

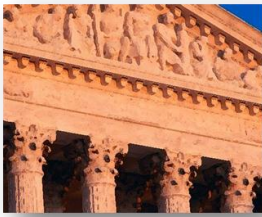
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Canal Corp. (f/k/a Chesapeake Corp.) Files Chapter 11 Plan of Liquidation; General Unsecured Creditors Proposed to Get Less than 1% Payment on Claims

Canal Corporation (formerly known as Chesapeake Corporation) filed a [proposed plan of liquidation](#) and accompanying [disclosure statement](#) with the Delaware bankruptcy court on Friday. The proposed plan covers all but one of the Canal/Chesapeake companies that are included in the jointly-administered bankruptcy cases. The one exclusion is WTM I Company; the companies that are covered by the [plan of liquidation](#) (with the last four digits of their taxpayer identification numbers in the parenthetical) are:

- Canal Corporation (f/k/a/ Chesapeake Corporation) (6880)
- Canal NC Company (f/k/a Chesapeake Printing and Packaging Company) (9208)
- Canal NY Company, Inc. (f/k/a Chesapeake Pharmaceutical Packaging Company, Inc.) (0010)
- Canal IH Company (f/k/a Chesapeake International Holding Company) (1532)
- Sheffield, Inc. (6314)
- Canal Resources Company (f/k/a Chesapeake Assets Company) (5293)
- Canal YR Company (f/k/a Chesapeake Recycling Company) (9383)
- Canal D&P Company (f/k/a Chesapeake Display and Packaging Company) (4207)
- Canal Virginia Company (f/k/a The Chesapeake Corporation of Virginia) (6783)
- Canal Corporation (Wisconsin) (f/k/a Chesapeake Corporation (Wisconsin)) (7682)
- Canal Corporation (Massachusetts) (f/k/a Chesapeake Corporation (Massachusetts)) (7686)
- Canal Corporation (D.C.) (f/k/a Chesapeake Corporation (D.C.)) (7684)
- Canal Corporation (Illinois) (f/k/a Chesapeake Corporation (Illinois)) (7685)
- Canal Corporation (Louisiana) (f/k/a Chesapeake Corporation (Louisiana)) (7681)
- Canal FP Company, LLC (f/k/a Chesapeake Forest Products Company, LLC) (6880)
- Canal DE Company (f/k/a Cary St. Company) (9092)



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- Canal DP Company (f/k/a Delmarva Properties, Inc.) (7160)
- Canal SH Company (f/k/a Stonehouse Inc.) (2481)

The companies, which filed for bankruptcy protection in December 2008, trace their corporate history to 1918 and were once a major value-added paperboard and plastic packaging products business. The company's stock was traded on the New York Stock Exchange under the ticker symbol "CSK" until October 2008 and, as of the date of the bankruptcy filing, there were approximately 4,000 separate registered holders of record and approximately 4,500 unregistered beneficial owners of Canal Corporation's common stock.

The companies received a stalking horse bid for substantially all of the plan debtors' assets from entities controlled by Irving Place Capital Management, L.P. and Oaktree Capital Management, L.P. and, following a competitive bidding process which produced no competing bids, the bankruptcy court approved the sale of the companies' assets to the stalking horse bidders on March 23, 2009. That sale closed on May 1, 2009.

Friday's [plan of liquidation](#) proposes that the plan debtors retain their assets and then complete the liquidation of their assets in order to make distributions under the plan to creditors. According to the disclosure statement filed with the plan, these debtors have no secured or non-tax priority claims outstanding, but do have approximately \$200 million in outstanding general unsecured claims, \$50 million in outstanding revenue bond claims, and \$250 million in outstanding subordinated note claims. Canal projects that holders of revenue bond claims would receive payments equal to approximately 2.28% of their claims under the plan; holders of general unsecured claims would receive payments of only 0.38% of their claims; and holders of subordinated note claims would likely receive nothing.

[To get a copy of the proposed plan of liquidation, please click here.](#)

[To get a copy of the disclosure statement which accompanies the proposed plan of liquidation \(and describes its terms in more user-friendly terms\), please click here.](#)

To access many more significant pleadings filed in the Canal/Chesapeake bankruptcy cases, please visit http://www.chapter11cases.com/Canal-Corp-fka-Chesapeake-Corp_c_5746.html#axzz1AcWjL7Sq