

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MAINE

In re:

LINCOLN PAPER AND TISSUE, LLC,

Debtor.

Case No. 15-10715

Chapter 11

NOTICE OF HEARING

Lincoln Paper and Tissue, LLC, the debtor and debtor-in-possession (the "Debtor") in the above-captioned chapter 11 case, by and through its counsel, has filed the Motion to Approve Settlement Agreement Between the Greenwich Entities and Lincoln Paper and Tissue, LLC and Sale of Insurance Policies to Greenwich (the "Motion"). A hearing regarding the Motion is scheduled for **November 14, 2017 at 9:00 a.m.** at the **Bankruptcy Court, 537 Congress Street, Portland, ME 04101.**

As set forth more fully in the Motion, the Debtor seeks approval of a compromise, the terms of which are set forth in a settlement agreement entered into by the Debtor and the Greenwich Entities¹ (the "Settlement Agreement"). A copy of the Settlement Agreement may be requested from the undersigned and is also attached at **Exhibit A** to the Motion and order attached thereto. In very general terms, the Settlement Agreement provides for, among other things, the purchase of insurance Policies from the Debtor by Greenwich free and clear of all Claims and Interests and further provides as follows (the Settlement Agreement should be reviewed in its entirety for a full understanding of its terms, none of which are altered by the summary provided for herein):

- a) In full and final settlement of all Claims and Interests arising out of or relating in any way to the Policies, the Site, any Insurance Coverage Claims, any Direct Action Claims or Coverage Requests, and in consideration of the conveyance of the Policies to Greenwich, Greenwich shall purchase from the Debtor, and the Debtor shall sell, convey, transfer and deliver to Greenwich, upon payment of the Settlement Amount, the Policies, and any and all rights, title and interests under the Policies, free and clear of any and all Claims and Interests of any and all Persons and upon payment of the Settlement Amount, the Parties agree that it is their mutual intent that the Policies shall be treated as if void ab initio and/or rescinded as if they were never issued.

¹ Capitalized terms not herein defined shall have the same meaning set forth in the Motion and/or the Settlement Agreement.

- b) Approval of the Settlement Agreement in all respects and authorization for the Parties to enter into and consummate the same and a finding that Greenwich is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code, and that the Settlement Agreement and transactions contemplated therein are not subject to avoidance or any recovery of costs, fees, expenses, or damages pursuant to § 363(n) of the Bankruptcy Code.
- c) Effective immediately upon payment of the Settlement Amount, and without any further action by any of the Parties, all of the Debtor's rights and the rights of all other Persons arising out of or relating in any way to the Policies shall be permanently and irrevocably extinguished, as if the Policies had never been issued, and **the Debtor and all Persons shall be permanently enjoined from asserting, prosecuting, continuing or commencing any Claims or Interests that any Person holds or asserts or may in the future hold or assert against the Greenwich Entities arising out of or relating in any way to any Coverage Requests, any Direct Action Claims, any Insurance Coverage Claims, the Policies or the Site.**
- d) From the date on which the Approval Order becomes a Final Order, any and all Claims and Interests that are enjoined pursuant to Paragraph G of the Approval Order (a proposed copy of which is attached to the Settlement Agreement as Attachment 2, and is entitled Order Granting Motion to Approve Settlement Agreement between the Greenwich Entities and Lincoln Paper and Tissue, LLC And Sale of Insurance Policies to Greenwich), shall attach exclusively to the Settlement Amount or any Additional Settlement Amount that may become due, subject to the terms and conditions of the Settlement Agreement or as otherwise directed by the Court. Other than the rights and interests of the EPA under the EPA Settlement Agreement (as defined in the Motion), no Person shall have any rights or interests in the Settlement Amount or the Additional Settlement Amount, and such amounts shall be deposited into the Estate and used in accordance with the Bankruptcy Code and/or any plan of liquidation approved by this Court for the payment of claims against the Debtor.
- e) In return for the conveyance of the Policies, Greenwich shall pay to the Debtor the Settlement Amount (**\$575,000.00**) on the tenth business day after the Approval Order becomes a Final Order.
- f) Greenwich shall pay to the EPA any Additional Settlement Amount after the Approval Order becomes a Final Order, and ten business days after the Debtor provides to Greenwich satisfactory proof of any final amounts the Debtor owes pursuant to the Contingent Payment Requirement

contained in the EPA Settlement Agreement (up to an additional **\$225,000.00**).

- g) In the event that the Bankruptcy Case is converted or dismissed, all terms, conditions, promises, and obligations set forth in the Settlement Agreement shall survive and shall be and shall remain binding on the Parties and any successors or assigns of the Parties, including without limitation any trustee that may be appointed in this Bankruptcy Case (whether under chapter 7 or chapter 11 or any other chapter of the Bankruptcy Code), or any trustee of a liquidating trust relating to assets of the Debtor.
- h) All of the Debtor's obligations, and any damages resulting from a breach of such obligations, under the Settlement Agreement **may** be treated as post-petition administrative expenses.
- i) Excepting the obligations arising under the Settlement Agreement, the Settlement Agreement provides for mutual releases as between the Parties.

If you do not want the Court to approve the Motion, then **on or before November 7, 2017**, you or your attorney must file with the Court a response or objection explaining your position. If you are not able to access the CM/ECF Filing System, then your response should be served upon the Court and the Debtor at:

Alec Leddy, Clerk
United States Bankruptcy Court for the District of Maine
537 Congress Street
Portland, Maine 04101

-and-

Sam Anderson, Esq.
Bernstein, Shur, Sawyer & Nelson, P.A.
100 Middle Street, P.O. Box 9729
Portland, Maine 04104-5029

If you do have to mail your response to the Court for filing, then you must mail it early enough so that the Court will receive it **on or before November 7, 2017**.

If no objections are timely filed and served, then the Court may enter a final order approving the Motion without any further hearing.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion, and may enter an order granting the requested relief without further notice or hearing.

Dated: October 17, 2017

LINCOLN PAPER & TISSUE, LLC

By its attorneys:

/s/ Sam Anderson, Esq.

D. Sam Anderson, Esq.

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