**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE MIDDLE DISTRICT OF TENNESSEE**
**NASHVILLE DIVISION**

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| **IN RE:** | ) | |
| | ) | |
| **AMERICAN HISTORIC RACING MOTORCYCLE ASSOCIATION, LTD.,** | ) | **BK No. 06-06626-MH3-11** |
| | ) | |
| | ) | |
| **Debtor.** | ) | |

**MEMORANDUM OF LAW IN SUPPORT OF MOTION TO ESTIMATE CLAIM OF TEAM OBSOLETE, ET AL.**

## FACTUAL AND PROCEDURAL BACKGROUND[1]

The American Historical Racing Motorcycle Association ("AHRMA" or "Debtor") files this Memorandum of Law in support of its Motion to Estimate the Claim of Robert T. Ianucci; Team Obsolete Ltd.; Team Obsolete Products, Ltd.; Team Obsolete Promotions, Inc.; Jim Redman; Rick Vesco as Executor of the Estate of Don Vesco; Dave Roper; Lon McCroskey, M.D.; Erik Green and John Kain ("Obsolete").

AHRMA is a not-for-profit organization that sanctions, organizes, and promotes historic motorcycle races for amateur riders.

Robert T. Ianucci is the principal shareholder of Team Obsolete Ltd.; Team Obsolete Products, Ltd. And Team Obsolete Promotions, Inc. (collectively referred to as "Obsolete") [2]. These same parties are the Plaintiffs in a lawsuit pending in the United States District Court, Eastern District of New York styled *Team Obsolete Ltd., Team Obsolete Products, Inc., Team Obsolete Promotions, Inc. et. al v. A.H.R.M.A. LTD., and American Motorcyclist Association, Inc.*, Case Number CV 01 1574 (the "District Court Action").

[1] For a more detailed factual and procedural background, attached as **Exhibit A** is a copy of the affidavit of counsel for AHRMA that was filed in the District Court Action in support of its motion to dismiss.

[2] According to Plaintiffs' Fifth Complaint, Plaintiff Iannucci is the principal shareholder of Plaintiffs Team Obsolete LTD.; Team Obsolete Products, ltd. And Team Obsolete Promotions Inc. (collectively, "Team Obsolete"). *See* Exhibit D, Plaintiffs' Complaint verified on October 15, 2004, at ¶ 4-5.

The District Court Action is an improper extension of prior litigation between the parties. In 1998, AHRMA brought a trademark infringement action against Obsolete in the U.S. District Court for the Middle District of Florida, *American Historic Racing Motorcycle Association, Ltd. v. Team Obsolete Promotions*, 33 F.Supp.2d 1000, 1006 (M.D. Fla. 1998), copy attached as **Exhibit B**). Holding for AHRMA, the District Court found as follows:

> (i) Team Obsolete had infringed AHRMA's BEARS trademark;
>
> (ii) Team Obsolete "has a history of shifty behavior in its dealings with AHRMA"; and
>
> (iii) The facts indicated that "Team Obsolete has a pattern of copying AHRMA's classifications, and that Team Obsolete may have acted in bad faith when it used [AHRMA's] mark.

This decision was affirmed by the United States Court of Appeals, Eleventh Circuit. *See American Historic Racing Motorcycle Association, Ltd. v. Team Obsolete Promotions*, 233 F.3d 577 (11th Cir. 2000).

Based on this and other legitimate reasons, AHRMA duly non-renewed and/or revoked Mr. Iannucci's membership from AHRMA in 1999. Mr. Iannucci was given an opportunity to appeal that decision and present his case to the AHRMA Board of Trustees. He chose not to appear at a hearing; however, his attorney did appear but presented no evidence, only challenging the decision process. At the hearing the AHRMA Board unanimously affirmed the decision that it was proper to non-renew and/or revoke Mr. Iannucci's membership from AHRMA.

Notwithstanding the foregoing, and in direct violation of the covenant not to sue AHRMA (which Mr. Iannucci and the other individual plaintiffs agreed to be bound by), Mr. Iannucci then filed the complaint that initiated the District Court Action in March of 2001. The

original complaint was based upon predominantly antitrust and RICO claims. When the antitrust and RICO claims were dismissed with prejudice, Obsolete asserted new claims and new damage theories. In total, Obsolete has filed five complaints, discovery is not close to complete, and the case has never been set for trial.

