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7 Attorneys for Reorganized Debtors

8 **UNITED STATES BANKRUPTCY COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **SAN JOSE DIVISION**

11 In re:) Cases Substantively Consolidated
)
12 **ATI LIQUIDATING, INC.,**) Case No. 09-54511-RLE-11
formerly known as)
13 Aviza Technology, Inc.,)
Employer's Tax ID No.: 20-1979646)
14)
AI LIQUIDATING, INC.,) Case No. 09-54514-RLE-11
15 formerly known as Aviza, Inc.,)
Employer's Tax ID No.: 20-0249205)
16)
TTI LIQUIDATING, INC.,) Case No. 09-54515-RLE-11
17 formerly known as)
Trikon Technologies, Inc.,) *[No Hearing Requested]*
18 Employer's Tax ID No.: 95-4054321)
)
19 Debtor(s).)
)
20 440 Kings Village Road)
Scotts Valley, CA 95066)
21

22 **NOTICE BY REORGANIZED DEBTORS PURSUANT TO PLAN OF LIQUIDATION RE**
23 **PROPOSED PAYMENT OF BUDGETARY SAVINGS COMPONENT**

24 **PLEASE TAKE NOTICE** of the following:

25 1. This notice (the "Notice") is provided pursuant to the provisions of the DEBTORS'
JOINT PLAN OF LIQUIDATION (DATED MARCH 2, 2010) (as amended¹, the "Plan"). In the absence of

26
27 ¹ The Plan was modified pursuant to the Bankruptcy Court's ORDER APPROVING STIPULATION RE
POST-CONFIRMATION MODIFICATION OF DEBTORS' JOINT PLAN OF LIQUIDATION (DATED MARCH 2, 2010)
28 entered on April 27, 2010 and the ORDER GRANTING MOTION BY REORGANIZED DEBTOR FOR APPROVAL OF
NONMATERIAL AMENDMENTS TO CONFIRMED PLAN (the "Plan Modification Order") entered on November

1 any objection to the calculation of the proposed payment set forth herein pursuant to the procedure
2 described below, within fifteen (15) days hereof, the Reorganized Debtors (defined below) shall be
3 authorized to proceed with the proposed payment.

4 BACKGROUND

5 2. On June 9, 2009 (the "Petition Date"), ATI Liquidating, Inc., formerly known as
6 Aviza Technology, Inc. ("ATI"), AI Liquidating, Inc. formerly known as Aviza, Inc. ("Aviza" or the
7 "Seller") and TTI Liquidating, Inc., formerly known as Trikon Technologies Inc. ("TTI" and
8 collectively with ATI and Aviza, the "Reorganized Debtors" or the "Company") each filed their
9 individual voluntary petitions under Chapter 11 of the Bankruptcy Code. Prior to the confirmation
10 of their Plan (defined below), ATI, Aviza and TTI operated their respective businesses as debtors in
11 possession under 11 U.S.C. § § 1107 and 1108.

12 3. During the Chapter 11 cases, the Company operated its business pursuant to an
13 agreed budget (the "Cash Collateral Budget")² with its lender (the "Banks"). The Reorganized
14 Debtors have paid the Banks in full in accordance with the terms of the Plan. The Reorganized
15 Debtors also have paid or reserved for all Allowed Claims (including all Allowed Secured Claims,
16 Priority Claims, Tax Claims and Administrative Convenience Claims have been paid or reserved for,
17 as those terms are defined in the Plan) in accordance with the terms of the Plan.

18 4. Pursuant to its order dated April 8, 2010 (the "Confirmation Order"), this Court
19 confirmed the Plan. The Plan became effective, and the Reorganized Debtors are performing their
20 obligations thereunder.

21 5. An Official Committee of Unsecured Creditors (the "Committee") was appointed by
22 the United States Trustee in the bankruptcy case and was represented by counsel. Pursuant to
23 Section 6.25 of the confirmed Plan, the Committee was dissolved upon payment of final
24 distributions by the Reorganized Debtors to creditors in the bankruptcy case.

