

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA**

In re:

PITTSBURGH ATHLETIC ASSOCIATION,
*et al.*¹,

Debtors.

Jointly Administered at:
Bankruptcy No. 17-22222-JAD

Bankruptcy Nos:
17-22222-JAD, and
17-22223-JAD

Chapter 11

PITTSBURGH ATHLETIC ASSOCIATION,
et al.,

Movants,

v.

No Respondents.

Related Doc. Nos. 299, 418-20, and 429

Hearing Date: February 20, 2018 at
10:00am

Response Deadline: February 12, 2018

**DEBTORS' SECOND MOTION TO EXTEND
PLAN EXCLUSIVITY PURSUANT TO 11 U.S.C. §1121(d)**

The Pittsburgh Athletic Association (the “**PAA**”) and the Pittsburgh Athletic Association Land Company (the “**PAA-LC**”, together with the PAA, the “**Debtors**”) file this Motion (the “**Motion**”), pursuant to 11 U.S.C. §1121(d), stating as follows:

JURISDICTION AND VENUE

1. The Bankruptcy Court has jurisdiction over this Motion pursuant to the provisions of 28 U.S.C. §157 and §1334.
2. Venue is proper for this proceeding pursuant to the provisions of 28 U.S.C. §1409.
3. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2).

¹ The Debtors have the following cases pending Pittsburgh Athletic Association, Bankruptcy No. 17-22222-JAD and the Pittsburgh Athletic Association Land Company, Bankruptcy No. 17-22223-JAD, both cases are being jointly administered under Case No. 17-22222-JAD.

4. The statutory predicate for relief is 11 U.S.C. §1121.

BACKGROUND

5. On May 30, 2017 (the “**Petition Date**”), the Debtors each filed voluntary petitions under Chapter 11 of the Bankruptcy Code.

6. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors-in-possession pursuant to Section 1107(a) and Section 1108 of the Bankruptcy Code.

7. Debtor, PAA-LC, owns certain real property located at 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15213, bearing tax parcel identification number 27-R-1358, and containing approximately 33,136 square feet of land (the “**Club Parcel**”).

8. In addition to the Club Parcel, Debtor, PAA-LC, also owns property located between Bigelow Boulevard and Lytton Avenue, Pittsburgh, Pennsylvania, with a street address of Bigelow Boulevard, Pittsburgh, Pennsylvania 15213, bearing a tax parcel identification number of 27-R-110, and containing approximately 23,685 square feet of land (the “**Premises**”, collectively with the Club Parcel, the “**Property**”).

9. No trustee or examiner has been appointed in these chapter 11 cases.

10. On June 8, 2017, the Office of the United States Trustee formed the Official Committee of Unsecured Creditors (the “**Committee**”).

11. The 341 Meeting of Creditors was held on August 22, 2017.

12. On September 15, 2017 the Court entered a Stipulation Order extending the Debtors’ exclusive right to file a plan of reorganization to December 26, 2017, and extending the Debtors’ exclusive right to obtain acceptances to said plan to February 26, 2018. *See* Document No. 299.

13. On December 22, 2017, the Debtors filed a *Joint Chapter 11 Plan of Reorganization of Pittsburgh Athletic Association & Pittsburgh Athletic Association Land Company dated December 22, 2017* at Document No. 418 (the "Plan"), a *Joint Disclosure Statement to Accompany Joint Plan of Reorganization dated December 22, 2017*, at Document No. 419 (the "D/S"), and a *Joint Summary of Chapter 11 Plan of Reorganization. Plan dated December 22, 2017* at Document No. 420 (the "Plan Summary" and collectively with the Plan and D/S, the "Plan Documents").

14. On December 28, 2017, the Court entered an Order scheduling a hearing on approval of the D/S for February 6, 2018 (the "D/S" Hearing). *See* Document No. 429.

