Minnesota Regional Transit Board: Records.

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Version 3
August 20, 2018

CHRONOLOGY RE: MEDICINE LAKE LINES FROM DATE OF FILING ITS PETITION FOR RELIEF UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

March 22, 1990 - Petition for relief filed.

March 28, 1990 - Hearing on motion for use of cash collateral. Stipulation approved.

April 3, 1990 - Motions scheduled for hearing on MLL request for approval of assumption and assignment to Laidlaw of Equipment Leases, bus contracts (school contracts and Routes 13 and 52) and sale free and clear of remaining assets to Laidlaw for $3.3 mm less amounts to buy out equipment leases plus formula on existing receivables. Cash receipts to be paid to secured lenders as their interests appeared. Hearings continued to April 10, 1990.

- Schedules and Statement of Affairs filed.

April 9, 1990 - Commitment letter from Premier Bank Maplewood for $650,000 loan to MLL upon court approval with option on the part of bank for an additional $200,000. To be secured by all assets of MLL but subordinate to existing lien creditors.

- Commitment letter from Robert J. Regan, William E. Regan and Worth R. Stiles executed and delivered to MLL. Provides for loan of $800,000 to MLL on court approval and to be converted to equity upon confirmation of Plan of Reorganization meeting certain requirements as defined in letter. To be secured by all assets of MLL but subordinate to existing lien creditors and Premier Bank of Maplewood. The proceeds of both loans to be used to pay off First Bank National Association. To the extent of $1.4 mm to $1.45 mm, it is simply an exchange of debt with no impact on operating statements or balance sheet.

April 10, 1990 - At hearing all motions to assume and assign or sell free and clear relating to Laidlaw are withdrawn. Motion to sell 13 road coaches free and clear to third parties with proceeds to secured creditors is approved.

April 16, 1990 - In response to inquiry regarding commencement of audit, attorney for MLL makes verbal proposal for Global settlement.

MBL:DX1s

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April 27, 1990 - MLL motion to incur secured debt pursuant to commitment letters scheduled for hearing.

May 2, 1990 - MLL motion to set bar date for filing claims scheduled for hearing.

MBL:DX1s

GLOSSARY OF TERMS

The following attempts a brief, nonlegal definition of certain terms which will be used throughout the discussions.

1. Debtor-In-Possession	A new legal entity created by the filing of a petition for relief under Chapter 11 of the Bankruptcy Code. It is the pre-petition entity, usually with the same management, holding pre-petition assets and operating the same business. It starts with a new set of books with all post-petition accounts at zero.
2. Automatic Stay	A provision of the Bankruptcy Code which automatically, without the need for actual knowledge on the part of any creditor, stays or prohibits any act by any person or entity against the debtor or any property of the debtor which seeks to begin or continue efforts at collection of debt or seizure of property. Arguably, this would prohibit, without appropriate court order, the ability of RTB to conduct its audit.
3. Secured Claim	Creditors holding a claim for payment of money from the debtor secured by property of the debtor and measured by the value of the property or collateral securing the debt.
4. Unsecured Claim	A creditor's claim against the debtor for payment of money due which right to payment is not secured by any property of the debtor and includes that portion of a secured creditor's claim in excess of the value of the collateral securing its claim.
5. Plan of Reorganization	Subject to confirmation by the court, will define the rights and obligations of the debtor and its creditors following confirmation. It defines the new debt structure of

the debtor and removes the debtor from bankruptcy if confirmed.

6. Class Approval

Without utilizing other portions of the Bankruptcy Code, in order for a plan to be confirmed, each class of creditor must approve the plan as presented. Approval of each class is obtained by having 50 percent plus 1 in number of creditors and 2/3 in dollar amount of creditors who vote, vote in favor of the plan. Thus, class approval is obtained if 50 percent plus 1 in number and 2/3 in dollar amount of those members of that class who vote, vote in favor of the plan.

7. "Cramdown" Confirmation

A section of the Bankruptcy Code which allows confirmation of a plan of reorganization without the approval of all classes of creditors. The plan must be "fair and equitable" and meet the absolute priority rule. The absolute priority rule provides that no class of creditor may receive anything on account of the debts of that class until all classes of creditors with priority are paid in full. Classes of creditors and their priority are defined in the Bankruptcy Code. As an example, secured claims are superior to the rights of holders of unsecured claims and holders of unsecured claims are superior to the rights of equity security holders (shareholders). Thus, for example, under the "cramdown" provisions of the Code, a plan would not be fair and equitable if a shareholder retained any interest by reason of their share ownership without full payment to all creditors holding a superior interest, including general unsecured creditors.

