

DISCLOSURE STATEMENT APPROVAL

A Disclosure Statement Should Not Be Approved Where The Underlying Plan Is Unconfirmable On Its Face

See *In re Dakota Rail, Inc.* 104 B.R. 138, 143 (Bankr. D. Min. 1989):

"Allowing a facially nonconfirmable plan to accompany a disclosure statement is both inadequate disclosure and a misrepresentation."

See *In re Gingerella*, 148 B.R., 157, 158 (Bankr. D.R.I. 1992):

"... it is inappropriate to consider other issues as well at this stage [disclosure statement hearing], where the proposed plan is arguably unconfirmable on its face"

See *In re Bjolmes Realty Trust*, 134 B.R., 1000, 1002 (Bankr. D. Mass 1991):

permissible for "court to pass upon confirmation issues where, as here, it is contended that the plan is so fatally and obviously flawed that confirmation is impossible"

See *In re Eastern Maine Elec. Coop., Inc.* 125 B.R., 329, 333 (Bankr. D. Me. 1991):

"Where the plan's inadequacies are patent, they may and should be addressed at the disclosure statement stage."

See *In re Filex, Inc.* 116 B.R., 37, 41 (Bankr. S.D.N.Y. 1990):

only plans that "patently comply with the applicable provisions of the Bankruptcy Code will pass muster for disclosure purposes."