to consider the Motion will be held before the Honorable Robert J. Faris, United States Bankruptcy Judge, the United States District Court for the Northern Mariana Islands, Bankruptcy Division (the “Bankruptcy Court”), 1671 Gualo Rai Rd., Gualo Rai, Saipan, MP 96950, on **March 25, 2025, at 9:00 a.m. (ChST)**.

According to the Title Report for property that the Debtor leases from the Department of Public Lands and the UCC Report (both of which are attached as Exhibits to the Motion), the following are allegedly secured claims,² which purport to encumber certain of the Assets as follows:

Exception # from Title Report	Name	Description	Filing Date	Asserted Lien / Judgment Amount
14	Commonwealth Department of Finance, Division of Revenue and Taxation ("DRT")	Notice of Tax Lien File No. 20-1111	8/20/2020	\$ 9,416,887.09
15	DRT	Notice of Tax Lien File No. 20-1498	10/27/2020	\$ 176,880.70
20	DRT	Notice of Tax Lien File No. 21-0392	3/4/2021	\$ 812,048.09
21	Winzy Corporation	Judgment in Civil Action No. CV-20-00028	5/18/2021	\$ 179,217.50
19	Law Office of Michael W. Dotts	Pending Results in Civil Action No. 21-0277 [Note: per POC filed by Dotts Law Office,	12/29/2021	\$ 397,625.62

² Nothing contained herein shall be construed as an admission of the validity, enforceability, and amounts of the purported secured claims, nor shall it constitute a waiver of the rights of the Committee or the Debtor to contest the validity, enforceability, and amounts of these claims.

		judgment filed on 12/29/21]		
23	DRT	Notice of Tax Lien File No. 22-410	3/17/2022	\$ 108,475.77
UCC	Visualstar Investment Ltd.	202200135	12/29/2022	Unknown
29	Art Man Corporation	Judgment in Civil Action No. CV-21- 00038	1/17/2023	\$ 106,890.00
UCC	Bo, Ji Xiao	202300021	3/2/2023	Unknown
UCC	Tzu, Wu Pei	202300020	3/2/2023	Unknown
UCC	Century Estate Investment Ltd.	202300088	6/30/2023	Unknown
UCC	Visualstar Investment Ltd.	202300087	6/30/2023	Unknown
UCC	Century Estate Investment Ltd.	202300092	7/3/2023	
UCC	Visualstar Investment Ltd.	202300091	7/3/2023	
8	Joshua Gray	Notice of Writ of Execution in Case No. CV-19-00008	8/16/2023	\$ 5,686,182.20
27	James Whang dba South Pacific Lumber Company	Judgment and Amended Judgment in Civil Action CV-21-00027	8/29/2023; 10/25/2023	\$ 766,595.33; \$795,236.88 (amended amount)
7	Julie Su, Acting Secretary of Labor, U.S. Department of Labor	Notice of Default in Case No. CV-19-00007	9/15/2023	\$ 1,537,719.70
UCC	Imperial Pacific International Holdings, Ltd.	202300134	10/2/2023	Unknown
26	DRT	Notice of Tax Lien, Serial Number TLM24- 0049	12/12/2023	\$ 812,048.09

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion must be in writing, must conform to the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Local Bankruptcy Rules for the Northern Mariana Islands, must set forth the name of the objecting party, must state with particularity the basis for the objection and the specific grounds therefor, and must be filed and served upon (a) counsel to the Debtor; (b) counsel to the Committee,

1 (c) the Office of the United States Trustee, and (d) all parties who have timely filed requests for
2 notice under Bankruptcy Rule 2002, so as to be filed and actually received no later than **March 5,**
3 **2025 at 6:00 p.m. (ChST).**

4 **PLEASE TAKE FURTHER NOTICE** that if no objection to the Motion is timely filed,
5 served and received in accordance with this Notice, the Bankruptcy Court may grant the relief
6 requested in the Motion without further notice or hearing.

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9 Dated: February 14, 2025

ARENTFOX SCHIFF LLP

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11 By: /s/ Christopher K.S. Wong
12 Aram Ordubegian
13 Christopher K.S. Wong
14 Attorneys for the Official Committee of
15 Unsecured Creditors

16 Dated: February 14, 2025

CHOI & ITO ATTORNEYS AT LAW

17
18 By: /s/ Allison A. Ito
19 Chuck C. Choi
20 Allison A. Ito
21 Attorneys for Imperial Pacific International
22 (CNMI), LLC, the debtor and debtor in
23 possession
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