

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NEW JERSEY

)	Bankruptcy Action
IN RE:)	Case No.: 09-13654 (JHW)
)	
)	Chapter 11
TCI 2 HOLDINGS, LLC.,)	
et al.,)	Camden, New Jersey
)	December 3, 2009
Debtors,)	3:43 p.m.

(Via Telephone Conference)
TRANSCRIPT OF HEARING
BEFORE THE HONORABLE JUDITH H. WIZMUR
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor:	MICHAEL F. WALSH, ESQUIRE Weil, Gotshal & Manges, LLP 200 Crescent Court Suite 300 Dallas, Texas 75201
For Beal Bank:	THOMAS LAURIA, ESQUIRE White & Case, LLP 1155 Avenue of the Americas New York, NY 10036
For Ad Hoc Committee:	KRISTOPHER HANSEN, ESQUIRE Stroock & Stroock & Lavan, LLP 180 Maiden Lane New York, New York 10038
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Walsh - Argument

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1 (Audio begins here)

2 THE COURT: -- seated. Good afternoon.

3 MR. WALSH: Good afternoon, Your Honor. And thank
4 you so much for your -- your patience. Obviously, we've been
5 trying very, very hard to wrap something up here, and,
6 unfortunately, not with the success that -- that we had hoped.

7 THE COURT: Let me stop you for one moment, Mr.
8 Walsh. Do I have Court Call on the line?

9 SPEAKER: Yes, Ma'am, Court Call is on the line.

10 THE COURT: Good afternoon. We're beginning the
11 proceedings in the Trump matter.

12 SPEAKER: All the lines are open, Your Honor.

13 THE COURT: Thank you.

14 Your appearance, please.

15 MR. WALSH: Good afternoon, Your Honor. Michael
16 Walsh on behalf of the debtors TCI 2 and related companies.

17 THE COURT: What can you report?

18 MR. WALSH: Okay. Last week we had a chambers status
19 conference, telephonic. And -- and I said that -- that we
20 needed to give some time for the parties to get together. We
21 thought that they were -- that they were getting closer, and
22 that I would give you a status report today. The good news, of
23 course, is the parties are talking. This is -- it's very
24 obvious to -- to everybody. And -- and, frankly, I think, of
25 course, there's not a deal until there's a deal, but a lot of

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1 the issues, I think, are resolved. But we've -- we've hit some
2 very, very difficult issues, and -- and we haven't been able to
3 get over them. Or the parties haven't been able to get over
4 them.

5 So the good news is -- is they're talking. And I
6 think they're going to continue to talk. What you don't know
7 is -- is that, actually, the discussions have been going on for
8 the last four weeks. This is not, like, the last three or four
9 days. And -- and so, if I sort of walk forward from that time,
10 you know, two weeks ago Mr. Trump changed sides and decided to
11 support the -- the Ad Hoc Committee's plan. And, of course,
12 the effect of that is the debtors' plan is -- is dead in the
13 water. There's nothing that -- that we could do immediately.

14 And two weeks ago the -- the Committee called for a
15 standstill in the litigation, which we were very much in favor
16 of, and an assured opportunity to see if a global resolution
17 was possible. And that got us to the following week. And Your
18 Honor set, you know, another -- another telephonic chambers
19 conference as a status report. So one week ago, after very
20 significant efforts to -- to bridge the gaps, the parties still
21 were not together. But -- but, as I told Your Honor last week,
22 I -- I really felt that if we set a deadline, and -- and
23 enforced it, that, at the very least, we would resolve many
24 issues and possibly we would have a deal.

25 At that time, Mr. Hansen was -- was asking to move

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1 forward with the solicitation on their plan. Mr. Lauria
2 explained that they -- they were putting in their own plan and
3 described that, and asked that -- that the two solicitations be
4 in sync. And that's when I asked Your -- Your Honor for the
5 additional week.

6 Today, I can say that the -- the negotiations have
7 been significant. Progress has been made. But we've reached
8 one of those kind of issues that -- that we just don't seem to
9 be able to -- to get over. And -- and I know both parties, you
10 know, have been in a room for the last hour-and-a-half or two
11 hours trying to find creative ways to get their clients over
12 this issue, but they've been unable to do that, unable to
13 bridge the gap. So we considered asking Your Honor for -- for
14 my time here.

