

1 GORDON SILVER  
 2 GERALD M. GORDON, ESQ.  
 Nevada Bar No. 229  
 E-mail: ggordon@gordonsilver.com  
 3 WILLIAM M. NOALL, ESQ.  
 Nevada Bar No. 3549  
 E-mail: wnoall@gordonsilver.com  
 4 GABRIELLE A. HAMM, ESQ.  
 Nevada Bar No. 11588  
 E-mail: ghamm@gordonsilver.com  
 5 3960 Howard Hughes Pkwy., 9th Floor  
 6 Las Vegas, Nevada 89169  
 Telephone (702) 796-5555  
 7 Facsimile (702) 369-2666  
 8 Attorneys for Debtor

9 **UNITED STATES BANKRUPTCY COURT**  
 10 **FOR THE DISTRICT OF NEVADA**

11 In re:  
 12 LAS VEGAS MONORAIL COMPANY,  
 13 Debtor.

Case No. BK-S-10-10464-BAM  
 Chapter 11

Hearing Date:  
 Time:

14  
 15 **DEBTOR'S INITIAL REPLY REGARDING ORDER REGARDING UPCOMING**  
 16 **CONFIRMATION HEARING (ECF No. 927)**

17 Debtor has reviewed the Court's *Order Regarding Upcoming Confirmation Hearing*  
 18 [ECF No. 927]. As alluded to by counsel for Debtor at the last hearing, Debtor has been  
 19 negotiating with the Majority 1st Tier Bondholders, the 1st Tier Trustee, the 2nd Tier Trustee,  
 20 the Director, and Ambac to achieve a consensual plan. Debtor believes a resolution of the 2nd  
 21 Tier Trustee's objections to the Third Amended Plan (the "Plan") have been resolved, subject to  
 22 approval by the Court (and the court hearing the TIP proceeding relative to that resolution).  
 23 However, the Majority 1st Tier Bondholders and Ambac, Debtor's largest constituents, have  
 24 voted to reject Debtor's Plan, and Debtor has amended the Plan to address their concerns.  
 25 Debtor will be filing its Third Amended Plan (as Revised) early next week together with a  
 26 proposed amendment to the Disclosure Statement [ECF No. 880] regarding the Third Amended  
 27 Plan (as Revised).

28 The Debtor believes that the changes made in the Third Amended Plan, as Revised, will


1 address at least part of the Court's feasibility concerns with respect to the Plan. The changes in  
2 the Third Amended Plan (as Revised) provide a clearer path to achieve a long term existence.  
3 Debtor believes that the modifications to the Plan will achieve the support of the Majority 1st  
4 Tier Bondholders and Ambac, which has been difficult to achieve in view of the complications  
5 of the Segregated Account proceedings.

6 Debtor will forthwith file the Third Amended Plan (as Revised) and a proposed  
7 amendment to the Disclosure Statement for distribution to Class 4 and Class 5 claimants  
8 explaining the economic modifications to treatment of the Class 4 and 5 claims and the  
9 resolution of issues related to Ambac's subrogation rights for the Court's approval, and will ask  
10 the Court to determine the appropriateness of the amendment to the Disclosure Statement at the  
11 September 16, 2011 hearing.

12 In view of the fact that the Majority 1st Tier Bondholders and Ambac have indicated they  
13 will not support and have filed no votes regarding the Plan, Debtor has extended the deadlines  
14 for the 1st Tier Majority, the 1st Tier Trustee, the 2nd Tier Trustee, and the 3rd Tier Trustee to  
15 object to the Plan. Debtor will upload a proposed scheduling order with the Third Amended Plan  
16 (as Revised) for the Court's consideration.

17 DATED this 9<sup>th</sup> day of September, 2011.

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19  
20 By:   
21 GERALD M. GORDON, ESQ.  
22 WILLIAM M. NOALL, ESQ.  
23 GABRIELLE A. HAMM, ESQ.  
24 3960 Howard Hughes Pkwy., 9th Floor  
25 Las Vegas, Nevada 89169  
26 Attorneys for Debtor  
27  
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