25 THE BUDGETARY SAVINGS COMPONENT

26 6. Pursuant to the Plan, a program was established to compensate certain eligible
27 employees of the Company based on sales, budget savings or otherwise. Such program includes the
28 "Budgetary Savings Component" which is calculated as set forth in Section 6.6 of the Plan as
follows:

....20% of the actual monthly amount in expenditures which is less
than the amount allocated for each respective month for the Debtors'
domestic operations in the Cash Collateral Budget (i.e., the difference
between actual expenditures and allocated expenditures set forth in the

5, 2012. The Plan Modification Order, among other things, revised the definition of "Notice Parties" under
the Plan (section 1.58 of the Plan, which is set forth in footnote 4 below) to modify the manner of notice to be
provided to stockholders. The other modifications to the Plan are not relevant to the matters set forth in this
Notice.

² The Cash Collateral Budget initially ran through December 2010. The Reorganized Debtors
subsequently supplemented the Cash Collateral Budget, first through 2011 and then through 2012, and
provided such supplements to counsel for the Official Committee of Unsecured Creditors until its dissolution.

1 Cash Collateral Budget, calculated on a monthly basis), but excluding
2 the fees of the Debtors' Professionals, the fees of the Committee's
3 Professionals, costs charged by the Bankruptcy Court related to the
4 Cases, costs incurred for mailings in the Cases, and administrative fees
5 charged by the Banks.

6 7. Attached hereto as **Exhibit "A"** and incorporated herein by reference is an
7 accounting of the proposed Budgetary Savings Component for the period of July 2014 thru
8 September 2014, to be paid by the Reorganized Debtors to its eligible employees.³ As set forth
9 therein, the amount due under the Budgetary Savings Component totals \$8,079.80.

10 8. Section 6.6 of the Plan requires the Reorganized Debtors to comply with a procedure
11 to provide notice to certain Notice Parties⁴ prior to making any payments from the Budgetary
12 Savings Component as follows:

13 Prior to making any payments from the Budgetary Savings Component
14 . . . , the Reorganized Debtors shall serve written notice to the Notice
15 Parties of the proposed payments, including an accounting of the
16 amounts to be paid (i.e., a summary of budget savings. . .). The
17 Reorganized Debtors shall be authorized to make all such proposed
18 payments fifteen (15) days after service of such notice unless, before
19 the expiration of such fifteen (15)-day period, any Notice Party has
20 filed an objection to such proposed payments with the Bankruptcy
21 Court and scheduled a hearing on such objection within thirty (30)
22 days after the filing of such objection, with proper notice to the
23 Reorganized Debtors. Objections may only be filed as to the
24 calculation of the proposed payment (and not to the Reorganized
25 Debtors' right and discretion to make such payment). If any such
26 objection is filed, the Reorganized Debtors shall not make payment of
27 any amount in dispute from the Budgetary Savings Component . . .
28 unless the Bankruptcy Court enters an order approving such payment
or the objection is withdrawn.

21 ³ Section 6.6 of the Plan provides in part that "the Budgetary Savings Component shall be allocated
22 as determined by the Responsible Person based in proportion on the salary of each participating employee as
23 well as the participating employee's level of involvement (e.g., performance, responsibility and time
24 committed) notwithstanding whether the employee is still employed by the Reorganized Debtors at the time
25 of such allocation."

26 ⁴ Section 1.58 of the Plan defines the "Notice Parties" as follows: "**Notice Parties**" means the
27 Reorganized Debtors, counsel for the Reorganized Debtors, the Creditors' Committee, counsel for the
28 Creditors' Committee, the United States Trustee, the Responsible Person, the Banks, counsel for the Banks,
and any Creditor who, after the Confirmation Hearing, delivers a notice to the Debtors requesting to be added
as a notice party; provided that (a) any Creditor whose Claim has been paid in full shall no longer be a Notice
Party; (b) if all Creditors have been paid in full with interest in accordance with the Plan, the Reorganized
Debtors shall cause any notice required to be mailed to the Notice Parties to be posted on its website prior to
mailing notice to the Notice Parties, and such notice shall remain on its website for a period of not less than
90 days from the date such notice was mailed to the Notice Parties; and (c) the United States Trustee shall no
longer be a Notice Party upon closing of the Bankruptcy Case.