15 You know, one -- you know, logically, if the parties
16 are so close, just have a little bit more time and -- and
17 they'll work it out. But -- but the debtors, I think, have
18 come to the conclusion that -- that we're -- on this issue,
19 we're like in the stasis. We're -- we're like stalemate. And
20 if we don't do something to -- to try to push this along, even
21 though it may favor one -- one side or another, we're -- we're
22 just going to stay in this stalemate. And -- and for that
23 reason, and the fact that -- that our original plan is dead,
24 we've decided that our Board has to -- to sit, and they have to
25 look at the two proposals with a fresh eye.

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1 Now that we're released from our old plan, you know,
2 there's no more loyalties or contractual obligations, whatever
3 they may be. We should look at everything with a fresh eye and
4 try to make an assessment based upon everything we know,
5 including all the negotiations that we -- that we participated
6 in, what's the best way to move the case forward.

7 So the first thing we -- we concluded is that -- that
8 a further delay is just not helping. The second conclusion the
9 Board came to is that -- that -- I guess this is another good
10 news -- both the -- the latest plan by the Committee, as well
11 as the plan proposed by -- by Beal, but not yet filed yet, are
12 -- are both significantly better from where we started in -- in
13 the beginning of the case. So, you know, in some sense, you
14 know, the -- things have gotten better, even though we don't
15 have a consensual deal.

16 But the -- the third conclusion is -- is that -- is
17 that we -- we need to move things along. And in order to do
18 that, we've looked at both plans and came to the conclusion at
19 -- on a call this morning -- which is one of the reasons we
20 asked for our first delay, because that meeting went on for a
21 while -- that the debtors have decided to support the -- the
22 plan of the Ad Hoc Committee. They -- they believe that,
23 although the -- the features of the plan to be filed by Beal
24 have some very, very interesting and good elements, in their
25 judgment, the way to move this case along to a conclusion and

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1 not be stuck in -- in quicksand, is to chose to support the Ad
2 Hoc Committee's plan.

3 So I don't want to go into all the reasoning, because
4 I -- we're still going to be pushing both parties to try to
5 resolve things. I will tell you that -- that the -- if we can
6 get to the settlement the people were describing, it would be
7 even better for the company.

8 THE COURT: Let me suggest -- because, indeed, I
9 would welcome the continued discussion of the parties, even
10 today, even making use of these facilities. And I broke into
11 it only because other concerns introduced themselves. But
12 since you're here -- you, meaning the key players -- it
13 behooves those participants to continue to the extent possible
14 the discussions today.

15 At the same time, I fully recognize the need to move
16 forward, in case those discussions are not successful. And,
17 frankly, I propose to set some schedules to accept the Beal
18 Bank plan as a competing plan that does not cut off any
19 opportunities to reach that ultimate global resolution. But it
20 means that in the meantime we will not have a suspension
21 without a movement forward.

22 It strikes me, since Beal Bank was ready, if I read
23 the papers correctly, to file their plan tomorrow, that the
24 ball would be moved forward. I fully understand, and I've
25 reviewed the objection of the Ad Hoc Committee to accepting

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1 that plan, to moving forward with that plan. And, frankly, we
2 heard argument about it as well last week. And I -- I believe
3 firmly that in this milieu of competing bids, really, with
4 arguments perhaps to be substantiated that one plan or the
5 other is either unconfirmable or better than the other one, it
6 seems to me that the best course is to set those schedules and
7 encourage strongly the parties to continue to pursue their
8 discussion and see if one plan can go forward ultimately.

9 So unless there is some need to voice concern about
10 the -- this kind of scheduling and this kind of proposal, I
11 would propose to offer you further opportunity to continue
12 those discussions. We have some brilliant minds at work, some
13 creative minds who understand the -- the frameworks, who
14 understand what's at stake, and who need time, obviously, and
15 opportunity to see if there is a prospect. And I would want
16 those discussions to continue. The proposal submitted by Beal
17 Bank contemplates the submission of a plan by tomorrow -- 5:00
18 tomorrow; a hearing, it's suggested, December 11th. But that
19 is not available, so I would propose December 14th -- Monday,
20 December 14th at 2:00, with objections to be received by
21 December 9th.

