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Court grants Southern Montana Electric Trustee's request to examine Beartooth Electric on reorganization plan

U.S. Bankruptcy Court Judge Ralph Kirscher has granted a motion by Southern Montana Electric Generation and Transmission Cooperative Trustee Lee Freeman for an examination of Beartooth Electric Cooperative. The court order, dated September 5, authorizes the Trustee to examine Beartooth representative Arleen Boyd and requires Beartooth to produce certain documents and communications.

The Trustee's Motion for Rule 2004 Examination asks Beartooth to produce documents and answer questions regarding "statements, representations, beliefs, criticisms, and communications in relation to the Trustee's plans of reorganization and disclosure statements for debtor Southern Montana Electric Generation and Transmission Cooperative, Inc." In his motion the Trustee attached three Beartooth documents as exhibits:

- ∞ August 27 press release, "Beartooth Electric sees risk and rate increases in bankruptcy reorganization"
- ∞ August 29 memo to members "The latest news about the Southern Montana Electric Bankruptcy proceedings"
- ∞ The Beartooth Electric Cooperative Annual Report published in the September issue of Rural Montana.

The three documents are available on the Beartooth website (www.beartoothelectric.com).

The motion notes that the Trustee is particularly focused on potential violations of 11 U.S.C. § 1125(b). This section of U.S. bankruptcy code delineates when a party may solicit acceptance or rejection of a Chapter 11 plan.

Beartooth Electric Cooperative will be examined on September 20 starting at 9:30 a.m. at the Crowne Plaza Hotel, Skybridge 2 (second floor), in Billings.

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