

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE: : Chapter 11  
: :  
: :  
LASON, INC., et al. : Cases No. 01-11488 (MFW)  
: :  
: :  
Debtors. : Jointly Administered

MEMORANDUM OPINION<sup>1</sup>

Before the Court is the Motion of Ark 2000-1 CLO, Limited and Patriarch Partners, LLC (collectively "Ark") for Reconsideration of our Opinion and Order dated October 15, 2003, denying its Motion for an Order Directing Lason, Inc., et al. ("the Debtors") to release to Ark certain proceeds of the sale of certain assets of the Debtors. The Debtors oppose the Motion. For the reasons stated below, the Court will deny Ark's motion.

Ark's Motion is premised on the assertion that we committed an error of fact in concluding that the liquidation value of the Debtors was between \$75 and \$83 million for purposes of determining if the Debtors' Plan met the requirements of section 1129(a)(7) of the Bankruptcy Code. Ark asserts that the liquidation analyses performed by the parties' experts omitted

---

<sup>1</sup> This Opinion constitutes the findings of fact and conclusions of law of the Court pursuant to Federal Rule of Bankruptcy Procedure 7052, which is applicable to contested matters pursuant to Rule 9014.

the \$17 million in cash which the Debtors had on hand at the time of confirmation. Therefore, Ark asserts that the true liquidation value of the Debtors was between \$92 and \$100 million.

The Debtors in their response assert that no error occurred because their liquidation value did include consideration of the \$17 million cash on hand, since that value was net of administration costs. Therefore, the Debtors ask that we deny the Motion for Reconsideration.

We agree with the Debtors that the record supports our finding that the liquidation value of the Debtors was between \$75 and \$83 million. This finding was based on testimony and other evidence that the Debtors had already sold assets for \$55 million and the liquidation value of the Debtors' remaining assets was between \$20 and \$28 million. The latter figure did not, as Ark suggests, ignore the \$17 million in cash on hand. For example, Ark Exhibit 17 is the affidavit of the Debtors' CFO, Douglas Kearney, which attached a liquidation analysis concluding that the net liquidation value of the Debtors was \$24 million. That liquidation analysis did include the \$22 million in cash on hand and estimated costs of liquidation at \$18 million.

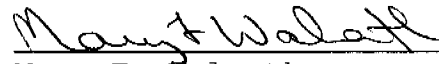
Therefore, contrary to the assertion in the Motion for Reconsideration, there is a basis in the record for our factual finding that the net liquidation value of the Debtors was between

\$75 and \$83 million inclusive of the Debtors' cash on hand. Consequently, there is no basis for granting the Motion for reconsideration and it will be denied.

An appropriate Order is attached.

BY THE COURT:

Dated: August 27, 2004

  
\_\_\_\_\_  
Mary F. Walrath  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**


IN RE:	:	Chapter 11
	:	
LASON, INC., et al.	:	Cases No. 01-11488 (MFW)
	:	
Debtors.	:	Jointly Administered

**O R D E R**

AND NOW, this 27<sup>th</sup> day of **August, 2004**, upon consideration of Ark's Motion for Reconsideration of our Opinion and Order dated October 15, 2003, denying its Motion for an Order Directing the Debtors to release to Ark certain proceeds of the sale of certain assets of the Debtors and the Debtors' Response thereto and for the reasons stated in the attached Memorandum Opinion, it is hereby

**ORDERED** that the Motion is hereby **DENIED**.

BY THE COURT:

  
\_\_\_\_\_  
Mary F. Walrath  
United States Bankruptcy Judge

cc: Robert T. Brady, Esq.<sup>1</sup>

---

<sup>1</sup> Counsel shall distribute a copy of this Opinion and Order to all interested parties and file a Certificate of Service with the Court.

SERVICE LIST

Robert T. Brady, Esq.  
Young Conaway Stargatt & Taylor  
The Brandywine Building  
17<sup>th</sup> Floor  
Wilmington, DE 19801

Thomas Macauley, Esq.  
Zuckerman & Spaeder  
1201 Orange Street  
Suite 650  
Wilmington, DE 19801

Aaron L. Hammer, Esq.  
Lawrence K. Snider, Esq.  
Stephen J. Brown, Esq.  
Mayer, Brown & Platt  
190 South LaSalle Street  
Chicago, IL 60603

Mark Kenney, Esq.  
Office of the United States Trustee  
Room 2313  
844 King Street  
Wilmington, DE 19801

John Sherwood, Esq.  
Kenneth A. Rosen, Esq.  
Tina Niehold Moss, Esq.  
Lowenstein Sandler PC  
65 Livingston Avenue  
Roseland, NJ 07068

Bill C. Burgess, Esq.  
Dickinson Wright LLC  
500 Woodward Avenue, Suite 4000  
Detroit, MI 48226-3425

Dan Gosch  
Dickinson Wright LLC  
200 Ottawa Avenue  
N.W. Suite 900  
Grand Rapids, MI 49503

Lason  
Att. Douglas S. Kearney  
1305 Stephenson Highway  
Troy, MI 48083

Jeff J. Marwil, Esq.  
John P. Sieger  
Amy A. Hijjawi, Esq.  
Justin M. Hines, Esq.  
Jenner & Block, LLC  
One IBM Plaza  
Chicago, IL 60611

Mark D. Collins, Esq.  
Richards Layton & Finger  
One Rodney Square  
P.O. Box 551  
Wilmington, DE 19899

William H. Sudell, Jr., Esq.  
Eric D. Schwartz  
Morris Nichols Arsht & Tunnell  
1201 N. Market Street  
P.O. Box 1347  
Wilmington, DE 19899-1347