22 The further suggestion is that the balloting -- the
23 voting deadlines, the solicitation time frames and the
24 objections and confirmation hearings -- indeed, the
25 confirmation hearings will be pushed forward a week or two, no

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1 doubt. But so be it. That's understood. But that those time
2 frames would be set on December 14th, presumably when we come
3 to the adequacy hearing. Of course, we would envision the
4 suspension of examiner obligations during this time frame, as
5 well, with a recognition that if the -- for any reason those
6 efforts have to be reconstituted, that we would accommodate the
7 examiner and understand the needs for adequate time to prepare
8 a report.

9 What else should we consider?

10 MR. WALSH: The only other thing, Your Honor, is --
11 is, we believe, even with this dual-plan process, we -- we
12 should not -- should not have to return to the level of
13 litigation and discovery that -- that we were engaged in that
14 was -- was turning out to be a -- a tremendous burden on -- on
15 the debtors. And I don't think that's going to happen, but --
16 but I just wanted to alert Your Honor that we may come back to
17 you -- if -- if it looks like that's starting, we may come back
18 to you for some guidance on -- on that, if that should be.

19 I think that the issues -- you know, now that Mr.
20 Trump's, you know, role in the original plan is no longer an
21 issue, that -- that the -- the issues unto -- as to
22 confirmability of -- of each of the plans, are going to be much
23 narrower. And so, hopefully, any litigation could be tailored
24 just to -- to focus on those.

25 THE COURT: Yes, it's a very fluid situation. As the

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1 need arises, I will be available for status conferences,
2 conference calls, whatever you need. It seems to me that we
3 should pursue in a dual track possibility for compromise and
4 the need to go forward otherwise.

5 So if anyone else would like to be heard, I will
6 welcome those comments. Is there any further --

7 MR. HANSEN: Your Honor, Kris Hansen with Stroock on
8 behalf of the Ad Hoc Committee. No, Your Honor. I just wanted
9 to clarify that in your schedule, on the balloting and
10 solicitation, we would obviously take Beal's disclosure
11 statement hearing. To the extent that their disclosure
12 statement was approved, you would then set us on a joint
13 schedule for balloting and solicitation. I just want to make
14 sure that was the --

15 THE COURT: Yes, that's exactly what I had in mind,
16 sure.

17 MR. HANSEN: And if -- and if it's not approved, or
18 if it needs further changes, we can then address whether we
19 stay on that consistent schedule at that point in time.

20 THE COURT: Of course we will.

21 MR. HANSEN: Okay. Perfect. Thank you, Your Honor.

22 THE COURT: Anything else? Anybody on the line?
23 Yes, Mr. Lauria, did you have a comment?

24 MR. LAURIA: No, Your Honor.

25 THE COURT: Okay. Anybody on the line wish to be

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1 heard? (No audible response) All right. Then, you're welcome
2 to make use of these facilities. In fact, give us three
3 minutes. And there's also a private conference room right
4 behind the courtroom that you're welcome to access and utilize.
5 There will be, I guess, an end game on that. I will explore
6 with the marshals what the time frame would be at which time
7 you would have to vacate the courtroom.

8 MR. HANSEN: Your Honor, I think it's -- I don't
9 think we'll need to use your courtroom for a long time. We
10 both have clients that have to kind of get together. And I
11 think that that's --

12 THE COURT: Fine.

13 MR. HANSEN: We both respect each other a lot, but we
14 have client directives, and so I think that it's hard -- we
15 have nine bondholders on the Committee, and Mr. Beal is in
16 Texas with his colleagues, so I think what we need to do is
17 find a way to get ourselves in the room.

18 THE COURT: That's fine. Very good. If there is
19 nothing else, then we stand adjourned. Thank you.

20 (Proceedings concluded at 3:57 p.m.)

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C E R T I F I C A T I O N

I, Brenda Boulden, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

DATE

BRENDA BOULDEN

Form tsntc

UNITED STATES BANKRUPTCY COURT

District of New Jersey
401 Market Street
Camden, NJ 08102

Case No.: 09-13654-JHW
Chapter: 11
Judge: Judith H. Wizmur

In Re: Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

TCI 2 Holdings, LLC
fka Trump Casinos II, Inc.
15 South Pennsylvania Avenue
Atlantic City, NJ 08401

Social Security No.:

Employer's Tax I.D. No.:
20-2920526

Notice That a Transcript Has Been Filed

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Dated: December 8, 2009

JJW:

James J. Waldron
Clerk

General Information

Court	United States Bankruptcy Court for the District of New Jersey; United States Bankruptcy Court for the District of New Jersey
Docket Number	1:09-bk-13654
Status	CLOSED