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17 Attorneys for Debtor and Debtor-in-possession

18 **IN THE UNITED STATES DISTRICT COURT**

19 **FOR THE NORTHERN MARIANA ISLANDS**

20 **BANKRUPTCY DIVISION**

21 In re

22 IMPERIAL PACIFIC INTERNATIONAL  
23 (CNMI), LLC,

24 Debtor and Debtor-in-Possession.

Case No. 24-00002

Chapter 11

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

Status Conference

June 27, 2025, 9:00 a.m. (ChST)

June 26, 2025, 1:00 p.m. (HST)

Judge: Honorable Robert J. Faris

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

27 Imperial Pacific International (CNMI), LLC, the debtor and debtor-in-possession

28 herein (the "Debtor") hereby files its response to the *ORDER TO SHOW CAUSE AS TO*



1 *WHY THE CASE SHOULD NOT BE DISMISSED OR CONVERTED* (the “OSC”),  
 2 entered herein on June 13, 2025, as ECF 443, which required (a) the submission of proof  
 3 of insurance by June 19, 2025; and (b) any written responses to the OSC to be filed by  
 4 4:00 p.m., ChST on June 24, 2025.

5  
 6 On June 18, 2025, the Debtor submitted (1) the general liability insurance policy  
 7 for period May 10, 2025 to May 10, 2026, together with the related invoice and proof of  
 8 payment; and (2) the workers compensation insurance policy for period May 10, 2025 to  
 9 May 10, 2026, together with the related invoice and proof of payment. *See* ECF 446.  
 10 Attached as exhibits to the filing were proof of payment for two invoices totaling  
 11 \$46,297. Team King paid for the reinstatement of the Debtor’s insurance policies.  
 12

13 On June 23, 2025, the United States Trustee (“UST”) filed its *Statement*  
 14 *Regarding the Court’s [OSC]* in which it argued that ongoing administrative insolvency  
 15 constitutes cause to dismiss the case. In arguing that dismissal is in the best interest of  
 16 the creditors, the UST claims as follows:  
 17

- 18 • A Chapter 7 trustee would likely abandon the Hotel property due  
to inability to obtain fire/casualty insurance.
- 19 • The estate has no assets with equity that a trustee could liquidate to  
20 pay unsecured creditors.
- 21 • Secured creditors should pursue non-bankruptcy remedies.
- 22 • Non-Hotel assets have questionable value that would likely not  
23 outweigh administration costs.
- 24 • Converting the case would impose unfair risk of uncompensated  
25 effort on a Chapter 7 trustee.

26 *See* ECF 447.<sup>1</sup>  
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28 <sup>1</sup> The Official Committee of Unsecured Creditors’ Committee which represents  
unsecured creditors in this case, opposes dismissal of the case at this time. The Debtor

1 This case should not be dismissed or converted at this time. Counsel for Team  
2 King has confirmed the receipt of an additional \$2.25 million in anticipation of closing  
3 escrow. Counsel has also advised that it will take approximately two to three weeks to  
4 transfer the balance of the purchase price from Japan to Saipan due to Japanese bank  
5 regulations regarding the outflow of capital. Alternatively, counsel advises that Team  
6 King's principal could promptly (within about a week) transfer funds from a corporation  
7 that he controls if the Department of Public Lands signs off on the Assignment of Lease  
8 that must be recorded at closing. The Assignment has been executed by the Debtor and  
9 Team King  
10

11 Counsel has also advised that Team King will pay the annual ground rent (for the  
12 period from May 1, 2025 through April 30, 2026) of \$207,000 for the Department of  
13 Public Lands lease as an additional show of good faith and its intention to consummate  
14 the transaction.  
15

16 Finally, the Debtor understands that the Department of Public Lands continues to  
17 request financial information which can only be characterized as requests for adequate  
18 assurance of future performance. These demands should not be a condition to closing as  
19 explained in the Debtor's Pre-Status Conference Report filed as ECF 441.  
20

21 Based on the above, the Debtor respectfully requests the Court continue the Status  
22 Conference for a period of approximately three weeks and set a further deadline for any  
23 responses two business days before the continued Status Conference.  
24

25  
26  
27  
28 joins in the Committee's response to the UST Statement filed as ECF448.

1 DATED: Honolulu, Hawaii, June 23, 2025.

2 /s/ Chuck C. Choi

3 CHUCK C. CHOI

4 ALLISON A. ITO

5 CHARLES H. McDONALD II

6 Attorneys for Debtor and

7 Debtor-in-Possession