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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 **LIMITED OPPOSITION BY JOSHUA GRAY TO JOINT MOTION FOR ORDER APPROVING DISCLOSURE STATEMENT FOR JOINT CHAPTER 11 PLAN OF LIQUIDATION DATED OCTOBER 31, 2025 BY DEBTOR AND OFFICIAL COMMITTEE OF GENERAL UNSECURED CREDITORS, AND BALLOTTING PROCEDURES AND SCHEDULING DEADLINES** Hearing Date: December 16, 2025 Hearing Time: 9:00 a.m. (ChST) Judge: Hon. Robert J. Faris

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INTRODUCTION

General unsecured judgment creditor Joshua Gray ("Gray") respectfully submits his limited opposition (the "Opposition") to the "*Joint Motion for Order Approving Disclosure Statement for Joint Chapter 11 Plan of Liquidation Dated October 31, 2025 by Debtor and Official Committee of General Unsecured Creditors, and Balloting Procedures and Scheduling Deadlines*" (the "Motion") [ECF 497], filed by Imperial Pacific International (CNMI), LLC, the debtor and debtor in possession (the "Debtor") in the above-captioned chapter 11 bankruptcy case, and the Official Committee of General Unsecured Creditors (the "Committee").

The Motion should be denied absent amendments and additions to the disclosure statement [ECF 490] ("Disclosure Statement").

LEGAL STANDARD

Bankruptcy Code section 1125(b) provides that "[a]n acceptance or rejection of a plan may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information." 11 U.S.C. § 1125(b). The Bankruptcy Code defines "adequate information" as follows:

> "adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan, but adequate information need not include such information about any other possible or proposed plan and in determining whether a disclosure statement provides adequate protection, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information.

Id. § 1125(a).

The determination of whether a particular disclosure statement provides "adequate information" is "subjective and made on a case by case basis . . . [and] . . . is largely within the discretion of the bankruptcy court." In re Texas Extrusion Corp., 844 F.2d 1142, 1157 (5th Cir.1988); accord, e.g., Menard-Sanford v. Mabey (In re A.H. Robins Co.), 880 F.2d 694, 696 (4th Cir.1989). Nevertheless, in determining whether the "adequate information" requirements of section 1125(b) have been satisfied in a particular case, courts frequently investigate whether the disclosure statement provides descriptions of the following information:

(1) the events which led to the filing of a bankruptcy petition;

(2) a description of the available assets and their value;

(3) the anticipated future of the company;

(4) the source of information stated in the disclosure statement;

(5) a disclaimer;

(6) the present condition of the debtor while in Chapter 11;

(7) the scheduled claims;

(8) the estimated return to creditors under a Chapter 7 liquidation;

(9) the accounting method utilized to produce financial information and the name of the accountants responsible for such information;

(10) the future management of the debtor;

(11) the Chapter 11 plan or a summary thereof;

(12) the estimated administrative expenses, including attorneys' and accountants' fees;

(13) the collectability of accounts receivable;

(14) financial information, data, valuations or projections relevant to the creditors' decision to accept or reject the Chapter 11 plan;

(15) information relevant to the risks posed to creditors under the plan;

(16) the actual or projected realizable value from recovery of preferential or otherwise voidable transfers;

(17) litigation likely to arise in a non-bankruptcy context;

(18) tax attributes of the debtor; and

(19) the relationship of the debtor with affiliates.

In re Metrocraft Pub. Servs. Inc., 39 B.R. 567, 568 (Bankr.N.D.Ga.1984); accord, e.g., In re Reilly, 71 B.R. 132, 134 (Bankr.D.Mont.1987).

ARGUMENT

The Disclosure Statement does not provide adequate information from the Metrocraft factors for (7) a schedule of claims, (10) the future management of the debtor, (14) financial information relevant to creditors' decision to accept or reject the plan, or (16) avoidance action recoveries.

The Disclosure Statement lacks the most important information for creditors determining whether they should accept or reject the proposed plan, to, wit:

(1) Management: Who is the liquidating trustee and what are the terms of the liquidating trust? How much will such trustee be paid? Considering the central importance of this role, powers involved, and associated costs, the identity and compensation structure of the liquidating trustee should be disclosed prior to the hearing approving the Disclosure Statement.

(2) Claims Pool: How much is the total general unsecured creditors' claim pool, and, how much of the pool does my claim represent? Put simply, if the general unsecured creditors are fortunate enough to receive a distribution, out of each dollar, how many pennies will my claim get?

(3) Financial Information: After paying Debtor's counsel, Committee counsel, and a million dollars to the investment banker for a sale between two buyers (neither of which the

investment banker found, and at a net loss after paying the break-up fee),[1] and paying the priority tax claims, how much is left to pay general unsecured creditors?

(4) Avoidance Actions: The two-year statute of limitations on avoidance actions is fast approaching on April 18, 2026. No avoidance actions have been filed. While garden-variety 90-day preference actions may not exist because Debtor's business was shuttered for four years prepetition, are there no fraudulent transfers, particularly between insiders, to augment the recovery for creditors?

CONCLUSION

Gray respectfully requests that the Court deny the Motion unless the Disclosure Statement is amended with additional adequate information.

Additionally, Gray joins in the objection filed by the CNMI regarding the casino license. (ECF Nos. 520, 521).

Lastly, Gray reserves the right to raise additional objections at the hearing on the Disclosure Statement.

Dated: December 8, 2025

Respectfully submitted,

__/s/_____
Aaron Halegua
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John-Patrick M. Fritz
Attorneys for Judgment Creditor Gray

[1] Gray has joined in the U.S. Trustee's objection to the proposed fee for the investment banker, and maintains this objection. (ECF No. 512).