Discovery in the District Court Action has been extremely contentious, and Obsolete has engaged in a series of actions designed to increase the costs of the litigation process. The magistrate judge ordered all factual discovery to be completed by August 15, 2006. Obsolete failed to comply with this directive, and the discovery deadline was extended. Extensive discovery and motion practice continued through September 2006.

Mr. Iannucci told others that his stated purpose was to bleed ARHMA's resources and then sue its trustees. Obsolete repeatedly failed to comply with court ordered discovery dates, repeatedly requested adjournments of discovery deadlines, and has made numerous attempts to extend discovery further.

Obsolete also served baseless motions designed to drive up the cost of litigation. For example, five years after the District Court Action was commenced, Obsolete served for the first time a motion to disqualify AHRMA's outside general counsel. The motion was denied.

Obsolete also repeatedly failed to produce documents relating to its alleged damages prior to their depositions, and then tried to produce the documents just before the close of all factual disclosures relating to AHRMA. This forced AHRMA to bring a motion to preclude Obsolete's damages which was pending when all activity in the case was stayed on October 11, 2006, based on the Motion of AHRMA's attorneys to withdraw.

After four amended complaints, multiple scheduling orders and deadline extensions, myriad discovery disputes, and withdrawal of counsel for both Plaintiff and Defendant; this case

is not even approaching a summary judgment proceeding. A copy of the docket entries in the District Court Action is attached hereto as **Exhibit C**. This document succinctly demonstrates the tortured history and uncertain future of this litigation.

Prior to the District court case, but unknown to AHRMA until it sought coverage of this claim, AHRMA's insurance carrier became insolvent and was placed in a receivership proceeding. The District Court litigation was covered, but the coverage was limited to $300,000.00 provided by the Wisconsin insolvency fund, designed to provide some protection in cases of insolvency. AHRMA's cost from this litigation to date is approximately $877,571.24. Of this amount approximately $401,005.52 has been paid out of pocket by AHRMA, and approximately $176,565.72 remains owed and is listed on Schedule F of the Debtor's schedules. The estimated fees to get to trial were stated by co unsel to be up to another $300,000.00. AHRMA has inadequate resources to pay the outstanding and projected legal costs to continue litigation of this action in District Court. AHRMA so advised its counsel, who then filed the above noted motion to withdraw from representation on October 10, 2006, and secured the stay of the proceedings, which is currently in place. AHRMA subsequently filed this Chapter 11 case on November 10, 2006.

### A. The Federal District Court Rejected Obsolete's Original Theory That AHRMA Allegedly Violated the RICO and Antitrust Laws

Initially, Obsolete brought a 68-page complaint dated march 12, 2001 (the "First Complaint") based predominantly upon antitrust and RICO claims. That complaint was brought against AHRMA, and fourteen selective individual trustees, officers and representatives of AHRMA – several of whom have never even been to New York.

In response, AHRMA filed a Motion for a Judgment on the Pleadings. Obsolete then cross-moved for leave to amend and asserted a second proposed complaint dated September 12, 2001 ("Second Complaint") in an attempt to salvage their baseless RICO and antitrust claims.

The District Court rejected Obsolete's proposed amendments in their Second Complaint, and by decision dated March 24, 2003, the District Court dismissed plaintiffs' RICO claims with prejudice, determined that all of Obsolete's antitrust claims failed to state claims, and dismissed without prejudice the individual trustees, officers and other representatives of AHRMA from the District Court Action. *See Team Obsolete, Ltd. v. AHRMA, Ltd.*, 216 F.R.D. 29, 36 and 39-40 (E.D.N.Y. March 24, 2003) (Glasser, J.).

**B. Obsolete Delayed the Serving of Their Amended Complaint for Several Months**

In the District Court's March 24, 2003 decision, it directed Obsolete to serve a new amended complaint that conformed with the District Court's order within 20 days. Obsolete waited until on or about June 19, 2003 to serve their third complaint, which is labeled the Second Amended Complaint (the "Third Complaint').

Obsolete's Third Complaint failed to comply with the District Court's March 24, 2003 decision in several respects. Even though the District Court dismissed the RICO and antitrust claims, Obsolete's Third Complaint still contained countless pages of factual allegations that previously served as the factual basis for plaintiffs' dismissed RICO and antitrust claims. But rather than engaging in motion practice, and facing escalating attorney fees, AHRMA answered the Amended Complaint and reasserted its counterclaims.

