

1 Alan J. Friedman (State Bar No. 132580)  
afriedman@irell.com  
2 Kerri A. Lyman (State Bar No. 241615)  
klyman@irell.com  
3 IRELL & MANELLA LLP  
840 Newport Center Drive, Suite 400  
4 Newport Beach, California 92660-6324  
Telephone: (949) 760-0991  
5 Facsimile: (949) 760-5200  
6 *Attorneys for AP-Long Beach*  
*Airport LLC*

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10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **LOS ANGELES DIVISION**

13 In re ) Case No. 2:14-bk-33372-VZ  
14 AP-LONG BEACH AIRPORT LLC, a )  
Delaware limited liability company, ) Chapter 11  
15 Debtor and Debtor-in-Possession. ) **DECLARATION OF DAVID P.**  
16 ) **STAPLETON IN SUPPORT OF THE**  
17 ) **MOTION FOR CONFIRMATION OF THE**  
18 ) **SECOND AMENDED PLAN OF**  
19 ) **REORGANIZATION OF AP-LONG**  
20 ) **BEACH AIRPORT LLC**  
21 ) **HEARING DATE:**  
22 ) **Date:** June 25, 2015  
23 ) **Time:** 1:30 p.m.  
24 ) **Place:** Courtroom 1368  
25 ) 255 East Temple Street  
26 ) Los Angeles, CA 90012  
27 )  
28 )

1 I, David P. Stapleton, declare and state as follows:

2 1. I am the founder of Stapleton Group ("Stapleton Group"), with offices located in  
3 Los Angeles, San Diego, Phoenix and Las Vegas. I am a nationally recognized restructuring and  
4 work out expert and have led the successful resolution of over one hundred troubled businesses  
5 and real estate projects. Prior to founding the Stapleton Group, I underwrote and acquired  
6 troubled companies, land, condominium, and resort assets at a subsidiary of Leucadia National  
7 Corporation. Previously, I served as a Director at a national provider of work out services where I  
8 focused on solutions for troubled companies and properties to lenders and law firms across the  
9 nation. I began my career as a Certified Public Accountant at PricewaterhouseCoopers, LLP,  
10 where I specialized in financial and restructuring services for Fortune 500 clients at PwC's New  
11 York, London, Frankfurt and San Diego offices. I earned a Masters of Business Administration  
12 from San Diego State University and a Bachelor of Science from Tulane University.

13 2. I submit this Declaration in support of the *Motion for Confirmation of the Second*  
14 *Amended Plan of Reorganization of AP-Long Beach Airport LLC* (the "Motion").<sup>1</sup> I have first-  
15 hand personal knowledge of the facts set forth below and, if called to testify in this matter, I could  
16 and would competently testify thereto.

17 3. AP-Long Beach Airport LLC (the "Debtor") is the owner of property located at  
18 3205 Lakewood Boulevard, Long Beach, California consisting of a 206,945-square foot building  
19 at Long Beach Airport (the "Long Beach Property").

20 4. Prior to the Petition Date, the Debtor was the borrower under that certain  
21 Construction Loan Agreement with U.S. Bank National Association ("U.S. Bank") in the principal  
22 amount of \$37,764,469 (as amended, restated, supplemented, or otherwise modified from time to  
23 time, the "U.S. Bank Loan"). On August 11, 2014, U.S. Bank filed a complaint in the Superior  
24 Court of the State of California for the County of Los Angeles, Southern District (the "State  
25 Court") against, the Debtor and Donald Abbey seeking, among other things, the appointment of a  
26 receiver and to foreclose on the Long Beach Property (the "U.S. Bank Litigation").

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<sup>1</sup> Terms not otherwise defined herein have the meaning set forth in the Motion.



1 10. I am informed and believe that on February 28, 2015, the Debtor closed a loan for  
2 postpetition financing (the "Postpetition Financing") and the U.S. Bank Loan was paid in full on  
3 that date. The payment of the U.S. Bank Loan also resolved the pending U.S. Bank Litigation.

