

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Ronald H. Sargis

Chief Bankruptcy Judge

Modesto, California

August 25, 2022 at 10:00 a.m.

1. [22-90217-E-11](#) **SILKWOOD WINES, INC.** **STATUS CONFERENCE RE:**
[CAE-1](#) **VOLUNTARY PETITION**
7-4-22 [[1](#)]

SUBCHAPTER V
DISMISSED: 8/5/22

Final Ruling: No appearance at the August 25, 2022 Status Conference is required.

Debtor's Atty: David C. Johnston

Notes:

Order Dismissing Case for Failure to Timely File Document(s) filed 8/5/22 [Dckt 23]

This Bankruptcy Case having been dismissed (Order, Dckt. 23), the Status Conference is concluded and the matter is removed from the Court's Calendar.

The voluntary Subchapter V Petition was filed by Debtor on July 4, 2022. The Clerk of the Court issued a Notice of Incomplete Filings (Dckt. 3), which missing pleadings included the Schedules and Statement of Financial Affairs. On July 19, 2022, this court issued an order extending until August 2, 2022, the deadline for Debtor to file the missing Schedules, Statement of Financial Affairs, and basic documents to proceed with the prosecution of a bankruptcy case. Order, Dckt. 20. One of the grounds included in requesting the extension was that the former CED, manager, and holder of all positions with the Debtor, was hospitalized and had been unable to assist in the preparation of the required documents.

When the required pleadings were not filed by the August 2, 2022 deadline, and no further request for extension made, the Clerk of the Court issued on August 5, 2022, the order dismissing this case. Order, Dckt. 23.

August 25, 2022 at 10:00 a.m.

- Page 1 of 4-

SUBCHAPTER V

Debtor's Atty: David C. Johnston

Notes:

Trustee Report at 341 Meeting lodged 8/15/22. Continued meeting of creditors set for 8/25/22 at 3:00 p.m.

Debtor's Chapter 11 Status Report filed 8/16/22 [Dckt 23]

Application of Debtor in Possession for Authority to Employ Attorney filed 8/16/22 [Dckt 25]

The Status Conference is continued to 2:00 p.m. on xxxxxxxx, 2022.

AUGUST 25, 2022 STATUS CONFERENCE

On July 8, 2022, Avinash Singh commenced this voluntary Subchapter V bankruptcy case. Petition, Dckt. 1. On July 25, 2022, the Debtor filed his Schedules and Statement of Financial Affairs. Dckt. 19. On Schedule A/B Debtor lists owning a single family home and a gas station/mini mart as his real property. *Id.* at 3-4. For personal property Debtor lists three 2017 vehicles, "normal" household goods and personal items, and having a 99% ownership interest in the following entities:

Randhawa Trucking, LLC (out of business gas station, foreclosed)

Randhawa Fuel, LLC (operates a gas station in Manteca)

Randhawa Petroleum, LLC (operates a gas station in Stockton)

Monterey Fuel, Inc. (Gilroy, business closed February, 2018),

and one checking account with a small dollar balance. *Id.* at 4-8.

On Schedule I Debtor lists his employment as "President/Managing Member Randhawa Entities" and that his gross salary is \$5,000.00 a month. *Id.* at 27-28. This is Debtor's total gross income, from which there is no withholding for taxes, Social Security, or other wage related items.

On Schedule I Debtor states that his non-Debtor Spouse has no income. *Id.* However, in the Status Report filed by the Debtor/Debtor in Possession, it is stated that the non-Debtor Spouse "operates" [which this court reads as saying 'works for'] the gas station owned by the second limited liability company in which the bankruptcy estate has a 99% interest and the non-Debtor Spouse wife has a 1% interest. This does not make sense to the court.

On Schedule J Debtor lists four dependants which include his spouse, elder Father, adult Son, and adult Daughter in Law. *Id.* at 29. No income or contribution is shown being made by any of these adult dependants of Debtor.

For this family unit of Debtor and four adult dependants, Debtor states having reasonable and necessary expenses of (\$4,966.00). *Id.* at 29-30. After the payment of these stated necessary expenses for five adults (including mortgage, taxes, and property insurance), Debtor has only \$34.00 a month in net monthly income. *Id.* Debtor does not list any income, Social Security, or other taxes or withholding/payments on Schedule J.

On the Statement of Financial Affairs (Question 4), Debtor states having had annual gross income of \$60,000 in 2020, \$62,000 in 2021, and \$35,000 for the first six months of 2022.

Though showing that he has gross income of only \$5,000 a month in 2020, 2021, and 2022, on the Statement of Financial Affairs (Question 6), Debtor states having made the following payments to creditors within the 90 days prior to the filing of this bankruptcy case:

Falcon Investments, LLC.....(\$9,627)
Regular monthly payments of (\$3,209) [this expense not listed on Schedule J]

Manpreet Dhillon.....(\$12,000)
Regular monthly payments of (\$4,000) [this expense not listed on Schedule J]

Mr. Cooper.....(\$ 1,670)
Regular monthly payments of (\$1,670) [this expense listed on Schedule J]

With only \$5,000 a month income and the expenses stated under penalty of perjury as being the reasonable an necessary expenses on Schedule J, it is unclear where Debtor has access to the additional \$8,209 a month to pay Falcon Investments and Manpreet Dhillon.

On August 16, 2022, proposed counsel for the Debtor/Debtor in Possession in this Subchapter V case filed an *ex parte* application to be employed pursuant to 11 U.S.C. § 327. Upon review of the application, said counsel's numerous other Chapter 11 business cases filings, and the complexity of those other cases, the court is issuing an order for proposed counsel set the motion for hearing and provide supplemental pleadings addressing the Chapter 11 and Chapter 12 cases in which he is serving as counsel to the Debtor/Debtor in Possession, Debtor in Possession, or Debtor/Plan Administrator (each owing their fiduciary duties to the bankruptcy or plan estates in those cases), the attorney, paralegal, and support staffing for those cases and the present case in proposed counsel's law firm or proposed co-counsel or third-party support services, and any other factors which applicant counsel believes establish the capacity to provide the legal services to the Debtor/Debtor in Possession fiduciary in this case.

Subchapter V Debtor/Debtor in Possession Status Report

On August 16, 2022, the Debtor/Debtor in Possession filed his Chapter 11 Status Report. Dckt. 23. The Debtor/Debtor in Possession states that the estate includes the Debtor's residence and a commercial property on which there is a Sinclair gas station. That gas station is operated by a limited liability company in which the estate has a 99% interest and Debtor's wife has a 1% interest. (It does not state whether the

1% interest is a community property interest.) Another entity in which the estate has a 99% interest and Debtor's wife has a 1% interest leases property on which it operates a Sinclair gas station.

The Debtor/Debtor in Possession is personally operating the Manteca gas station owned by one of the limited liability companies and Debtor's wife operates the gas station operated by the second limited liability company.

The filing of this bankruptcy case was precipitated by a creditor who provided a loan in connection with the other now terminated limited liability companies proceeding with a foreclosure on Debtor's residence (which secured that loan). Debtor seeks to use Subchapter V to modify that loan.

The Debtor/Debtor in Possession believes that this will be a simple bankruptcy case with little legal work to be done.

At the Status Conference, **XXXXXXX**