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6 Facsimile: (916) 329-4900

7 Attorneys for Debtor
City of Stockton

9 UNITED STATES BANKRUPTCY COURT
10 EASTERN DISTRICT OF CALIFORNIA
11 SACRAMENTO DIVISION

13 In re:
14 CITY OF STOCKTON, CALIFORNIA,
15 Debtor.

Case No. 2012-32118
DC No. OHS-2
Chapter 9

16 **SUBMISSION OF CITY'S REVISED**
17 **PROPOSED FORM OF ORDER**
18 **APPROVING FORM OF NOTICE AND**
19 **SETTING DEADLINE FOR FILING**
20 **OBJECTIONS TO THE CITY OF**
21 **STOCKTON, CALIFORNIA'S**
22 **PETITION**

23 Date: Friday, July 6, 2012
24 Time: 10:00 a.m.
25 Place: United States Courthouse
26 Dept. A, Courtroom 28
27 501 I Street
28 Sacramento, CA 95814

24 As the result of the rulings and agreements announced during the hearing conducted on
25 July 6, 2012, the City of Stockton, California (the "City"), has revised (1) its proposed order
26 approving form of notice and setting a deadline for filing objections to the City's chapter 9
27 petition; and (2) the proposed form of notice itself. Pursuant to the Court's direction given at the
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Exhibit A

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16 **ORDER DIRECTING AND**
 17 **APPROVING FORM OF NOTICE AND**
 18 **SETTING DEADLINE FOR FILING**
 19 **OBJECTIONS TO THE CITY OF**
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1 Upon consideration of the Emergency Motion for Entry of an Order (1) Directing and
2 Approving Form of Notice; and (2) Setting Deadline for Filing Objections to Petition (the
3 “Emergency Motion”), filed by the City of Stockton, California (the “City”), the Court finding
4 that notice of the Emergency Motion was reasonable and appropriate under the circumstances,
5 and the Court determining that the relief requested in the Emergency Motion is appropriate and in
6 the best interests of the creditors and parties in interest in this case,

7 IT IS HEREBY ORDERED THAT:

8 1. The form of notice of the commencement of case (the “Notice”), attached hereto,
9 is approved;

10 2. The requirements of Bankruptcy Code § 923 are satisfied by service of the Notice
11 by first class mail on the United States Trustee and all entities identified on the List of Creditors
12 filed by the City pursuant to Bankruptcy Code § 924, and by publication of the Notice once a
13 week for at least three consecutive weeks in each of *The Stockton Record* and *The Bond Buyer*;

14 3. The Clerk of the Court is directed to mail the Notice to all creditors listed on the
15 City’s List of Creditors filed pursuant to section 924 of the Bankruptcy Code;

16 4. As more particularly described in the Notice, the deadline for filing objections to
17 the petition under Bankruptcy Code § 921(d) is 5:00 p.m. Pacific time on August 9, 2012 (the
18 “Objection Deadline”);

19 5. If a timely objection is filed and served, the Court will conduct a status conference
20 on Thursday, August 23, 2012, at 10:00 a.m. Pacific time, at which time the Court will consider
21 setting other dates; and

22 6. In the absence of any objection to the City’s chapter 9 petition by the Objection
23 Deadline, the Notice shall serve as notice of the entry of an order for relief.

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 10 EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION
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13 In re:
 14 CITY OF STOCKTON, CALIFORNIA,
 15 Debtor.
 16

Case No. 2012-32118
 Chapter 9
**NOTICE OF COMMENCEMENT OF
 CHAPTER 9 CASE**

17
 18 **TO ALL CREDITORS OF THE CITY OF STOCKTON, CALIFORNIA, AND TO**
 19 **PARTIES IN INTEREST. PLEASE TAKE NOTICE THAT:**

20 **COMMENCEMENT OF CHAPTER 9 CASE.** On June 28, 2012, the City of Stockton,
 21 California (the "City") commenced a case under chapter 9 of title 11 of the United States Code
 22 (the "Bankruptcy Code") in the United States Bankruptcy Court for the Eastern District of
 23 California, Sacramento Division (the "Court"). The chapter 9 case is pending before the
 24 Honorable Christopher M. Klein, Chief United States Bankruptcy Judge. All documents filed
 25 with the Court are available for inspection via the PACER system, which may be accessed on a
 26 subscription basis at the following internet address: www.caeb.uscourts.gov. In addition, the City
 27 is in the process of adding a chapter 9 link to its website, www.stocktongov.com. Such link will
 28 contain, among other things, key pleadings filed in the bankruptcy case.

1 **AUTOMATIC STAY.** Pursuant to sections 362 and 922 of the Bankruptcy Code, 11
2 U.S.C. §§ 362 and 922, the filing of the City's chapter 9 petition operates as an automatic stay of
3 actions against the City, including, among other things, the enforcement of any judgment, any act
4 to obtain property from the City, any act to create, perfect, or enforce any lien against property of
5 the City, any act to collect, assess or recover a claim against the City, and the commencement or
6 continuation of any judicial, administrative, or any other action or proceeding against the City or
7 against an officer or inhabitant of the City that seeks to enforce a claim against the City.