4 11. On April 7, 2015, the State Court issued the *Order Authorizing and Directing*  
5 *Turnover of Receivership Estate and Exonerating Bonds Pursuant to Stipulation* (the "State Court  
6 Order"). On April 16, 2015, following the approval of the Postpetition Financing, the Court  
7 entered an Order denying, as moot, the Debtor's request for entry of an Order excusing the  
8 Receiver's compliance with section 543(d) and authorizing the use of U.S. Bank's case collateral  
9 on a final basis.

10 12. In order to ensure a smooth transition from the management of the Long Beach  
11 Property by me, as the Receiver, the Debtor engaged the Stapleton Group to act as property  
12 manager with respect to the Long Beach Property.<sup>4</sup> The Stapleton Group agreed to provide the  
13 services requested by the Debtor for a fee of three percent (3%) of the aggregate gross revenues of  
14 the Long Beach Property for the applicable monthly account period, as described in greater detail  
15 in the Agreement (the "Management Fees"). I anticipate that this fee will be approximately  
16 \$8,000 for the months of April, May, and June 2015, based on the current revenues of the Long  
17 Beach Property.

18 13. As property manager, I and the other members and employees of the Stapleton  
19 Group have and will continue to provide the services set forth above.

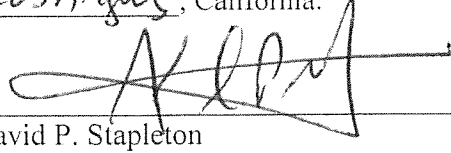
20 14. Attached hereto as Exhibit A is the budget approved by the Debtor and the  
21 Postpetition Lender for the Long Beach Property for the period from April 2015 through June  
22 2015 (the "Budget"). The Budget specifically includes a line item for the payment of U.S. Trustee  
23 fees. I am informed and believe that the Debtor is in the process of marketing the portion of the  
24 Long Beach Property that is not currently occupied.

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28 <sup>4</sup> An application to employ the Stapleton Group was filed on May 6, 2015 and no  
objections have been filed.

1 15. I am aware that the Stapleton Group has been named as the Disbursing Agent  
2 under the Plan, and as such will be responsible for making all required payments to creditors upon  
3 the Effective Date of the Plan.

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5 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing  
6 statements are true and correct.

7 Executed this 27 day of May 2015, at Los Angeles, California.

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David P. Stapleton

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# EXHIBIT "A"

Exhibit A  
Page 5

**Interim PM Budget A P Long Beach**

3.19.15

	Apr-15	May-15	Jun-15
<b>Income</b>			
Rent Collection	224,733	224,733	224,733
CAM	33,333	35,000	35,000
Tenant TI - Interest	1,911	1,911	1,911
<b>Total Income</b>	<b>259,977</b>	<b>261,644</b>	<b>261,644</b>
<b>Expenses</b>			
Elevators	(400)	(400)	(400)
Fire, Life, & Safety - Contract Service	(2,480)	(2,480)	(2,480)
Fire, Life, & Safety - Monitoring/Phones	(495)	(495)	(495)
Fire Safety Equipment	(235)	(235)	(235)
Security Cameras	(242)	(242)	(242)
Utilities - Reimbursable	(14,000)	(14,000)	(14,000)
Utilities - Non-Reimbursable	(4,000)	(4,000)	(4,000)
HVAC - Preventative Maintenance	(3,750)	(3,750)	(3,750)
HVAC - Software	(550)	(550)	(550)
HVAC - Repairs	(500)	(500)	(500)
Water Purification - Lab	(1,230)	(1,230)	(1,230)
Lot, Landscape & Trash	(1,771)	(1,771)	(1,771)
Pest Control	(310)	(310)	(310)
Janitorial	(2,100)	(2,100)	(2,100)
Repair & Maintenance	(500)	(500)	(500)
Insurance	(4,740)	(4,740)	(4,740)
Property Tax	(14,400)	(14,400)	(14,400)
Property Management fees - 3%	(8,000)	(8,000)	(8,000)
Employee Expense	(4,200)	(4,200)	(4,200)
Ground Lease	(21,000)	(21,000)	(21,000)
Debt Service	(192,498)	(192,498)	(192,498)
Miscellaneous	(1,000)	(1,000)	(1,000)
US Trustee Fees	(4,875)	-	-
Business License & Permits	-	-	-
<b>Total Expenses</b>	<b>(283,276)</b>	<b>(278,401)</b>	<b>(278,401)</b>
<b>Net Operating Income/(Loss)</b>	<b>(29,899)</b>	<b>(23,357)</b>	<b>(23,357)</b>

