

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Ronald H. Sargis
Bankruptcy Judge
Modesto, California

June 12, 2014 at 3:30 p.m.

1. [13-90901](#)-E-12 ANDREW NAPIER

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
5-9-13 [[1](#)]

Final Ruling: No appearance at the June 12, 2014 Status Conference is required.

Debtor's Atty: Scott A. CoBen

The Status Conference has been continued to 3:30 p.m. on August 21, 2014.
Civil Minutes, Dckt. 218.

Notes:

Continued from 11/21/13.

Status conference heard on 5/22/14 continued to 8/21/14 at 3:30 p.m. to be heard in conjunction with Trustee's motion to dismiss.

[UST-1] *Ex Parte* Application for Examination filed 5/30/14 [Dckt 223]; Order granting filed 6/3/14 [Dckt 226]

2. [11-94004](#)-E-11 LUIS/ANGELA SOUSA

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
11-18-11 [[1](#)]

Final Ruling: No appearance at the June 12, 2014 Status Conference is required.

Debtors' Atty: Thomas O. Gillis

The Status Conference is continued to 3:30 p.m. on August 21, 2014, to allow for the court to hear and rule on the Motion to Approve fees for Debtors in Possession Counsel and the Motion to Close this case.

Notes:

Continued from 3/27/14

June 12, 2014 at 3:30 p.m.

3. [11-93411](#)-E-11 SANJIV/SHEENA CHOPRA

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
9-27-11 [[1](#)]

Final Ruling: No appearance at the June 12, 2014 Status Conference is required.

Debtors' Atty: Robert M. Yaspan

The Status Conference is continued to September 4, 2014 at 3:30 p.m.

The Chapter 11 Plan has been confirmed (Dckt. 939) and the court determined the motion for allowance of fees for Debtors in Possession Counsel on June 12, 2014. The Status Conference is continued to allow the Debtors/Plan Administrators to determine what other post-confirmation motions are required and whether the case should be administratively closed.

Notes:

Continued from 2/13/14

4. [11-94224](#)-E-11 EDWARD/ROSIE ESMAILI

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
12-12-11 [[1](#)]

Debtors' Atty: David C. Johnston

Notes:

Continued from 12/19/13

Operating Reports filed: 1/13/14, 2/12/14, 3/11/14, 4/14/14, 5/13/14

[DCJ-9] Application of Debtors in Possession for Allowance of Compensation of Certified Public Accountants filed 3/6/14 [Dckt 425]; Order granting filed 4/2/14 [Dckt 450]

[RHS-1] Amended Plan of Reorganization (March 31, 2014) filed 3/31/14 [Dckt 447]; Order denying filed 5/27/14 [Dckt 472]

Debtors' Updated Status Report filed 6/5/14 [Dckt 473]

5. [14-90538-E-11](#) REYES DRYWALL, INC.

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
4-14-14 [[1](#)]

Debtor's Atty: David C. Johnston

Notes:

Continue from 5/22/14. Debtor in Possession to file and serve by 6/10/14 evidence that the Debtor in Possession accounts have been established and are being used and have all Monthly Operating Reports timely filed. If not filed, the court may convert the case to one under Chapter 7, appoint a trustee, or dismiss the case without further notice or hearing.

STATUS CONFERENCE SUMMARY - JUNE 12, 2014

On June 10, 2014 the Debtor in Possession file a "Business Account Application" for an account with Wells Fargo Bank. The Application identifies the account as being opened for "Reyes Drywall, Inc. (Sole Owner), with Dennis Reyes as the "signer." The "Customer" is identified as "Reyes Drywall, Inc.," a "Corporation S Type." The "Customer Name" is stated to be "Dennis Reyes," identified as "Owner with Control of Entity."

The Application (which does not evidence that any accounts exists, are not for "debtor in possession" fiduciary accounts, but merely general business accounts under the sole control of "Dennis Reyes," personally (not in any fiduciary capacity). The Application is dated June 5, 2014. The Application is not authenticated by a declaration and no bank statements, deposit slips, bank records, or any other evidence of the existence of the debtor in possession account(s) were filed with the court.

As of the court's June 11, 2014 review of the Docket at 6:40 p.m. no monthly operating reports for April 2014 had been filed.

