



STEVE CLARK
ATTORNEY GENERAL

STATE OF ARKANSAS
OFFICE OF THE ATTORNEY GENERAL
JUSTICE BUILDING, LITTLE ROCK 72201

#183

(501) 371-2007

OPINION NO. 86-346

May 30, 1986

The Honorable Bill Wylie
County Judge
Calhoun County Courthouse
Main Street (Highway 4)
Hampton, AR 71744

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Mr. Darrell W. Donaldson
Superintendent
Hampton Public Schools
P.O. Box 628
Hampton, AR 71744

Gentlemen:

Pursuant to your request for information, I have found out the following with reference to the Chapter 11 reorganizational bankruptcy filed by North American Car Corporation. As you know, North American Car Corporation filed for bankruptcy in Los Angeles, California, docket Number LA 842 3401 on December 5, 1984. The last date for filing a proof of claim against the Corporation was June 5, 1985, according to the Bankruptcy Clerk.

There are literally thousands of claims pending against this Corporation and they are currently in the process of selling their property to pay (1) secured creditors; (2) administrative expenses of the bankruptcy and (3) debts accrued since bankruptcy was taken.

The State of Arkansas, Department of Finance and Administration through its attorney, Ms. Ann Kell, filed a claim on behalf of the State of Arkansas for outstanding corporate franchise taxes in amount of \$4700.00 for the year 1985.

This claim is different than that of your local school district's which is based on the county assessments for having railcars located in Calhoun County 100% of the time during any given year. It is my understanding that this is the factor on which the approximately 160,000.00 assessment, of which you speak, is based.

I, of course, am statutorily mandated to represent state

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officials and thus, cannot file a claim on behalf of either Calhoun County or the Hampton School District. That claim will have to be filed by your attorney, whom I currently understand to be Mr. Hamilton Singleton, Singleton and Foyil, 133 Washington Street, Camden, AR 71701-0763. I have requested the Los Angeles Bankruptcy Court for an appropriate proof of claim form which may be completed and to be filed on your behalf by your attorney. The address of the Los Angeles Bankruptcy Court is:

Los Angeles Bankruptcy Court
312 North Spring, Room 906
Los Angeles, California 90012

The claim form is attached.

I have not contacted the attorneys for North American Car Corporation as it is possible they will object to the filing of a claim at this point.

The crucial element in a Chapter 11 bankruptcy is the reorganization plan. Such plan will probably contain the instructions for filing a claim based on taxes owed. It is unknown whether such a plan has been confirmed in this case. Any time limits for filing a claim will be based on adoption of the plan. Also, it is my understanding that tax liability incurred after the plan is confirmed differs from that incurred before confirmation. Mr. Jim Hollis of the Little Rock Bankruptcy Office, phone 378-6053, will be happy to answer questions on specifics of Chapter 11 bankruptcies.

I wish you luck in trying to obtain assets from this Corporation.

Sincerely,



STEVE CLARK
Attorney General

SC/RBF/mo

cc: Mr. Hamilton Singleton
Singleton and Foyil
133 Washington Street
Camden, AR 71701-0763