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**PROOF OF SERVICE OF DOCUMENT**

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **840 Newport Center Drive, Suite 400, Newport Beach, California 92660-6324**

A true and correct copy of the foregoing document described as **DECLARATION OF DAVID P. STAPLETON IN SUPPORT OF THE MOTION FOR CONFIRMATION OF THE SECOND AMENDED PLAN OF REORGANIZATION OF AP-LONG BEACH AIRPORT LLC** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING(“NEF”) -** Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) (“LBR”), the foregoing document will be served by the court via NEF and hyperlink to the document. On **May 28, 2015**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

**Service information continued on attached page**

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served):

On **May 28, 2015**, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**Service information continued on attached page**

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **May 28, 2015**, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

**Service information continued on attached page**

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

May 28, 2015	Lori Gauthier	/s/ Lori Gauthier
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>



1 **SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING("NEF")**

- 2 • Alan J Friedman afriedman@irell.com  
3 • Steven T Gubner sgubner@ebg-law.com, ecf@ebg-law.com  
4 • Marsha A Houston mhouston@reedsmith.com  
5 • Elan S Levey elan.levey@usdoj.gov, louis.lin@usdoj.gov  
6 • Kerri A Lyman klyman@irell.com  
7 • Mark E McKane mark.mckane@kirkland.com,  
8 mmckane@kirkland.com;rtejada@kirkland.com;alevin@kirkland.com  
9 • Michael P McMahon mmcmahon@irell.com, mick.p.mcmahon@gmail.com  
10 • Reed M Mercado rmercado@sheppardmullin.com  
11 • Kelly L Morrison kelly.l.morrison@usdoj.gov  
12 • Eric S Pezold epezold@swlaw.com, sberumen@swlaw.com  
13 • Robert A Pilmer alexander.pilmer@kirkland.com  
14 • Geoffrey T Sawyer gsawyer@weildrage.com  
15 • Todd M Schwartz toddschwartz@paulhastings.com,  
16 marccarmel@paulhastings.com;michellecline@paulhastings.com  
17 • United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov  
18 • Jasmin Yang jyang@swlaw.com, jmacneil@swlaw.com

13 **SERVED BY PERSONAL DELIVERY/ATTORNEY SERVICE:**

14 **Honorable Vincent Zurzolo**

15 United States Bankruptcy Court  
16 Central District of California  
17 Edward R. Roybal Federal Building and Courthouse  
255 E. Temple Street, Suite 1360 / Courtroom 1368  
Los Angeles, CA 90012

18  
19 **SERVED VIA FIRST-CLASS MAIL:**

20 **Office of the United States Trustee**

21 Attn: Kelly L. Morrison  
22 915 Wilshire Boulevard, Suite 1850  
23 Los Angeles, CA 90017

24  
25  
26  
27  
28  
**And Refer to Attached List**

#3198827.v2 – Limit Notice Order Entered 1/2/15.

Debtor  
 AP-Long Beach Airport LLC  
 Attn: Donald G. Abbey  
 14770 Firestone Blvd, Suite 206  
 La Mirada, CA 90638

Office of the U.S. Trustee  
 Attn: Kelly L. Morrison  
 915 Wilshire Boulevard  
 Suite 1850  
 Los Angeles, CA 90017

**20 LARGEST(per amended list filed  
 1/12/15):**

Environ Architecture, Inc.  
 Attn: Authorized Agent  
 100 Oceangate  
 Suite P-200  
 Long Beach, CA 90802

Southern California Edison  
 Attn: Mary Greene or Authorized Agent  
 PO Box 300  
 Rosemead, CA 91772-0001

Murchison Consulting  
 Attn: Authorized Agent  
 3333 E Spring St  
 Long Beach, CA 90806

Granite Telecommunications LLC  
 Attn: M. Long or Authorized Agent  
 PO Box 983119  
 Boston, MA 02298-3119