8. Liquidating Plan

A plan of reorganization which contemplates the liquidation of all assets of the debtor such that the debtor's estate consists only of cash. The plan of reorganization would then provide for the

distribution of those cash proceeds to all of its creditors in the order of their statutory priority. At such time as the funds ran out, there would be no further payments to any other creditors or classes subordinate to the class of creditors receiving payments when the funds ran out. It does not contemplate an ongoing business entity, but rather liquidation of the debtor as an entity. This was the original contemplation of MLL in seeking to sell its assets to Laidlaw and convert all of its assets to cash in the estate.

9. Reorganization Plan

A debtor's plan of reorganization which seeks to reorganize its debt structure and have the entity continue as an ongoing business entity following confirmation of a plan of reorganization. The entity would retain assets and operations and payment to its creditors would occur, generally, over a period of time and from operating revenues to be produced in the future. This is the current status contemplated by MLL in connection with the secured lending and commitment letters now in place.

CHRONOLOGY OF EVENTS

Regarding Assignment of Contracts to Laidlaw from Medicine Lake Bus Company

March 1 — RTB executive director and staff met with University of Minnesota (U of M) representatives to discuss assignment of the Route 52 contract to Laidlaw Transportation, Inc. The U of M had received a written request from Laidlaw for this assignment.

March 5 — Laidlaw representatives (William "Mickey" Johnson and Phil McGuire) met with RTB chairman, executive director, and comptroller, at the invitation of the RTB, to discuss Laidlaw's qualifications and interests. The Laidlaw representatives were introduced and spoke at a meeting of the board later that day.

March 16 — In response to a request made by RTB staff, a letter arrived from Laidlaw confirming its intent to provide service, should it acquire from Medicine Lake the contracts which are either directly held with the RTB or require RTB approval for assignment. In addition to U of M Route 52 service, these include (1) the western suburb regular route service in the communities of Golden Valley, New Hope, and Crysyal; (2) the ABC Weekender service in Anoka County; and (3) Metrolink service in Plymouth. RTB staff had requested MLL to write a letter stating its intentions, however, none was ever received.

March 19 — The Administration and Finance (A&F) Committee approved a staff recommendation to assign the contracts to Laidlaw but added a contingency that Medicine Lake secure a bond or provide other security sufficient to cover the company's potential liability for RTB audit exceptions. This recommendation was forwarded to the board, which met immediately after the A&F Committee meeting and approved it.

Later, in the evening, the Plymouth City Council denied the assignment of its new Plymouth Metrolink service to Laidlaw and approved the Metropolitan Transit Commission (MTC) as the operator effective April 1, 1990.

March 20 — RTB executive director, staff, and legal counsel met with Medicine Lake vice president James Johnson to communicate and explain the board action. The same day, a letter was sent from the RTB attorney to M edicine Lake restating what had been communicated verbally: that the board approved assignment of the contracts to Laidlaw contingent on MLL providing some form of financial assurance to satisfy RTB audit claims. James Johnson promised to respond within a day.

March 23 — A press release arrived at RTB offices announcing that Medicine Lake had filed for bankruptcy on March 22. It was faxed to the RTB by the firm Fredrikson and Byron.

Note: As of April 1, Medicine Lake has been replaced by the MTC as the operator of western suburb regular route service and by Morley Bus Company for the ABC Weekender. Medicine Lake continues to operate the University of Minnesota Route 52 service.

M E M O R A N D U M

TO: Michael Ehrlichmann
Chair, Regional Transit Board

FROM: Charles R. Weaver

DATE: April 19, 1990

RE: Minnesota Open Meeting Law

This memo discusses the authority for closing a segment of a public meeting of the Regional Transit Board (RTB) for the purpose of discussing the Medicine Lake Bus Company bankruptcy and describes procedure to be followed if the RTB chooses to do so.

Minnesota Statute §471.705, subd. 1 contains the Minnesota open meeting law which provides that "...all meetings, including executive session of any state agency, board, commission or department when required or permitted by law to transact public business in a meeting, and the governing body of any school district however organized, unorganized territory, county, city, town or other public body, and of any committee, subcommittee, board, department or commission thereof, shall be open to the public,..."