Obsolete waited until on or about October 31, 2003, to reply to AHRMA's counterclaims. Obsolete's Reply was accompanied by a cover letter dated October 31, 2003, from Obsolete's

prior counsel,[3] which indicated that he would contact the magistrate judge within one week of October 31, to require a Rule 26 Discovery Conference. When this never occurred, AHRMA assumed that Obsolete was abandoning its baseless claims.

**C. Magistrate Judge Directed Obsolete to Serve a Pared Down Complaint**

In April of 2004 (six months after Obsolete's prior counsel represented that he was going to contact the District Court to set up a discovery conference), the magistrate judge issued an order directing the parties to attend a discovery conference on April 29, 2004.

Prior to the April 29 discovery conference, AHRMA's counsel called Obsolete's prior counsel to "meet and confer" in order to formulate a discovery plan. In that regard, a telephone conference was held by the parties on April 8, 2004, at which time Obsolete's prior counsel represented to AHRMA's counsel that Obsolete was going to "pare down" its complaint and discontinue certain claims. Obsolete's prior counsel also represented at that time that Obsolete was going to serve a "pared down" complaint in advance of the April 29, 2004 discovery conference, but this never occurred.

At the April 29, 2004, conference before the magistrate judge, Obsolete's prior counsel represented to the District Court that Obsolete intended to pare down the complaint. He also indicated that the individual plaintiffs (with the exception of Iannucci) would be withdrawing all of their claims. Based upon such representations to the District Court, the magistrate judge granted Obsolete until May 14, 2004, to serve a streamlined complaint.

Obsolete did not serve an amended complaint by May 14, 2004, and by letter dated May 14, AHRMA once again requested that Obsolete serve the amended pleading. Later that day, Obsolete's prior counsel requested from the magistrate judge additional time to file and serve an

[3] As will be discussed in more detail hereinafter, the original counsel for Obsolete withdrew from representation on June 14, 2004.

amended complaint. In that letter, Obsolete's prior counsel acknowledged in writing that Obsolete's amended complaint **"would reduce the claims and the parties to the litigation rather than add or clarify any existing causes of action"**. (Emphasis added).

By order dated May 24, 2004, the magistrate judge further directed Obsolete to "serve a streamlined complaint, pared to the essentials of their remaining claims." (Emphasis added). As set forth below, this has never occurred.

On or about May 24, 2004, AHRMA received Obsolete's fourth complaint, labeled Third Amended complaint (the "Fourth Complaint"). The Fourth Complaint was deficient in several respects. Among other things, (i) it contained a litany of allegations and incidents which pertained to claims which were previously dismissed by this Court; (ii) it contained other allegations and incidents which were unrelated to any of the remaining claims; and (iii) it contained claims asserted by the individual plaintiffs riders (other than Iannucci), which Obsolete previously represented would be dismissed.

Apparently recognizing that Obsolete's Fourth Complaint did not comply with the magistrate judge's May 24, 2004, Order, Obsolete's prior counsel later withdrew the Fourth Complaint, claimed it was sent in error, and asked for more time to serve a new streamlined complaint.

But, rather than serving a streamlined complaint (after receiving months of adjournments to do so), Obsolete's counsel moved to withdraw from the case. Obsolete's prior counsel obviously recognized that Obsolete was attempting to prosecute baseless claims, and that such conduct was frivolous.

Once again, to avoid motion practice, and attendant attorney fees, AHRMA consented to the withdrawal of Obsolete's prior counsel, so long as Obsolete timely served a streamlined complaint and thereafter the parties proceeded with discovery.

**D. Obsolete Retained New Counsel and Attempted to Add Eight New Claims**

On or about August 6, 2004, Obsolete retained new counsel who then requested an adjournment of Obsolete's time to amend the complaint so that his office could get up to speed in the case.

Since AHRMA did not receive any proposed disclosure plan from Obsolete, on October 13, 2004 (and again on October 18), AHRMA sent Obsolete's new counsel a proposed disclosure plan. This was, of course, done in anticipation that Obsolete was going to abide by the magistrate judge's order and serve a streamlined complaint pared down to the essentials of the remaining claims.

On or about October 18, 2004, AHRMA finally received from Obsolete a fifth complaint verified on October 15, 2004 (the "Fifth Complaint"). This complaint was served over one year and a half after the District Court's March 24, 2003 order, which directed Obsolete to file an amended complaint in accordance with the District Court's order within 20 days.

In their Fifth Complaint, Obsolete improperly added eight new claims without leave of court. The new claims failed to state claims upon which relief can be granted and were directly inconsistent with Obsolete's prior pleadings.

