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**ATTORNEYS FOR GSP FINANCE LLC, AS SECOND
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re: §
§
TEXAS RANGERS BASEBALL § **Case No. 10-43400 (DML)-11**
PARTNERS § **(Chapter 11)**
§
Debtor. §

**RESPONSE OF LENDER PARTIES TO PRELIMINARY OBJECTION OF RANGERS
BASEBALL EXPRESS LLC TO THE LENDER PARTIES' (1) EMERGENCY MOTION
FOR RECONSIDERATION OF COURT'S ORDER ADOPTING BIDDING
PROCEDURES (AND THE LIMITED JOINDER OF RANGERS EQUITY HOLDINGS,
L.P. AND RANGERS EQUITY HOLDINGS GP THEREIN), (2) MOTION FOR
EMERGENCY HEARING, AND (3) MOTION TO FILE UNDER SEAL**

The Ad Hoc Group of First Lien Lenders,¹ including Monarch Alternative Capital LP, GSP Finance LLC, Kingsland Capital Management, Sankaty Advisors, LLC, and Stonehill Capital Management LLC; JP Morgan Chase Bank, N.A. as the First Lien Agent; and GSP Finance LLC, as the Second Lien Agent (collectively, the “Lender Parties”), file this response (the “Response”) to (i) the *Preliminary Objection of Rangers Baseball Express LLC to the Lender Parties’ (1) Emergency Motion for Reconsideration of Court’s Order Adopting Bidding Procedures (and the Limited Joinder of Rangers Equity Holdings, L.P. and Rangers Equity Holdings GP therein), (2) Motion for Emergency Hearing, and (3) Motion to File Under Seal* [Docket No. 372] and (ii) the *Supplemental Objection of Rangers Baseball Express LLC to the Lender Parties’ (1) Emergency Motion for Reconsideration of Court’s Order Adopting Bidding Procedures (and the Limited Joinder of Rangers Equity Holdings, L.P. and Rangers Equity Holdings GP therein), (2) Motion for Emergency Hearing, and (3) Motion to File Under Seal* [Docket No. 394] (collectively, the “Objection”). In support of the Response, the Lender Parties respectfully state as follows:

1. The Objection should be overruled because, as a prospective purchaser of Texas Rangers Baseball Partner’s (“TRBP” or the “Debtor”) assets, Rangers Baseball Express LLC (“RBE”) does not have standing to object to the proposed bidding procedures or to otherwise be generally heard in this case.²

2. Bankruptcy Courts have routinely held that “[f]rustrated bidders do not have standing to object to the sale of property.” *In re Squire v. CRO Bradley E. Scher, et. al.*, 282 Fed.Appx. 413, 2008 WL 2497706 (6th Cir. 2008).

¹ Each in their capacity as lenders or managers of entities serving as lenders under the First Lien Credit Agreement.

² In the event the Court elects to consider the Objection on the merits, the Lender Parties will address the substance of the Objection at the time of the July 20, 2010 hearing.

3. The leading case in the Fifth Circuit on this issue is *In re HST Gathering Company v. W. Seidler*, 125 B.R. 466 (W.D.Tex. 1991) (hereinafter, “*HST Gathering*”). In *HST Gathering*, a potential bidder for estate assets filed an application for leave to appeal a sale order after the court reopened a bidding process and ultimately selected a different successful bidder. The United States District Court for the Western District of Texas, San Antonio Division, denied standing to the unsuccessful bidder, holding that the bidder was neither an “aggrieved person,” nor a person whose interest was intended to be protected by the bankruptcy statutes or regulations. *Id.* at 468.

4. Similarly, RBE is neither an “aggrieved person” nor a person whose interest was intended to be protected by the bankruptcy statutes or regulations. As a result, RBE should not be afforded standing to, *inter alia*, object to the proposed bidding procedures in this case or the Motion for Reconsideration (as defined in the Objection).

RBE is not an Aggrieved Person

5. An “aggrieved person” is a person “whose rights or interests are ‘directly and adversely affected pecuniarily’ by the order of the bankruptcy court.” *Id.* at 467. RBE has not been adversely affected pecuniarily by the order of the bankruptcy court. Much like the bidder in *HST Gathering*, RBE is merely a potential purchaser of the Debtor’s assets. RBE and the Debtor entered into a prepetition asset purchase agreement, but such agreement was conditioned upon approval of the bankruptcy court. As a result, RBE does not have a protectable “right or interest” in this case that can be “adversely affected pecuniarily” and is not an “aggrieved person” as that term has been defined by the courts.

RBE is not a Person Whose Interest the Bankruptcy Statutes and Regulations Intended to Protect

6. The bankruptcy statutes were designed to protect the debtor's estate, and not potential purchasers. *Id.* at 468 (quoting *In re Nepsco, Inc.*, 36 B.R. 25 (Bankr.D.Me. 1983)("[t]he relevant bankruptcy statutes and rules were not enacted to protect prospective bidders.")). An entity whose only interest in the proceeding is a desire to purchase certain assets of the estate is not within the "zone of interests intended to be protected" pursuant to the bankruptcy statutes and regulations. *Id.* RBE is just such an entity. RBE's only interest in the proceeding is a desire to purchase the Debtor's assets.³ This interest is not within the "zone of interests" the bankruptcy statutes and regulations intended to protect. Therefore, RBE should not be afforded standing to object to the bidding procedures proposed in this case.

RBE does not fit within the Exception to the General Rule

7. An exception to this general rule does exist when an unsuccessful bidder alleges that the sale was "tainted by fraud, mistake, or unfairness." *Squire*, at 3 (citing *Dick's Clothing & Sporting Goods, Inc. v. Phar-Mor, Inc.*, 212 B.R. 283, 288-89 (N.D. Ohio 1997); *Kabro Assocs. of West ISLIP, LLC, v. Colony Hill Assocs. (In re Colony Hill Assocs.)*, 111 F.3d 269, 274 (2d Cir. 1997)). In the Objection, RBE did not allege or offer any evidence of fraud, mistake, or unfairness. Rather, RBE is objecting to the Lender Parties' Motion for Reconsideration solely as a potential purchaser. RBE, therefore, lacks standing to pursue its Objection both under the general rule, as well as under the exception.

³ Note that RBE has purchased a small, \$20,000 claim in the Debtor's case. This claim is the subject of a reclamation demand and, therefore, is likely a priority claim rather than a general unsecured claim.

PRAYER

The Lender Parties respectfully request that the Court enter an Order overruling the Objection and granting the Lender Parties such other and further relief to which they are justly entitled.

Dated: July 20, 2010

Respectfully submitted,

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