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Attorneys for the Official Committee of General
Unsecured Creditors

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

**COMMITTEE'S RESPONSE TO
ORDER TO SHOW CAUSE WHY CASE
SHOULD NOT BE DISMISSED OR
CONVERTED**

Hearing Date and Time (ChST):

Date: June 27, 2025

Time: 9:00 a.m.

Judge: Hon. Robert J. Faris

[Related to ECF No. 443]



1 The Official Committee of General Unsecured Creditors (the “Committee”), duly appointed
2 in the bankruptcy case of Imperial Pacific International (CNMI) LLC, the debtor and debtor in
3 possession (“Debtor”), by and through its undersigned counsel, hereby respectfully submits this
4 response to the *Order to Show Cause Why Case Should Not Be Dismissed or Converted* [Dkt. No.
5 443] (the “OSC”) issued by the Court on June 13, 2025.

6 The Committee has dedicated substantial time and effort to facilitating the asset sale,
7 including the rapid development of marketing and bidding procedures within a limited timeframe,
8 effectively addressing and resolving oppositions raised by various parties, and ultimately
9 negotiated a detailed stipulation that caps the largest secured claims and returns value to general
10 unsecured creditors. On May 1, 2025, an order approving the sale was entered. ECF No. 433.

11 Upon closing, the sale will yield \$12.95 million in cash, with an additional \$2.5 million
12 upon the purchaser’s exercise of the Casino License option. The Debtor remaining in chapter 11
13 and attempting to close the sale in the near-term would be beneficial for over 150 timely asserted
14 claims by creditors represented by the Committee in the chapter 11 case (among hundreds of over
15 scheduled claims), as it provides a central proceeding to adjudicate such claims and hopefully
16 receive a tangible recovery from sale proceeds. Despite disputes between the Commonwealth of
17 the Northern Mariana Islands government (“CNMI”) and the purchaser, Team King Investment
18 (CNMI), LLC (“Team King”), the Committee and the Debtor are working closely with both the
19 CNMI government and Team King to resolve these issues and expedite the closing of the sale.

20 The Committee agrees with the Court’s concerns regarding the need for an insurance policy
21 to protect and preserve the estate’s assets. In the Debtor’s response filed on June 18, 2025 (ECF
22 No. 446), it is shown that the Debtor has successfully obtained both a public liability insurance
23 policy (Policy No. 2302123) and a worker’s compensation insurance policy (Policy No. WC-
24 1502661), each effective from May 10, 2025, to May 10, 2026, with copies of these policies
25 included in the submission. The Committee is satisfied with these measures and believes that the
26 renewal of these insurance policies effectively addresses and resolves the concerns related to
27 safeguarding the estate’s assets.

28 The United States Trustee in his response [ECF No. 447] contends that dismissal is in the

1 best interest of creditors in the event that the Debtor and Team King are unable to timely close the
2 sale. At this point, the remaining key hurdle in closing the sale is the assumption and assignment
3 of the Debtor's ground lease agreement (LA 15-002S) (the "DPL Lease") with the Department of
4 Public Lands ("DPL"). The Committee remains cautiously optimistic about the Debtor's ability to
5 resolve the disputes between the CNMI government and Team King, and believes that a dismissal
6 would be premature and unwarranted at the upcoming hearing given the gravity and severe
7 consequence of the dismissal.

8 The ongoing progress by the Debtor, the CNMI government, and Team King in addressing
9 these disputes and advancing towards the closing of the sale further reinforces this stance.
10 Furthermore, dismissing the case would negate the considerable efforts made by the Committee,
11 the Debtor, and all involved parties to achieve the asset sale. More importantly, given the various
12 constituencies' interests tied to the sale's success, such a dismissal would also deprive general
13 unsecured creditors of a potentially meaningful distribution on their claims¹ and leave the CNMI
14 government with a neglected and abandoned building, rather than a prospective casino business
15 poised to generate future revenues for the CNMI government.

16 The Committee, on the other hand, believes that any unreasonable hold-off in resolving
17 disputes related to the assumption and assignment of the DPL Lease and unnecessary delays in
18 closing the sale, should be avoided and deemed sanctionable. The Committee seeks greater
19 transparency and disclosure of information regarding the disputes and collaboration between the
20 CNMI government and Team King, particularly concerning any delays or progress in resolving
21 these disputes. The Committee has been actively working alongside the Debtor's counsel and
22 remains committed to providing support to resolve the disputes between the purchaser and the
23 CNMI government.

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26 ¹ According to the *Stipulation Resolving Section 363 Objections To Sale Motion*, approved together with the sale,
27 \$6,500,000 from the sale proceeds is earmarked to satisfy and resolve the secured claims by Department of Revenue
28 & Taxation of the Commonwealth, Joshua Gray, the Law Office of Michael W. Dotts, and U.S.A. Fanter Corporation,
Ltd., which represents the majority of secured claims in this case. The remaining proceeds of \$6,350,000 and the
excluded assets will be distributed in accordance with the priority scheme under applicable law.

1 Based on the foregoing, the Committee respectfully requests that the Court grant a brief
2 two-week continuance if the sale has not yet been closed by the time of the OSC hearing.

3
4 Dated: June 23, 2025

ARENTFOX SCHIFF LLP

6 By: /s/ Christopher K.S. Wong

7 Aram Ordubegian

8 Christopher K.S. Wong

9 Attorneys for the Official Committee of
10 Unsecured Creditors
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CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2025, I caused the forgoing document to be filed with the Clerk of Court for the United States District Court for the Northern Mariana Islands, Bankruptcy Division, using the CM/ECF System. A true and correct copy of the said pleading has been served on all counsel of record via the Court's CM/ECF System.

Executed this 23rd day of June, 2025.

/s/ Christopher K.S. Wong
CHRISTOPHER K.S. WONG