Public policy for the open meeting law is to assure the public's right to be informed, to afford the public an opportunity to present its views, and to assure the right to full access to the decision-making process of public bodies.

Attorney/Client Meeting

A limited exception to the open meeting law preference for open meeting has been carved out by case law interpretations of the open meeting law. This exception exists for the purpose of allowing confidential attorney/client meeting in order that a public agency not be placed at a disadvantage in participating in litigation.

Case law interpretations of the attorney/client privilege exceptions have been there since 1976 when such exception was first recognized by the court. It is clear that the availability of and exception to the open meeting law will be narrowly defined and cannot be obtained to allow a public entity to obtain general legal advice from its attorney in confidence.

There are essentially three components to the attorney/client privilege exception:

1. The meeting must be between only the members of the governing body and its attorney. (A limited exception to this general rule is allowed for administrative staff whose presence is essential to the discussion.)

2. The subject matter of the meeting must be limited to legal advice concerning litigation strategy.

3. The litigation being discussed must be an immediate and active litigation proceeding in which the governing agency is a party. Balancing the need for confidentiality against the right of public access to public affairs results in a preference for confidentiality.

Procedure

In order to go into a closed meeting, that action must be authorized by a duly adopted motion approved by a majority of those present. As chair, you may request the RTB consider holding a closed meeting and call for a motion to do so. The motion should be to approve closing the meeting because of the need for confidentiality in order to effectively establish a litigation strategy for pursuing RTB's claim as an unsecured creditor in the Medicine Lake Bus Company bankruptcy. Board members should be advised that the RTB is presently a party in the Medicine Lake Bus Company bankruptcy proceedings which are presently being conducted in the Federal Bankruptcy Court, that it is necessary to discuss a litigation strategy to pursue RTB claims and that those discussions occur between the RTB, its attorneys and only those staff members directly involved in these issues and that a favorable vote on the motion to hold a closed meeting would constitute board members' conclusion that the need for confidentiality outweighs the right of the public to have access to this discussion.

Conclusion

Because it is actively involved in the pending bankruptcy proceedings which will substantially affect RTB's ability to pursue reimbursement for overpayment of subsidy and based on the need to develop strategy in confidence, the RTB may hold a closed meeting solely for the purpose of discussing this matter.

CRW:AB5s

REGIONAL TRANSIT BOARD

Mears Park Centre, 230 E. Fifth Street, St. Paul, Minnesota 55101
612/292-8789

DATE: April 12, 1990

TO: Members of the Regional Transit Board

FROM: Michael J. Ehrlichmann, Chair

SUBJECT: Medicine Lake Lines Bankruptcy Status

The purpose of this memo is to update the board on recent bankruptcy proceedings relating to Medicine Lake Lines (MLL). Michael LeBaron, Larkin, Hoffman, Daly and Lindgren, Ltd., has prepared a letter that summarizes the current status (attached). Because MLL's attorney has withdrawn all motions relating to the sale of assets and assignment of transit contracts to Laidlaw and instead plans to proceed with reorganization, the previously tabled board action to consent to the assignment is unnecessary. MLL intends to reorganize with infusion of money from other local interests.

Subsequent to the LeBaron letter of April 10, we received a motion that clarifies the intentions of MLL and Patrick Regan and Premier Bank (investors) regarding the commitment of $1,650,000. Contrary to the LeBaron letter that indicates on page 4 that the money would be used for operating capital, the motion specifies that approximately $1,400,000 would be applied to the outstanding secured claim of First Bank estimated at $1,400,000.

On Wednesday, April 11, I met with Mr. Weaver and Mr. LeBaron to discuss current status as reported in the April 10 letter. As a result of that discussion, I would like to reconvene the board meeting of April 3 at 2:00 p.m. on April 23, for the purpose of discussing the board's position as we proceed through the bankruptcy hearings. I intend to recess the meeting to an executive session on the advice of legal counsel.

While I feel that the attached letter from Michael LeBaron presents an outline of the proposed reorganization plan, I recognize that board members will have many questions, as I had, relating to our position regarding the reorganization plan. WE have copies of all of the court filings and are prepared to present and discuss those matters on April 23rd.

If you should have any questions relating to this matter, please contact me or Greg Andrews at your convenience.