By way of example, the core of Obsolete's case is that AHRMA allegedly improperly non-renewed and/or revoked Mr. Iannucci's membership from AHRMA in 1999, and then AHRMA did not allow the other individual plaintiffs to ride in AHRMA races after 1999. Now, in the Fifth Complaint, Obsolete alleges that AHRMA allegedly breached an implied contract

with Team Obsolete that presumably was entered into in the 1980's – when the non-profit AHRMA was formed. Allowing these proposed amendments (which fail to state claims), forced AHRMA to engage in wholly unrelated discovery regarding alleged events which took place over 20 years ago. This further drove up the costs of the litigation, which was to be plaintiffs' announced goal.[4]

The new claims bear no nexus to the prior claims asserted in this lawsuit. If Obsolete were permitted to proceed to liquidate these baseless claims in the District Court Action, AHRMA would be forced to expend significant resources conducting additional discovery solely related to these new baseless claims. For the reasons described below, this would unduly delay the administration of this bankruptcy case and the Debtor would be unable to reorganize.

**E. AHRMA Attempted to Resolve the Deficiencies in Obsolete's Fifth Complaint Without Motion Practice**

Now some three years into the litigation, and with no end in sight, AHRMA sought and secured a meeting with the magistrate judge as an alternative to the enormous costs of motion practice. This process generally involved letters and informal meeting with counsel and the magistrate judge.

As an example, on October 26, 2004, in an effort to avoid having to file a motion to dismiss, AHRMA sent correspondence to Obsolete and the magistrate judge detailing the legal insufficiencies of Obsolete's new claims. AHRMA also requested a conference before the magistrate judge to address this issue without the need for motion practice so that the parties could conserve their resources and proceed with discovery.

[4] Apparently, Mr. Iannucci has engaged in the same exact litigation strategy in the past. In connection with a case brought by Mr. Iannucci's former partner in Team Obsolete, the Appellate Division, First Department held that Mr. Iannucci's motion to disqualify the adverse attorney was "meritless", and "the disqualification motion appear[ed] to be nothing more than a tactical ploy to obtain a protracted delay of the proceedings." *Elghanayan v. Iannucci*, 145 A.D.2d 345, 535 N.Y.S.2d 611, 612 (1st Dep't 1988) (Emphasis added).

On October 28, 2004, a telephone conference was held before the magistrate judge, who directed the parties to meet and confer to determine if Obsolete would voluntarily withdraw (some or all of) their newly asserted claims. Thereafter, AHRMA repeatedly requested Obsolete to send AHRMA any authority that supported Obsolete's proposed amendments, which Obsolete failed to do. Obsolete's new counsel did make clear, however, that his clients had substantial resources, and that they intended to proceed with the new claims. Obsolete's new counsel also continued to insist that Obsolete had streamlined the complaint, even though they had added eight new claims.

Accordingly, a conference was held before the magistrate judge on December 6, 2004, in which the magistrate judge directed Obsolete and AHRMA to proceed with automatic disclosure and written discovery only on the claims which AHRMA was not moving to dismiss. Although this aspect of the Court's directive was not expressly included in the magistrate judge's minutes of the conference, all of the parties have agreed in writing that the magistrate judge directed at the conference that automatic disclosure and written discovery would be limited to the claims which were not the subject of the motions to dismiss. Apparently, in an attempt to further delay the proceedings, Obsolete requested a six-week adjournment of automatic disclosure.

Since December 6, 2004, there have been 104 additional docket entries in this case, as of October 31, 2006. This brings the total to 244 through that date. The Minute Entry dated September 11, 2006 (immediately following Docket Entry 229), indicates the log jam created by Obsolete in the District Court Case. Approximately five and one-half years after the Complaint was filed. the Court was ruling on ten pending discovery disputes. On October 10, 2006, counsel for AHRMA in the District Court Action filed a motion to withdraw as counsel, after being informed that AHRMA lacked sufficient resources to pay the outstanding bill of approximately

$159,000.00. That was after counsel had informed AHRMA that another $300,000.00 would be required to get to trial on the issues.

In summary, AHRMA has been forced into this Chapter 11 case by a lawsuit which has been protracted by design by Obsolete. AHRMA lacks the resources to defend the action further, and seeks an estimation of the District Court Claim in order to confirm a Plan of Reorganization and continue to operate.