8 **PURPOSE OF THE CHAPTER 9 FILING.** Chapter 9 of the Bankruptcy Code
9 provides a means for a municipality, such as the City, that has encountered financial difficulty to
10 work with its creditors to adjust its debts. The primary purpose of chapter 9 is to allow the
11 municipality to continue its operations and its provision of services while it adjusts or restructures
12 creditor obligations. Pursuant to the Tenth Amendment to the United States Constitution and to
13 Bankruptcy Code sections 903 and 904 (11 U.S.C. §§ 903 and 904), in a chapter 9 case, the
14 jurisdiction and powers of the bankruptcy court are limited such that the court may not interfere
15 with any of the political or governmental powers of the City, or the City's use or enjoyment of
16 any income-producing property. The City intends to propose a plan for the adjustment of its
17 debts. Future notice concerning any such plan will be provided to all known creditors. During
18 the bankruptcy case, the City will remain in possession and control of its property, and will
19 maintain its operations for the benefit of the public.

20 **DEADLINE FOR OBJECTIONS TO PETITION AND ENTRY OF AN ORDER**
21 **FOR RELIEF.** Objections to the chapter 9 petition may be filed by a creditor or party in interest
22 by no later than 5:00 p.m. Pacific time on Thursday, August 9, 2012. If you are an authorized
23 user of the Court's CM/ECF system, any such objection shall be filed via the Court's CM/ECF
24 system. If you are not an authorized user of the Court's CM/ECF system, a written objection
25 must be sent by means calculated to reach the Court no later than 5:00 p.m. on August 9, 2012 at
26 the following address: The Clerk of the United States Bankruptcy Court for the Eastern District
27 of California, Sacramento Division, 501 I Street, Sacramento, California 95814.

28 Any objection shall state the facts and legal authorities relied upon in support thereof, and

1 shall be served on or before the same date on the following parties (collectively, the “Special
2 Notice Parties”): (1) the United States Trustee; (2) the City; (3) the City Attorney; (4) the City’s
3 chapter 9 counsel; (5) the creditors holding the 20 largest unsecured claims against the City; (6)
4 counsel for Union Bank, N.A., Wells Fargo Bank, and Dexia Credit Local, as the Trustees of
5 certain bond indebtedness of the City; (7) counsel for National Public Finance Guarantee
6 Corporation and Assured Guaranty, the City’s bond insurers; (8) California Public Employees
7 Retirement System; (9) counsel for the Stockton Police Management Association, Stockton
8 Police Officers’ Association, Stockton Fire Management Unit, International Association of
9 Firefighters Local 456, Stockton Mid-Management/Supervisory Level Unit, and Stockton City
10 Employees’ Association; (10) counsel for Operating Engineers Local 3; (11) counsel for the
11 Association of Retired Employees of the City of Stockton; (12) counsel for Franklin Advisers,
12 Inc.; (13) counsel for the United States Department of Housing and Urban Development; (14)
13 counsel for the Howard Jarvis Taxpayers Association; (15) counsel for the Price Judgment
14 Creditors; and (16) any other party who has filed a request for special notice with the Court. The
15 contact information for such persons may be found on the Special Notice List that the City will
16 file with the Court prior to the publication of this Notice.

17 **HEARING ON OBJECTIONS.** If no objection is timely filed, the filing of the petition
18 shall be deemed an order for relief under chapter 9 of the Bankruptcy Code, and this notice shall
19 be deemed notice of such order for relief. If a timely objection is filed and served, the Court has
20 set a status conference for Thursday, August 23, 2012, at 10:00 a.m. Pacific time in Courtroom 35
21 at the United States Bankruptcy Court for the Eastern District of California, Sacramento Division,
22 501 I Street, 6th floor, Sacramento, California 95814. At such time, the Court will consider
23 setting other dates.

1 **FAILURE TO FILE A TIMELY WRITTEN OPPOSITION WILL RESULT IN THE**
2 **ORDER FOR RELIEF BEING ENTERED.**

3 Dated: July 6, 2012

MARC A. LEVINSON
NORMAN C. HILE
JOHN W. KILLEEN
Orrick, Herrington & Sutcliffe LLP

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By: /s/ Marc A. Levinson
MARC A. LEVINSON
Attorneys for Debtor
Debtor

Exhibit B

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OBJECTIONS TO THE CITY OF
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24 **Courtroom 35** at the United States Bankruptcy Court for the Eastern District of California,
25 Sacramento Division, 501 I Street, **6th floor**, Sacramento, California 95814. At such time, the
26 Court will consider setting other dates.
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