



Legislation Details (With Text)

File #:	15-519	Version:	1	Name:	RESOLVE AND SETTLE ALL INTERESTS IN THE OPERATING RESERVE ACCOUNT BETWEEN THE CITY OF GLENDALE, ICEARIZONA HOCKEY CO., LLC, ICEARIZONA MANAGER CO., LLC AND DAVID REAVES, CHAPTER 7 TRUSTEE OF ARENA MANAGEMENT GROUP, LLC.
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Title:	RESOLVE AND SETTLE ALL INTERESTS IN THE OPERATING RESERVE ACCOUNT BETWEEN THE CITY OF GLENDALE, ICEARIZONA HOCKEY CO., LLC, ICEARIZONA MANAGER CO., LLC AND DAVID REAVES, CHAPTER 7 TRUSTEE OF ARENA MANAGEMENT GROUP, LLC Staff Contact: Michael D. Bailey, City Attorney				

Sponsors:

Indexes:

Code sections:

Attachments: 1. Bankruptcy Settlement Agreement_Final

Date	Ver.	Action By	Action	Result
7/24/2015	1	City Council	approved	Pass

RESOLVE AND SETTLE ALL INTERESTS IN THE OPERATING RESERVE ACCOUNT BETWEEN THE CITY OF GLENDALE, ICEARIZONA HOCKEY CO., LLC, ICEARIZONA MANAGER CO., LLC AND DAVID REAVES, CHAPTER 7 TRUSTEE OF ARENA MANAGEMENT GROUP, LLC.

Staff Contact: Michael D. Bailey, City Attorney

Purpose and Policy Guidance

This is a request for City Council to authorize and direct the City Manager to enter into a settlement agreement with IceArizona Hockey Co., LLC, IceArizona Manager Co., LLC and David Reaves, Chapter 7 Trustee of Arena Management Group, LLC, to finally resolve and settle all interests in the Operating Reserve Account and agree to the disbursement of the proceeds.

Background

On May 5, 2009, Coyotes Hockey, LLC, Dewey Ranch Hockey, LLC, Coyotes Holdings, LLC and Arena Management Group, LLC (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code, jointly administered in Case No. 2:09-bk-0941-RTB. The Arena Management Group, LLC bankruptcy case was filed in the United States Bankruptcy Court for the District of Arizona ("Bankruptcy Court") as Case No. 2:09-bk-09495-RTB. Arena Management Group, LLC subsequently converted to a Chapter 7 case and David Reaves was appointed as the Chapter 7 Trustee.

Certain funds of approximately \$1 million are held and escrowed in a restricted trust account at Wells Fargo

Bank ("Operating Reserve Account") pursuant to that certain Arena Management, Use and Lease Agreement ("AMULA") dated approximately November 29, 2001 and as amended from time to time.

On January 28, 2015 the Bankruptcy Court ruled in Adv. No. 2:14-ap-00713-RTB, that Michael Carmel, the Trustee of the CH Liquidation Trust, had no interest in the Operating Reserve Account.

As of the date of the Settlement Agreement, the City, IceArizona and the AMG Trustee each assert an interest in the proceeds in the Operating Reserve Account. The City filed a motion asserting its interest in the Operating Reserve Account, which motion is pending before the Bankruptcy Court. IceArizona objected to the City's motion.

It is the intent of the parties to finally resolve and settle all interests in the Operating Reserve Account and agree to the disbursement of the proceeds.