**ARGUMENT**

Pursuant to 11 U.S.C. § 502(c), the Bankruptcy Court has the power to estimate "any contingent or unliquidated claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the case." 11 U.S.C. § 502(c). Section 502(c) requires that if the fixing or liquidation of a contingent or unliquidated claim would unduly delay the administration of a case, such claim "shall be estimated for purpose of allowance." 11 U.S.C. §502(c). While the clearly stated purpose of allowing such estimation is to "avoid undue delay in the administration of the bankruptcy proceedings," *Frito-Lay, Inc. v. LTV Steel Co. (In re Chateaugay Corp.)*, 10 F.3d 944, 957( 2d Cir. 1993), the section is designed for two purposes:

1) to avoid the need to await the resolution of outside lawsuits to determine issues of liability or amount owed by means of anticipating and estimating the likely outcome of these actions, and

2) to promote a fair distribution to creditors through a realistic assessment of uncertain claims. *O'Neill v. Continental Airlines, Inc. (In re Continental Airlines)*, 981 F.2d 1450, 1461 (5th Cir. 1993); *In re Federal-Mogul Global, Inc.*, 300 B.R. 133, 154 (4th Cir. 1989); *Matter of Ford*, 967 F.2d 1047, 1053 (5th Cir.1992).

In order to estimate claims, the Bankruptcy Court is free to use the best method available to it under the circumstances, to value the claim. *Addison v. Langston (In re Brints Cotton Mktg., Inc.),* 737 F.2d 1338, 1341 5th Cir. 1984). Bankruptcy Courts utilize various procedures to estimate the value of a claim. In *Brints*, the Bankruptcy Court conducted a trial. *Brints* 737 at 1341. In *Thomson McKinnon Securities, Inc.*, 143 B.R. 619 (Bankr. S.D.N.Y. 1992), the Bankruptcy Court estimated a claim after conducting a hearing at which each side provided a live witness, in addition to reviewing relevant deposition testimony of witnesses who had been deposed during the course of several years in previous litigations concerning the subject matter of the claim. *Id*. at 619.

In this case, the Debtor has been involved in protracted litigation with Obsolete since successfully enjoining Obsolete from trademark infringement and subsequently revoking membership based on a history of "shifty behavior" found by a U.S. District Court in Florida. In the present action, five amended complaints have been filed by Obsolete in the District Court. Counsel for the Debtor in the District Court Action has withdrawn because the Debtor was unable to continue paying its legal fees and expenses. Obsolete's first attorney withdrew from representation in the District Court Action. Successor counsel promptly and plainly demonstrated the true litigation goal of Obsolete when he added eight new claims in the Fifth Complaint in spite of a prior order to serve a "pared down" complaint. The District Court Action is essentially a re-hashing of the litigation that was appealed to the 11th Circuit by Obsolete, and affirmed in favor of the Debtor.

The Debtor asserts it has no liability in the District Court Action, but that the cost of continued litigation would exhaust its resources and force it into a Chapter 7 bankruptcy case. The Debtor is entitled to an estimation of the claim of Obsolete in order to determine whether it

can reorganize and to determine whether any plan is possible. *In the Matter of Poole Funeral Chapel*, 63 B.R. 527 (Bankr. N.D. Ala. 1986) (Estimation proper where cost of trying case would exhaust resources and force debtor into Chapter 7). The Debtor is a non-profit membership organization funded by dues paid by members, and revenues from promotions, sanctioning, and conducting motorcycle races for amateur riders. AHRMA's only significant debts are directly related to the District Court Action, which threatens its otherwise robust going concern. A feasible Plan of Reorganization can be confirmed if the Obsolete claim is estimated based on its merits, or lack thereof.

The Bankruptcy Court will estimate an unliquidated claim against a debtor where actual liquidation of the claim would unduly delay progress of the case and very likely frustrate the debtor's reorganization effort and where allowing the claim in full could jeopardize the feasibility of the debtor's plan. *In re Nova Real Estate Inv. Trust*, 23 B.R. 62, 65 (Bankr. E.D.Va.1982). The actual liquidation of the Obsolete claim against the Debtor would preclude the Debtor from moving forward in its Chapter 11 case, completely stop the Debtor's reorganization effort, and make it impossible to propose a feasible plan. The *Nova* Court went on to state "(t)o hold otherwise would be to surrender the rehabilitation of the Debtor and the orderly process of Chapter 11 proceedings." *Id*., citing *In re Brada Miller Freight System, Inc.*, 8 B.R. 62 (Bkrtcy.N.D.Ala.1980); See also, *In re Corey*, 892 F.2d 829, 834 (9th Cir. Hawaii 1989) (Court estimated claims of creditors given highly speculative nature of claims and undue delay); *In re Trident Shipworks, Inc.*, 247 B.R. 513, 514 (Bankr.M.D.Fla.2000) (Bankruptcy court estimated damage claims, which arose out of Chapter 11 debtor's alleged breach of contracts to construct luxury yachts, where each claim involved extensive, fact intensive disputes); *In re Porter*, 50 B.R. 510, 517 (Bankr. .E.D.Va.1985) (Estimation of contribution claim proper where