LARKIN, HOFFMAN, DALY & LINDGREN, LTD.

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Reply to Bloomington

April 10, 1990

Mr. Gregory Andrews
Executive Director
REGIONAL TRANSIT BOARD
Mears Park Centre
230 East Fifth Street
St. Paul, MN 55101

(corrected copy)

Re: Medicine Lake Lines

Dear Mr. Andrews:

This letter is intended to confirm our telephone conversation of this date wherein I advised you as to the occurrences at the various hearings scheduled before Judge Kressel this morning in connection with Medicine Lake Lines.

Scheduled for hearing this morning were the various motions regarding the assumption of leases and assignment of those leases, both as to real estate and as to certain personal property, to Laidlaw as well as assumption and assignment of certain route contracts (University of Minnesota Routes ~~13 and 52~~) and approval of a sale free and clear of certain other assets of the company and to include approval of the sales agreement between Medicine Lake Lines and Laidlaw. An additional motion was scheduled for hearing regarding the sale of 13 motor coaches free and clear of liens to purchasers other than Laidlaw.

The hearing commenced before a standing room only crowd with the attorney for Medicine Lake Lines withdrawing from consideration all motions pending before the court save and except the motion to sell

free and clear the 13 coaches. The sale of the 13 coaches was approved based upon certain stipulated distribution of proceeds to various secured creditors. There will be no proceeds from the sale of those buses available to general unsecured creditors or as additional operating capital for Medicine Lake Lines.

The attorney for Medicine Lake Lines indicated that the prior motions were withdrawn because a calculation of proceeds from the sale indicated that there would be insufficient monies received to pay off the secured creditors. As a consequence of that fact and the objections filed, it became apparent that the sale could not be concluded. Further, the attorney indicated that an investor had come forward over the weekend, one Patrick Regan, and his brother. It was represented that these individuals were prepared to lend $800,000 to the company as a debtor-in-possession operating loan and which would be converted to equity upon confirmation of a plan of reorganization. The motion to approve that borrowing will be noticed shortly. In addition, it was represented that the Regans had caused or were involved in obtaining a commitment from Premier Bank of Maplewood for a loan of $650,000 to the company. That loan will likewise be subject to notice and hearing and court approval.

Under these circumstances, it was now the intentions of Medicine Lake Lines to seek to effectively reorganize under Chapter 11 of the Bankruptcy Code rather than proceed with liquidation as had been the original intent with respect to the Laidlaw sales.

In connection with this additional or new funding, I am providing to you a copy of a commitment letter under date April 9, 1990, among Medicine Lake Bus Company, the Johnsons and the investors, Stiles, Regan and Regan, as well as a copy of a commitment letter under date April 9, 1990, from Premier Bank, but which commitment letter is unsigned as in my hands.

The critical aspect of this investment is found in paragraph 3 of the commitment letter from the investors. The investors will be receiving a security interest in all of the assets of the company subordinate to existing lien creditors and Premier Bank. Thus, their $800,000 will be secured by company assets which, according to the failed effort to sell to Laidlaw, will not provide much equity to the investors. The investors propose to convert that loan to a stock equity position upon confirmation of a plan of reorganization as outlined in said paragraph 3. However, they have no obligation to effect that conversion unless the conditions of that paragraph 3 are met which include the confirmation of a plan of reorganization which provides for payment of all amounts owing the secured creditors in accordance with the terms of those debt instruments and payment of all amounts owing to

unsecured creditors in an amount not to exceed $385,000 on terms providing for repayment over five years without interest.

In effect, the terms of a plan of reorganization are being controlled by the investors, at least to the extent that they are not obligated to convert their debt position to equity if the amount payable to general unsecured creditors does not conform to the provisions of this agreement. $385,000 would appear to represent less than 10 percent of what is likely to be the total outstanding unsecured debt. In addition, it is payable over a period of five years without interest. Thus, the present value of that proposal is relatively small. However, it is also more than what would have been realized, in all likelihood, from the sale of the assets to Laidlaw.

I am also enclosing for your review a copy of the schedules and statement of affairs filed by the debtor in this proceeding.

