

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:

**PITTSBURGH ATHLETIC
ASSOCIATION, et al¹,**

Debtors,

**PITTSBURGH ATHLETIC,
ASSOCIATION et al,**

Movant,

vs.

IRWIN KOTOVSKY.

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

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

Document No.

Related to Doc. Nos. 630, 631 & 659

**Hearing Date and Time:
April 10, 2018 at 11:00 AM**

**JOINDER TO THE OBJECTION OF IRWIN KOTOVSKY AND ALL OTHER
SIMILARLY SITUATED MEMBERS OF THE PITTSBURGH ATHLETIC
ASSOCIATION TO DEBTOR'S EXPEDITED THIRD MOTION TO EXTEND PLAN
EXCLUSIVITY PURSUANT TO 11 U.S.C. §1121(d)**

AND NOW, comes Richard Velan, a member of the Pittsburgh Athletic Association, by and through his Counsel, John R. Gotaskie, Jr., and Fox Rothschild LLP, and files the within **JOINDER TO THE OBJECTION OF IRWIN KOTOVSKY TO DEBTOR'S EXPEDITED THIRD MOTION TO EXTEND PLAN EXCLUSIVITY PURSUANT TO 11 U.S.C §1121(d)** as follows:

BACKGROUND

1. Richard Velan has been a member of the Pittsburgh Athletic Association (the "PAA", and, collectively with the Pittsburgh Athletic Association Land Company,

¹ The Debtors have the following case 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.

“the Debtors”) since approximately 1971.

2. Prior to the Board of Directors’ (“the Board”) unauthorized reclassification of membership classes, which reclassification allegedly became effective January 1, 2018, Mr. Velan was a Resident Member of the PAA. Pursuant to Article II, Section 18 of the PAA By-Laws, Resident Members have the right to vote on any change in the equity of the PAA.

3. Additionally, Mr. Velan has a pecuniary interest in the outcome of the within bankruptcy cases pursuant to the Pennsylvania Non-Profit Corporation Law, 15 Pa.C.S. §5975(c), which provides in relevant part that, “Any surplus remaining after paying or providing for all liabilities of the corporation shall be distributed to the shareholders, if any, pro rata, or if there be no shareholders, among the members per capita.” 15 Pa.C.S. §5975(c).

4. On March 13, 2018, the Debtors filed an Amended Joint Chapter 11 Plan of Reorganization of Pittsburgh Athletic Association & Pittsburgh Athletic Association Land Company dated March 13, 2018 (“the Amended Plan”) [Doc. No. 587], an Amended Joint Disclosure Statement to Accompany Joint Plan of Reorganization (“the Amended D/S”) [Doc. No. 588], and an Amended Joint Summary of Chapter 11 Plan of Reorganization (“the Amended Plan Summary”) [Doc. No. 589], (collectively with the Amended Plan and the Amended D/S, “the Amended Plan Documents”).

5. On March 16, 2018, the Debtors filed a revised Amended Plan to address an alleged scrivener’s error [Doc. No. 594].

6. The Amended Plan, *inter alia*, provides for a sale of the Debtor’s real property to Walnut Capital, proposes the payment of 100% of allowed claims from the

sales proceeds, and contemplates a leaseback from Walnut Capital pursuant to which the Debtors will have access to limited athletic and social facilities.

7. The Amended Plan, moreover, appears to divest the PAA of all equity in the real property.

8. On April 2, 2018, this Honorable Court entered a Re-Issued Order Conditionally Approving Disclosure Statement, Fixing Time for Filing Acceptances or Rejections of Plan, Fixing Time for Hearing on Plan Confirmation, And Setting Last Day for Filing a Complaint Objection to Discharge Combined with Notice Thereof [Doc. No. 638].

9. Pursuant to the April 2, 2018 Order, a confirmation hearing on the Amended Joint Plan has been scheduled for April 24, 2018 at 10:00 AM.

10. As of now, the Debtors' exclusivity period is set to expire on April 12, 2017.

11. On March 29, 2018, the Debtors filed an Expedited Third Motion to Extend Plan Exclusivity Pursuant to 11 U.S.C. §1121(d) [Doc. No. 630] ("Motion to Extend Exclusivity").

12. On April 9, 2018, Irwin Kotovsky, on behalf of himself and all similarly-situated members, filed an Objection to the Expedited Third Motion to Extend Plan Exclusivity (the "Objection") [Doc. No. 659].

JOINDER

13. For all of the reasons set forth in the Objection, Mr. Velan joins in Mr. Kotovsky's Objection, specifically including but not limited to the assertion that the Board lacks authority to pursue the Amended Plan. The process leading up to the

Amended Plan has been less than fully transparent and, in particular, the Board has not held a properly noticed vote of the membership regarding a sale.

14. Mr. Velan has been involved in the Pittsburgh Athletic Association Preservation Association (PAAPA), an organization whose goals include both the preservation of the PAA's assets as well as the preservation of the PAA's status as a social club.

15. Mr. Velan has supported the efforts of PAAPA to pursue competent developers that might be interested in partnering with the PAA in a way that would preserve the PAA as a vibrant social and athletic association.

16. Mr. Velan is aware that McKnight Realty Partners ("McKnight") has submitted, as described in the Objection, a redevelopment proposal for the PAA property far superior to the Board's proposed sale to Walnut Capital.

17. When compared to the Amended Plan and proposed Walnut Capital Sales Agreement as attached to the Amended D/S, Mr. Velan agrees with the assertion in Mr. Kotovsky's Objection that members fare considerably better under the McKnight Proposal.

18. Furthermore, as the allowed secured, administrative and unsecured claims will be paid in full under both the Amended Plan and McKnight Proposal, there are no impaired classes of claims entitled to vote and thus the interested parties most impacted by the decision of a developer are the members. Consequently, the decision should be left solely to the membership of the PAA.

WHEREFORE, Richard Velan respectfully request that this Honorable Court deny the Debtors' Third Motion to Extend Plan Exclusivity Pursuant to 11 U.S.C. §1121(d).

Respectfully submitted,

Dated: April 9, 2018

s/ John R. Gotaskie, Jr.

John R. Gotaskie, Jr.

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CERTIFICATE OF SERVICE

John R. Gotaskie, Jr., hereby certify, that on the 9th day of April, 2018, a true and correct copy of the foregoing **JOINDER OF RICHARD VELAN IN THE OBJECTION TO DEBTOR'S EXPEDITED THIRD MOTION TO EXTEND PLAN EXCLUSIVITY PURSUANT TO 11 U.S.C §1121(d)** was served upon the following (*via electronic service*):

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Dated: April 9, 2018

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