

UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF MASSACHUSETTS

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In re  
**SW BOSTON HOTEL VENTURE, LLC,**  
**et al.,**  
Debtors

Chapter 11  
Case No. 10-14535-JNF  
(Jointly Administered)

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**Rulings on the Motion Filed by Debtor SW Hotel Venture
LLC to Extend Exclusivity Period for Filing a Chapter 11 Plan
and Disclosure Statement in lieu of Transcript**

On November 17, 2010, the Court held a hearing on the Debtors'¹ Second Motion Pursuant to 11 U.S.C. §§ 1121(d) and 362(d)(3) to Extend the Deadlines to File a Plan of Reorganization and Solicit Acceptances of Plan (the "Motion to Extend") and the Objection to the Motion to Extend filed by Prudential Insurance Company of America ("Prudential"). In the Motion to Extend and in Prudential's Objection, the parties set forth detailed

¹ The Debtors are SW Boston Hotel Venture, LLC ("SW Boston"), Auto Sales & Service, Inc. ("Auto Sales"), General Trading Company ("General Trading"), Frank Sawyer Corporation ("Sawyer Corporation"), 100 Stuart Street, LLC ("Stuart Street"), General Land Corporation ("General Land"), 131 Arlington Street Trust ("Arlington Street") and 30-32 Oliver Street Corporation ("Oliver Street").

arguments in support of their respective positions. At the hearing, counsel to the Debtors, counsel to Prudential, counsel to the City of Boston, and counsel to the Official Committee of Unsecured Creditors presented arguments. Counsel to the City of Boston and counsel to the Creditors' Committee stated that they supported the Debtors' Motion to Extend. No party requested an evidentiary hearing on the Motion to Extend. Accordingly, the Court determined the Motion to Extend at the conclusion of the hearing and dictated rulings on the record. On November 17, 2010, the Court entered an order granting the Motion to Extend for the reasons stated on the record.

Following the hearing, the Court was advised that due to technical problems with the Court's electronic recording system, a transcript of the hearing on the Motion to Extend could not be prepared. Due to the unavailability of the transcript of the hearing on the Motion to Extend, the Court held a status conference on December 6, 2010. At the status conference, the parties requested that the Court issue a statement of the rulings made on the record at the conclusion of the hearing. The following constitutes a summary of the rulings which were dictated on the record:

Bankruptcy Code section 1121(d) provides that on request of a party in interest and after notice and a hearing, the court may "for cause" increase the 120 day and 180 day periods for filing and obtaining acceptances of a Chapter 11 plan. The purpose of the provision is to provide the Court flexibility to extend the exclusivity period where a debtor needs more time to file a plan or when creditors cause delay. The Bankruptcy Code does not define what constitutes "cause" for an extension. Numerous courts have identified various factors to be considered in determining whether cause for an extension exists, including 1) the size and complexity of the case; 2) the necessity of time to permit preparation of adequate information and negotiation of a plan; 3) the existence of good faith progress towards reorganization; 4) the debtor's prospects for filing a viable plan; 5) the

debtor's progress in negotiating with creditors; 6) the length of time the case has been pending; 7) the debtor's purpose in seeking an extension and whether it is attempting to pressure creditors to submit to the debtor's demands; and 8) the existence of any unresolved contingencies precluding the filing of a plan.

See Nancy C. Dreher and Joan N. Feeney, 2 Bankruptcy Law Manual § 11A:45 (5th ed. West 2010-1).

Applying those principles to the present case, the Court ruled that there was cause to extend the exclusivity period. Examining the final factor first, the Court determined that the Chapter 11 cases involve a sizable unresolved contingency, namely the outcome of the litigation with respect to Prudential's Motion for Relief from the Automatic Stay pursuant to 11 U.S.C. § 362(d), which was the subject of a three-day evidentiary hearing. At the time of the November 17, 2010 hearing, briefs remained to be filed by the parties, and the outcome of the litigation has not been determined by the Court. The Debtors have been focused on the litigation for the past three months, and, thus, have been unable to concentrate all their efforts on their rehabilitation and reorganization.

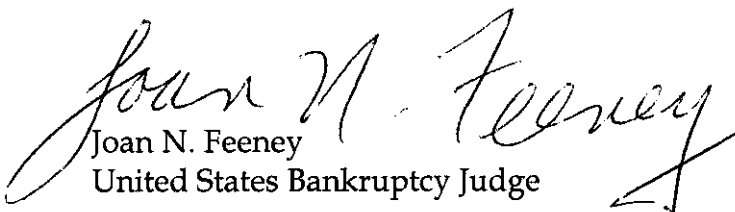
These Debtors' cases are complex. Eight debtors with hundreds of millions of dollars of assets and liabilities are involved in the formulation of a plan of reorganization, and they must address the different interests of numerous constituencies. The cases have been pending for only six months, and the Debtors are not attempting to pressure creditors in seeking an extension. Prudential, however, has opposed most, if not all, of the Debtors' motions.

The Court found that there will be no prejudice as a result of the requested

extension. Based upon the evidence presented during the litigation on the Motion for Relief from the Automatic Stay, the Court preliminarily has concluded that the Debtors are making progress towards a plan of reorganization, and are negotiating terms with the City of Boston and the Creditors' Committee, both of whom support the Motion to Extend.

Based upon the Motion to Extend, the Objection, and the arguments of the parties, the Court granted the Motion to Extend.

By the Court,


Joan N. Feeney
United States Bankruptcy Judge

December 6, 2010