If the company is actually going to attempt a reorganization under Chapter 11 of the Bankruptcy Code, it would appear that the general unsecured creditors' position has been enhanced. This assumes there would have been no equity available for general unsecured creditors under the proposed Laidlaw sale. In order for the debtor to effectively confirm a plan of reorganization, the general unsecured creditors must receive an amount not less than they would have received upon liquidation of the company under Chapter 7 of the Code. Thus, the bottom line gross number which must be paid to the general unsecured creditors is the amount of equity that would be recognized upon a liquidation analysis of the company. If not already, then certainly after the infusion of an additional $800,000 of secured debt, I would expect that number to be zero. The commitment letter by the investors would seem to limit the amount for unsecured creditors to $385,000 payable at no interest over a period of five years.

Each class of creditor, including the class of general unsecured creditors, must vote in favor of the plan of reorganization in order for the same to be confirmed without utilizing the "cramdown" provisions. Approval of a class is obtained by receiving the affirmation vote of 50 percent plus 1 in number of creditors within the class who vote and 2/3 in dollar amount of the creditors who vote.

If approval of all classes as defined is not received, then, in order for the debtor to confirm a plan of reorganization, it must utilize the "cramdown" provisions of the Code. This provides that even without approval, a plan will be confirmed if it is "fair and equitable". Fair and equitable means, among other things, that the absolute priority rule of the Bankruptcy Code is met. The absolute priority rule provides that no subordinate class of creditor may

receive anything in distribution until such time as all classes superior have been paid in full. Thus, the class of equity security holders (shareholders of the company) cannot retain any equity in the company unless all classes of creditors superior to their position are paid in full. All other classes of creditors are, in fact, superior to the interests of the equity security holders.

In order to get around the absolute priority rule, company shareholders will generally provide in their plan of reorganization that their interests represented by the shares owned will be cancelled upon confirmation of the plan. This eliminates any equity being retained by the shareholders. At the same time, the shareholders will then infuse additional money into the company, as a condition of confirmation, with respect to which new ownership shares of stock in the company will be issued to them. Thus, the shareholders "buy back" their equity or ownership in the company. The criteria in determining whether or not the amount invested in new capital by the shareholders is sufficient to meet the "cramdown" provisions is that it must be determined to be "substantial and necessary" to the reorganization. Thus, shareholders could not repurchase their equity ownership in the company for $100 or some other such nominal amount or in an amount that does not have some type of substantial impact on the continued operation of the debtor.

You will note in reviewing the commitment letter from the investors that the current shareholders may come into the company for up to 20 percent of the issued and outstanding shares. It would appear from paragraph 6 of the investors' letter that the Johnsons would not infuse additional capital but rather, the consideration for their 20 percent ownership interest would be the entering into an employment agreement on substantially the same terms and conditions of the investors' commitment letter.

At the present time it appears that additional cash will be made available to the company in the amount of $800,000 from the investors and $650,000 plus, at the option of the bank, an additional $200,000 through borrowings. Of that amount, it is proposed that $800,000, the amount "loaned" by the investors, will be converted to equity upon confirmation.

As the commitment letter contemplates $385,000 to be paid to general unsecured creditors over a period of five years, it does not appear that it is the intent of the investors to use any of this 1.45 to 1.65 million dollar cash infusion for immediate and direct payment to general unsecured creditors under any plan of reorganization. It would appear that it is going to be used as operating capital to meet operational expenses.

LARKIN, HOFFMAN, DALY & LINDGREN, LTD.

I am also enclosing a copy of correspondence under date April 6, 1990, from attorney Bill Kampf at the Fredrikson firm on behalf of ~~Medicine~~ Lake Bus Company. This responds to mine of March 30 in connection with the request for retraction of certain matters which appeared in the Minnesota Daily. The letter is self-explanatory. My suggestion is that we ignore it. It would appear that the bus company's complaint should be with the Minnesota Daily.

This should bring you current as to this matter as it now stands. I understand that a meeting has been scheduled for 2:00 on Wednesday, April 11, 1990, at which I am expected to be present. If I do not hear from you prior to that time, I will be prepared to respond to staff inquiry at that meeting.

Very truly yours,

Michael B. LeBaron, for
LARKIN, HOFFMAN, DALY & LINDGREN, Ltd.

MBL:bmf:DT5s
Enclosures
cc: Gregory E. Fredstad, Esq.
Charles R. Weaver, Esq.