Meier Plumbing, Inc.  
 Attn: Authorized Agent  
 17432 E. Santa Clara Ave  
 Santa Ana, CA 92705

DC Environmental  
 Attn: A. Baker or Authorized Agent  
 3002 Dow Ave, Suite 118  
 Tustin, CA 92780

Universal Building Maintenance LLC  
 Attn: Authorized Agent  
 1552 N. Tustin Avenue, Suite 650  
 Santa Ana, CA 92705

ABM Electrical Solutions, Inc.  
 Attn: Angelica Hernandez or Authorized  
 Agent  
 152 Technology Drive  
 Irvine, CA 92618

Coastal Maintenance Inc.  
 Attn: S. Diaz or Authorized Agent  
 23052-H Alicia Parkway, #297  
 Mission Viejo, CA 92692

Total Access Security Systems Corp.  
 Attn: Authorized Agent  
 818 W. Chapman Ave  
 Orange, CA 92868-2823

**SECURED PARTIES:**

U.S. Bank National Association  
 Sheppard Mullin Richter & Hampton LLP  
 Attn: D. McCarty, Esq./M. Mercado, Esq.  
 650 Town Center Drive, 4<sup>th</sup> Floor  
 Costa Mesa, CA 92626

U.S. Bank National Association  
 Sheppard Mullin Richter & Hampton LLP  
 Attn: M. Reed Mercado, Esq.  
 333 South Hope Street, 43<sup>rd</sup> Floor  
 Los Angeles, CA 90071-1422

**PARTIES REQUESTING SPECIAL  
 NOTICE:**

Attorneys for the Abbey Companies  
 Marc J. Carmel, Esq.  
 Paul Hastings LLP  
 71 South Wacker Drive, Suite 4500  
 Chicago, IL 60606

Attorneys for the Abbey Companies  
 Todd M. Schwartz, Esq.  
 Paul Hastings LLP  
 1117 S. California Avenue  
 Palo Alto, CA 94304

Attorneys for Bank of America, N.A.  
 Jasmin Yang, Esq.  
 Snell & Wilmer LLP  
 350 South Grand Avenue, Suite 2600  
 Los Angeles, CA 90071

Attorneys for U.S. Attorney's Office  
 Attn: Stephanie Yonekura/Leon W.  
 Weidman, Elan S. Levey  
 U.S. Attorney's Office  
 300 N. Los Angeles St., Room 7516  
 Los Angeles, CA 90012

Attorneys for Environ Architecture, Inc.  
 Attn: Jacqueline Pons-Bunney, Geoffrey  
 Sawyer, Brian P. Roteliuk  
 Weil & Drage, APC  
 23212 Mill Creek Drive  
 Laguna Hills, CA 92653

Marsha A. Houston, Esq./Christopher O.  
 Rivas, Esq.  
 Reed Smith LLP  
 355 S. Grand Avenue, Suite 2900  
 Los Angeles, CA 90071

Steven T. Gubner, Esq.  
 Ezra Brutzkus Gubner LLP  
 21650 Oxnard Street, Suite 500  
 Woodland Hills, CA 91367

LCS  
 c/o Ashley A. Baron, Esq.  
 Baron Law Group  
 1315-I North Tustin Street  
 Suite 411  
 Orange, California 92867

General Services Administration (GSA)  
c/o United States Attorney's Office  
Federal Building, Room 7516  
300 North Los Angeles Street  
Los Angeles, CA 90012

Securities and Exchange Commission  
5670 Wilshire Blvd  
11th Floor  
Los Angeles, CA 90036

**Main Document Page 11 of 11**  
General Services Administration (GSA)  
c/o Attorney General  
United States Dept. of Justice  
Ben Franklin Station - PO Box 683  
Washington, DC 20044

U S. Securities and Exchange Commission  
Attn: Bankruptcy Counsel  
444 South Flower Street, Suite 900  
Los Angeles, CA 90071-9591

**Counsel for Macquarie Bank Limited**  
**(DIP Lender):**  
Kirkland & Ellis LLP  
Attn: Chad J. Husnick, Esq./Jason B. Gott  
Esq.  
300 North LaSalle Street  
Chicago, IL 60654