



U.S. Department of Justice

*Office of the United States Trustee
District of New Jersey*

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Via CM/ECF Filing

Honorable Michael B. Kaplan
Clarkson S. Fisher U.S. Courthouse
402 East State Street
Trenton, NJ 08608

March 6, 2026

**Subject: *In re Multi-Color Corporation*
 Case No.: 26-10910 (MBK)**

Dear Judge Kaplan:

The United States Trustee submits this letter brief in response to the Court's letter of March 3, 2026, which requested supplemental briefing on the question of "whether assets that have no demonstrable economic or monetary value may still be considered 'principal assets' for purposes of applying the venue statute."

As discussed in the United States Trustee's motion and in his subsequent response, the Court does not need to conduct a valuation of MCC-Norwood's assets to resolve the pending venue motions because venue in New Jersey is improper under any scenario. *See* Dkt. 266 at page 12. However, in response to the specific hypothetical raised by the Court's March 3 letter, any assets that MCC-Norwood owned during the majority of the 180-day pre-filing period may be considered as part of the Court's analysis under 28 U.S.C. § 1408(1) even if the Court finds that they were worthless.

The plain language of section 1408(1) directs the Court to determine the location of the debtor's principal assets and is not limited to assets that are of value or that will be useful in the debtor's reorganization. *See In re Ortiz*, No. 15-05938 (ESL), 2017 WL 770611 (Bankr. D.P.R.

Feb. 27, 2017) (finding that real property was debtor's "principal asset" for purposes of venue statute even though debtor intended to surrender it); *In re Neufeld*, No. 12-02177 (MDF), 2012 WL 5845590 (Bankr. M.D. Pa. Nov. 16, 2012) (finding that fully encumbered property in which debtor had no equity was "principal asset"). This accords with the general treatment of assets under the Bankruptcy Code, in which property of the estate includes worthless as well as valuable property. *In re Yonikus*, 974 F.2d 901, 904 (7th Cir. 1992).

Respectfully submitted,
ANDREW R. VARA
UNITED STATES TRUSTEE
REGIONS 3&9

/s/Jeffrey M. Sponder
Jeffrey M. Sponder
Trial Attorney