REQUESTED RELIEF

15. Pursuant to Section 1121(b) of the Bankruptcy Code, a debtor has the exclusive right to file a chapter 11 plan in the first 120 days following the commencement of a chapter 11 case. If a debtor files a plan during this exclusive filing period, Section 1121(c)(3) of the Bankruptcy Code grants an additional sixty (60) days during which the debtor may solicit and obtain acceptances of that plan and where no other party in interest is permitted to file a competing plan.

16. Section 1121(d) of the Bankruptcy Code provides that “[o]n request of a party in interest...and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.” 11 U.S.C. § 1121(d)(1). Section 1121(d)(2) provides a limitation that the 120-day period “may not be extended beyond a date that is 18 months after the [petition] date” and the 180-day period “may not be extended beyond a date that is 20 months after the [petition] date.”

17. The circumstances which constitute good cause for granting an extension of plan exclusivity is not defined narrowly and the traditional factors to consider include the size of the debtor and the viability of formulating a plan of reorganization. *In re Sharon Steel Corp.*, 78 B.R. 762, 765 (Bankr. W.D.Pa. 1987); *See also, e.g., In re Nicolet, Inc.*, 80 B.R. 733, 741 (Bankr. E.D. Pa. 1987)(internal citations omitted). Additionally, Courts have permitted extensions of the exclusivity period in cases where the debtor demonstrates progress in formulating a plan despite facing creditor recalcitrance or unusual procedural and or substantive difficulties. *See, In re Swatara Coal Co.*, 49 B.R. 898 (Bankr. E.D. Pa. 1985); and *In re Pine Trust, Inc.*, 67 B.R. 432, 434-35 (Bankr. E.D. Pa. 1986).

18. Pursuant to Section 1121 and the Court's Order at Document No. 299, after filing the Plan and D/S on December 22, 2018, the exclusivity period has been extended to February 26, 2018.

19. Debtors are proceeding in good faith towards reorganization.

20. This is only the Debtors' second request for an extension of the exclusivity deadlines provided for under Section 1121 of the Bankruptcy Code, and this is the first Plan filed proposed by the Debtor.

21. The Plan calls for reorganization of the Debtors through the redevelopment of the Property and continuation of the PAA club.

22. However, the exclusivity period may expire prior to confirmation of the Plan due to the requisite notice periods under the Bankruptcy Rules following the D/S hearing.

23. Debtors now request an extension of 45 days of the exclusivity deadlines so that they may pursue the Plan, which is their first plan, through the confirmation process without the intercession of other proposed plans and without interference in obtaining Plan acceptance.

24. The 45 day extension will provide Debtors with time to finalize the redevelopment of the Property, as well as to prepare for confirmation and to obtain the acceptances necessary to obtain confirmation and commence the Plan to achieve a successful reorganization of the Debtors.

25. In light of the foregoing circumstances, good cause exists for Debtors' requested extension of the exclusivity period to obtain the necessary acceptances and to confirm the Plan.

26. While Debtors intend to successfully comply the process of obtaining confirmation of the Plan within the extended exclusivity period, this request is without prejudice to request an additional extension of time should circumstances arise that make an additional extension necessary and appropriate.

WHEREFORE the Debtors respectfully request that this Honorable Court enter the Order attached to this Motion and grant any and such further relief that is just and proper.

TUCKER ARENSBERG, P.C.

DATED: January 26, 2018

/s/ Jordan S. Blask
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Chapter 11

Docket No.

ORDER

AND NOW, upon consideration of Debtors' Second Motion to Extend Plan Exclusivity (the "**Motion**") and after notice and hearing, it is hereby ORDERED, ADJUDGED and DECREED that the Motion is Granted and the Debtors' exclusive rights to file a Plan of Reorganization and to obtain acceptances to said Plan are extended to **April 12, 2018**, pursuant to 11 U.S.C. § 1121. This order is without prejudice to the Debtors' rights to request further extensions of time if necessary and appropriate.

Dated:

JEFFERY A. DELLER
Chief U.S. Bankruptcy Court

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