STATUS CONFERENCE SUMMARY - MAY 22, 2014

The Debtor in Possession reports that due to the economic slowdown in construction and real estate, the Debtor's business suffered. However, for 2012 the gross revenues were \$860,768 and for 2013 the gross revenues were \$1,258,971. For the first four months of 2014 (identified to be the slowest season for the Debtor's business) the gross revenues were \$330,720.

The Debtor in Possession that the present financial difficulties also stem from a lawsuit filed by the Debtor against a general contractor to obtain the final retention payment and additional delay damages. A cross claim was filed and an assertion made that the Debtor's construction license did not allow it to do some of the work under the subcontract.

The court issued an order requiring the Debtor in Possession

to file by June 10, 2014, evidence that the Debtor in Possession accounts have been established and are being used, and have all Monthly Operating Reports timely filed. Further, if the evidence that the Debtor in Possession have not been established and are being used by the Debtor in Possession or that all Monthly Operating Reports required to be filed by June 10, 2014 have not been filed, the court may convert the case to one under Chapter 7, appoint a trustee, or dismiss the case without further notice or hearing.

MONTHLY OPERATING REPORT SUMMARY

April, 2014 Report		Filed: Not Filed	
INCOME	Current		Cumulative
Wages	\$ 0		\$ 0
Sales	\$ 0		\$ 0
Misc.	\$ <u>0</u>		\$ <u>0</u>
Total	\$ 0		\$ 0
EXPENSES	\$ (---)		\$ (-----)
PROFIT/ (LOSS)	\$ 0		\$ 0
Specific Expenses			
	Rent/Mortgage		
	Interest		
	Payroll		
ACCOUNTS RECEIVABLE			
ACCOUNTS PAYABLE			

SUMMARY OF SCHEDULES

Real Property Schedule A	FMV	LIENS	
None			

Personal Property Schedule B	FMV	LIENS	
Bank Accounts	\$2,800		
Accounts Receivable	\$10,000		
Claim Against Tricorp Construction	\$160,000		
Claim Against West Bay Builders	\$121,000		
Vehicles	\$7,000		
Office Equipment	\$1,000		
Machinery, Equipment	\$4,500		

Secured Claims Schedule D	TOTAL CLAIM AMOUNT	FMV	UNSECURED CLAIM PORTION
None			

PRIORITY UNSECURED CLAIMS SCHEDULE E	TOTAL CLAIM AMOUNT	PRIORITY	GENERAL UNSECURED
California Employment Development Department	(\$76,000)	(\$60,000)	(\$16,000)
Internal Revenue Service	(\$230,000)	(\$200,000)	(\$30,000)

GENERAL UNSECURED CLAIMS SCHEDULE F	TOTAL CLAIM AMOUNT	GENERAL UNSECURED
	(\$157,401)	
American Express Bank, FSB		(\$3,600)
District Counsel 16 No. Cal. Health & Welfare Trust Fund		(\$153,801)
Proof of Claim Filed by Tricorp Construction, Inc.		(\$427,206)

Statement of Operations, Balance Sheet, and Cash Flow (Dckt. 15)	January 1, 2014 - April 21, 2014	
Total Expenses	(\$317,855)	
Payroll Expense	(\$273,060)	
Professional Fees	(\$15,713)	
Union Fees	(\$4,406)	
Old Tax Debt	(\$6,576)	

STATEMENT OF FINANCIAL AFFAIRS

Question 1 Income

	Gross Income	Net Income
2014 YTD	\$330,270	(\$44,381)
2013	\$1,258,971	(\$74,463)
2012	\$860,768	\$5,438

Question 2 Non-Business Income

2014 YTD	None	
2013	None	
2012	None	

Question 3 Payments within 90 days

Creditor	Amount	Date
None ("All payments made in ordinary course of business. No payments of antecedent debts.")	Response is incomplete - requires disclosure of all transfers within 90 days aggregating in excess of \$6,225, not merely those asserted by DIP to not be in ordinary course of business or for antecedent debts.	