determination by state court of actual amount of claim would have unnecessarily delayed administration of case which had already been marked by delay); *Bittner v. Borne Chemical Co., Inc.*, 691 F.2d 134, 139 (3d Cir.1982) (Court of Appeals affirmed District Court decision that assigned zero value to claim brought against debtor in state court because it lacked legal merit); *In re Chateaugay Corp.*, 944 F.2d 997 1006 (2d Cir.1991) (courts should make a "speedy and rough estimation of [the] claims for purposes of determining [claimant's] voice in the Chapter 11 proceedings····").

The Debtor is seeking to estimate the claim of Obsolete for the purposes of allowance as well as distribution. The merits of a claim may be finally adjudicated under an estimation procedure. *In re C.F. Smith & Associates, Inc.*, 235 B.R. 153, 160 (Bankr. D. Mass. 1999) citing, *Midway Motor Lodge v. Innkeepers' Telemanagement & Equip. Corp.*, 54 F.3d 406 (7th Cir.1995). It is well settled that the estimation of claims other than personal injury and wrongful death claims for purposes of distribution is a core bankruptcy matter and must, therefore, be within the scope of § 502(c). *In re Poole Funeral Chapel, Inc.*, 63 B.R. 527, 532 (Bankr. N.D. Ala. 1986). "It is also well established that the estimation proceeding may be used … to determine the allowed amount for distribution purposes." *In re Trident Shipworks, Inc.*, 247 B.R. 513, 514 (Bankr. M.D. Fla. 2000); *In re Wallace's Bookstores, Inc.*, 317 B.R. 720, 725 (Bankr. E.D. Ky. 2004). An estimation under 502(c) contemplates a full adjudication. *In re A.H. Robbins*, 880 F.2d 709, 720 (4th Cir. 1989). The process of estimation under the Bankruptcy Code is accurately explained in the Note, The Manville Bankruptcy: Treating Mass Tort Claims in Chapter 11 Proceedings, 96 Harv.L.Rev. 1121 at 1128-29 and 1132-33 (1983):

> The liquidation of contingent claims is governed by the estimation provision of the Bankruptcy Code, section 502(c). The term "estimation" is misleading insofar as it suggests a mere guess or a

> lack of procedure; estimation in bankruptcy can be a full adjudication….
>
> The new requirement that the court estimate all claims is one of many reforms in the Bankruptcy Code that are intended to implement the Code's broad policy of affording the debtor the most complete relief and the freshest start feasible by disposing of all possible claims during the bankruptcy proceeding. Congress wished to eliminate the possibility that after the completion of reorganization the debtor would still be faced with the uncertainty of contingent debts that could ruin the financial stability achieved in the reorganization proceedings. … In either case, Manville would exit from the reorganization certain of all of its liabilities and able to carry on its business without the fear that pending or future asbestos-related claims would endanger its financial condition.
>
> For other discussion of the estimation process under 502(c), *see* 3 Collier on Bankruptcy, ¶ 502.03, pp. 502-71 to 503-75 (15th ed. 1979) and Kaufman, *Procedures for Estimating Contingent or Unliquidated Claims in Bankruptcy*, 35 Stan.L.Rev. 153 (1982).

*Id*. at 720.

It is clear from the facts of this case that not only would the failure to estimate the claim of Obsolete unduly delay the administration of this case, but it would also preclude the Debtor from administering this case in any way, and take away any possibility of reorganization under Chapter 11 of the Bankruptcy Code.

## CONCLUSION

For the reasons stated in this Memorandum of Law in Support of motion to Estimate the Claim of Obsolete, the debtor requests that the Court estimate the claim of Obsolete.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing was electronically filed with the Court, and was mailed to the following on November 14, 2006:

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