REGIONAL TRANSIT BOARD

Options re:

MEDICINE LAKE LINES

April 23, 1990

Prepared by:

Michael B. LeBaron
LARKIN, HOFFMAN, DALY & LINDGREN, Ltd.
1500 Northwestern Financial Center
7900 Xerxes Avenue South
Bloomington, Minnesota 55431
(612) 835-3800

STATEMENT OF ASSUMPTIONS

1. RTB is an unsecured creditor.

2. With full MN Dot and RTB claims, total unsecured debt is approximately $5,000,000.

3. Allowed claim of RTB in amount of $2,000,000.

4. Liquidation value of MLL less than amount of debt secured by assets; zero dollars available to unsecured creditors.

5. Proposed Plan of Reorganization in accordance with commitment letter, i.e., $385,000 for unsecured creditors.

6. Direct out-of-pocket costs to litigate:

Audit	$25,000
Appraisal	15,000
Legal	30,000
Total	$70,000

7. Contract funds payable to MLL and held by RTB:

Western Suburbs	$145,681
ABC Weekender	24,959
Plymouth Metrolink	111,551
Total	$282,191

8. Contract funds payable to MLL and held by City of Plymouth:

From RTB subsidy to City held against MN Dot pre-1986 audit	$137,000
Additional RTB payments withheld	13,000
	$150,000

MBL:DX1s

OPTION 1:

Settlement Proposal by MLL:

1. RTB keep $282,191 currently holding without litigation.
2. MLL assigns its rights against City of Plymouth to RTB.
3. RTB does no further auditing.
4. RTB does not file a proof of claim.
5. RTB does not object to assignment of Route 52.

Result: $282,191 "paid" to RTB

$150,000 City of Plymouth holdback to be resolved between RTB and MN Dot.

Alternative:

1. MLL assigns Plymouth rights to MN DOT
2. MLL litigates right to receive $282,191 held by RTB

MBL:DX1s

OPTION 2

1. Reject settlement proposal

2. Litigate right to retain holdbacks

3. Litigate claim

4. Vote in favor of Plan - Plan approved

Result:

Top side -	$282,191	retained
	144,000	participation in fund for unsecureds (2 mm / 5mm = 40% of 385m = 144m
	($ 70,000)	cost to litigate and prove claim
	$365,191	
Bottom side -	($ 70,000)	lose retainage, lose claim and
	($282,191)	incur expenses
	($352,191)	

$150,000 City of Plymouth holdback assigned to MN Dot or retained by Debtor. RTB has essentially no claim to funds.

MBL:DX1s

OPTION 3

1. Reject settlement proposal

2. Litigate right to retain holdbacks

3. Litigate claim

4. Vote against Plan and Plan defeated

Result:

Top side -	$282,191	retained
	(70,000)	cost to litigate
	-0-	participation in liquidation
	$212,191	
Bottom side -	($282,191)	lose retainage
	(70,000)	lose claim and incur expenses
	-0-	participation in liquidation
	($352,191)	

$150,000 City of Plymouth holdback assigned to MN Dot or retained by Debtor. RTB has essentially no claim to funds.

MBL:DX1s

Don

REGIONAL TRANSIT BOARD

Options re:

MEDICINE LAKE LINES

April 23, 1990

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MBL:DX1s

#1

REGIONAL TRANSIT BOARD

Options re:

MEDICINE LAKE LINES

April 23, 1990

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Michael B. LeBaron
LARKIN, HOFFMAN, DALY & LINDGREN, Ltd.
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Top side -	$282,191	retained
	144,000	participation in fund for unsecureds (2 mm / 5mm = 40% of 385m = 144m
	($ 70,000)	cost to litigate and prove claim
	$365,191	
Bottom side -	($ 70,000)	lose retainage, lose claim and
	($282,191)	incur expenses
	($352,191)	

$150,000 City of Plymouth holdback assigned to MN Dot or retained by Debtor. RTB has essentially no claim to funds.

MBL:DX1s

OPTION 3

1. Reject settlement proposal

2. Litigate right to retain holdbacks

3. Litigate claim

4. Vote against Plan and Plan defeated

Result:

Top side -	$282,191	retained
	(70,000)	cost to litigate
	-0-	participation in liquidation
	$212,191	

Bottom side -	($282,191)	lose retainage
	(70,000)	lose claim and incur expenses
	-0-	participation in liquidation
	($352,191)	

$150,000 City of Plymouth holdback assigned to MN Dot or retained by Debtor. RTB has essentially no claim to funds.

MBL:DX1s