

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MONTANA**

In re

**SOUTHERN MONTANA  
ELECTRIC GENERATION AND  
TRANSMISSION  
COOPERATIVE, INC,**

Debtor.

Case No. **11-62031-11**

**ORDER**

At Butte in said District this 5<sup>th</sup> day of December, 2013.

The Debtor, Southern Montana Electric Generation and Transmission Cooperative, Inc., filed a voluntary Chapter 11 bankruptcy petition on January 13, 2012. At that time, Debtor's Board of Trustee's was in a 3 to 3 deadlock, which prohibited the Debtor from moving forward in any meaningful fashion. On November 14, 2011, counsel for the United States Trustee filed a motion seeking approval of a stipulation for the appointment of a Chapter 11 trustee. Following a hearing held November 21, 2011, the Court granted the United States Trustee's motion and approved the stipulation for appointment of a trustee. On November 29, 2011, the Court approved the appointment of Lee A. Freeman to serve as the Chapter 11 Trustee in this case. Two years later, on November 27, 2013, the Court granted a motion filed by Fergus Electric Cooperative, Inc. to remove the Trustee, and restored the Debtor to a debtor-in-possession. On December 3, 2013, the Court approved the Debtor's employment of Malcolm H. Goodrich,

Maggie W. Stein, Felicia Smith and the Goodrich Law Firm, P.C., as counsel for Debtor.

Prior to this Court's Order of November 27, 2013, the Chapter 11 Trustee was named as a defendant in Adversary Proceeding No. 13-00036, and commenced Adversary Proceeding Nos. 13-00043, 13-00044, 13-00045, 13-00046, and 13-00047. Pretrial scheduling conferences were held December 4, 2013, in Adversary Proceeding Nos. 13-00036, 13-00045 and 13-00046.

There are also pending motions in at least two of the Adversary Proceedings, including a motion to dismiss in Adversary Proceeding 12-00017 that is scheduled for hearing on December 10, 2013.

During the pretrial conferences, counsel for Debtor asked for additional time to get up to speed on all matters associated with the Debtor's case. For example, a hearing on approval of the Disclosure Statement for the Member Cooperatives' Plan of Liquidation filed October 18, 2013, at docket entry no. 1099 is scheduled for December 10, 2013. The parties participating in the December 4, 2013, scheduling conferences were not opposed to allowing Debtor's counsel additional time, as requested. The Court thus agreed to hold all matters in abeyance, with a hearing on any and all contested matters, including a hearing on the approval of the Disclosure Statement for Member Cooperatives' Plan of Liquidation, scheduled for January 14, 2014, at 10:00 a.m. in Billings. Consistent with the foregoing,

IT IS ORDERED that the hearing scheduled for December 10, 2013, on approval of the Disclosure Statement for Member Cooperatives' Plan of Liquidation filed October 18, 2013, at docket entry no. 1099, is continued to **Tuesday, January 14, 2014, at 10:00 a.m.**, or as soon thereafter as the parties can be heard, in the BIGHORN COURTROOM, 5<sup>TH</sup> FLOOR ROOM 5503, JAMES F. BATTIN UNITED STATES COURTHOUSE, 2601 2<sup>ND</sup> AVENUE NORTH,

BILLINGS, MONTANA.

IT IS FURTHER ORDERED that Debtor shall have through January 7, 2014, to file a response to any pending matters filed as of this date in this case, which include, but are not limited to: (1) the Trustee's Motion for Valuation of Security filed April 19, 2013, at docket entry no. 816; (2) the Eighth Interim Application of Horowitz & Burnett, P.C. for Professional Fees and Costs filed November 21, 2013, at docket entry no. 1154; and (3) the Seventh Interim Application of Noteholders for Allowance of Professional Fees and Costs as a Component of Secured Claim Pursuant to 11 U.S.C. § 506(b) filed November 26, 2013, at docket entry no. 1157.

BY THE COURT

A handwritten signature in cursive script, reading "Ralph B. Kirscher", is written over a horizontal line.

HON. RALPH B. KIRSCHER  
U.S. Bankruptcy Judge  
United States Bankruptcy Court  
District of Montana