1 9. As set forth above, the Reorganized Debtors shall be authorized to proceed with
2 payment of the Budgetary Savings Component within fifteen (15) days from the date of service of
3 this Notice unless, before the expiration of such fifteen (15) day period, a recipient of this Notice has
4 filed an objection to the calculation of the proposed Budgetary Savings Component payment with
5 the Bankruptcy Court and scheduled a hearing on such objection within thirty (30) days after the
6 filing of such objection, with proper notice to the Reorganized Debtors. If any such objection is
7 filed, the Reorganized Debtors shall not make the proposed payment unless the Bankruptcy Court
8 approves such payment or the objecting party withdraws the objection.

9 10. Questions regarding this Notice may be directed to the attorneys for the Reorganized
10 Debtors, Thomas T. Hwang, via telephone at (650) 857-1717 or via email at:
11 hwang.thomas@dorsey.com.

12 Dated: November 6, 2014

DORSEY & WHITNEY LLP

13 By: /s/ Thomas T. Hwang
14 Thomas T. Hwang
15 Attorneys for Reorganized Debtors

1 **CERTIFICATE OF SERVICE**

2 I am a citizen of the United States and employed in Santa Clara County. I am over the age of
3 eighteen years and not a party to the above-entitled action; my business address is 305 Lytton
4 Avenue, Palo Alto, California 94301.

5 On November 6, 2014, at my place of business, I served a true and correct copy of the within
6 document(s) in the manner indicated below:

7 **By Mail** by enclosing said document(s) in an envelope and depositing the sealed envelope
8 with the United States Postal Service with the postage fully prepaid, addressed as follows:

9 **Reorganized Debtors and Responsible Person**

ATI Liquidating, Inc.
AI Liquidating, Inc.
TTI Liquidating, Inc.
Attn: Patrick C. O'Connor
440 Kings Village Road
Scotts Valley, CA 95066

United States Trustee

Office of the U.S. Trustee
Attn: John Wesolowski
280 S. First Street, #268
San Jose, CA 95113-3004

12
13 This Certificate was executed on November 6, 2014 at Palo Alto, Santa Clara County,
14 California. I declare under penalty of perjury that the foregoing is true and correct.

15 /s/ Sandra Bloomer

16 SANDRA BLOOMER

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Employer's Tax ID No.: 95-4054321)	
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20 440 Kings Village Road)	
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21
22 **EXHIBIT "A"**

23
24 **To**

25 **NOTICE BY REORGANIZED DEBTORS PURSUANT TO PLAN OF LIQUIDATION RE**
26 **PROPOSED PAYMENT OF BUDGETARY SAVINGS COMPONENT**

ATI Liquidating, Inc.
Recap of Budgetary Saving Component Calculation
Quarter Ended September 30, 2014

	<u>Jul 31 '14</u>	<u>Aug 31 '14</u>	<u>Sep 30 '14</u>	<u>Total</u>
Budgetary Savings Component (20%)				
Total Budget as filed				
Employee Expenses	73,100	67,900	68,400	209,400.00
Exclude Incentive Bonus	-	-	-	-
Overhead Expenses	<u>27,900</u>	<u>29,350</u>	<u>26,450</u>	<u>83,700.00</u>
Total Budget	<u>101,000</u>	<u>97,250</u>	<u>94,850</u>	<u>293,100.00</u>
Actual Expenses				
Employee Expenses	68,058	62,309	60,149	190,516.00
Overhead Expenses	<u>24,954</u>	<u>18,635</u>	<u>18,596</u>	<u>62,185.00</u>
Total Actual Spending	<u>93,012</u>	<u>80,944</u>	<u>78,745</u>	<u>252,701.00</u>
Budgetary Savings Component	<u>7,988</u>	<u>16,306</u>	<u>16,105</u>	<u>40,399.00</u>
Bonus on Savings at 20%	<u>1,598</u>	<u>3,261</u>	<u>3,221</u>	<u>\$ 8,079.80</u>

<u>Month</u>	<u>Budgetary</u>
Jul-14	1,597.60
Aug-14	3,261.20
Sep-14	3,221.00
	<u>\$ 8,079.80</u>