Payments within one year

Creditor	Amount	Date
Dennis Reyes (Officer, Shareholder)	\$90,000	Monthly Salary Total for Year

6. [12-91442](#)-E-11 ALEXANDRINO/DURVALINA
VASCONCELOS

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
5-18-12 [[1](#)]

Debtors' Atty: Thomas O. Gillis

Notes:

Continued from 4/10/14

7. [14-90150-E-11](#) MIGUEL/SILVIA TOSCANO

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
2-6-14 [[1](#)]

Debtors' Atty: Thomas O. Gillis

Notes:

Continued from 3/6/14

Operating Report filed: 3/24/14, 4/18/14, 5/15/14 [Feb], 5/15/14

[TOG-8] *Ex Parte* Application for Employment of Thomas O. Gillis as Attorney for Debtor filed 3/10/14 [Dckt 36]; Order denying filed 3/17/14 [Dckt 41]

[TOG-10] *Ex Parte* Application for an Order Shortening Time to File a Response to the Motion to Restrict Use of Cash Collateral for Hearing on March 27, 2014 filed 3/17/14 [Dckt 42]; Order granting filed 3/18/14 [Dckt 46]

[WTL-1] Order denying 1) Motion to Prevent Use of Cash Collateral, 2) Motion to Condition Use of Cash Collateral, 3) Motion for Relief from Stay, 4) Motion for Adequate Protection, 5) Motion to Convert Case, and 6) Motion to Dismiss Case filed 3/31/14 [Dckt 61]

[WTL-2] Memorandum of Points and Authorities in Support of Secured Creditor Focus Business Bank's Objections to Debtors' Exemptions filed 3/21/14 [Dckt 47]; Order overruling objection filed 5/7/14 [Dckt 69]

[WTL-3] Motion to Prevent and Enjoin the Use of Cash Collateral, for the Segregation and Sequestration of Same, and for Accounting or, in the Alternative, to Condition the Use of Cash Collateral filed 5/22/14 [Dckt 72], set for hearing 6/12/14 at 10:30 a.m.

[WTL-4] Motion for Relief from Stay filed 5/22/14 [Dckt 82], set for hearing 6/12/14 at 10:00 a.m.

[TOG-12] Debtor in Possessions' *Ex Parte* Motion for an Order Converting Chapter 11 to Chapter 7 filed 6/5/14 [Dckt 91], order pending

8. [13-91459-E-11](#) LIMA BROTHERS DAIRY

CONTINUED STATUS CONFERENCE RE:
VOLUNTARY PETITION
8-7-13 [[1](#)]

Debtor's Atty: Hagop T. Bedoyan

Notes:

Continued from 3/6/14

Operating Reports filed: 3/20/14

[WJS-1] Fifth Stipulation to Continue Hearing on Motion for Relief from the Automatic Stay Filed by American Agcredit, PCA filed 3/28/14 [Dckt 190]; continued to 6/12/14 at 10:00 a.m.

[KDG-1] Order granting motion to employ Klein, DeNatale, Goldner, Cooper, Rosenlieb & Kimball as counsel for the Debtor in Possession filed 3/31/14 [Dckt 201]

[KDG-2] Order granting motion to employ GlassRatner Advisory & Capital Group, LLC as business consultants filed 3/31/14 [Dckt 200]

[KDG-4] Further Supplement to Motion to Use Cash Collateral and Grant Adequate Protection filed 3/10/14 [Dckt 183]; Order granting and setting further hearing filed 4/1/14 [Dckt 202]; Notice of Continued Hearing [setting hearing for 6/26/14 at 10:30 a.m.] filed 6/2/14 [Dckt 237]

[KDG-6] Second Interim Application for Allowance of Attorneys' Fees and Costs Filed by Klein, Denatale, Goldner, Cooper, Rosenlieb & Kimball, LLP filed 4/10/14 [Dckt 214]; Order granting filed 5/7/14 [Dckt 229]

[KDG-7] Second Interim Application for Allowance of Business Consultant's Fees and Costs Filed by GlassRatner Advisory & Capital Group, LLC filed 4/10/14 [Dckt 206]; Interim Order re payment and continuing hearing to 6/12/14 at 10:30 a.m.

[KDG-8] Stipulation to Value Collateral of Stanislaus Farm Supply Co Inc. filed 6/5/14 [Dckt 245]; order pending

Debtor in Possession's Chapter 11 Status Conference Report filed 6/2/14 [Dckt 243]