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7 Proposed General Reorganization Counsel for
Clarke Project Solutions, Inc.

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SANTA ANA DIVISION**

11 In Re

12 CLARKE PROJECT SOLUTIONS, INC.,
13 a California corporation,
14 Debtor and Debtor-in-Possession.

Case No. 8:17-bk-10402 TA

Chapter 11 Proceeding

**DEBTORS' EMERGENCY MOTION
FOR ORDER AUTHORIZING
PAYMENT AND HONORING OF
PREPETITION PAYROLL
OBLIGATIONS; MEMORANDUM OF
POINTS AND AUTHORITIES; AND
DECLARATION OF CHRISTOPHER
CLARKE IN SUPPORT THEREOF**

DATE: February __, 2017

TIME:

CTRM: Courtroom 5B

411 W. Fourth Street

Santa Ana, California 92701

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1 **TO THE HONORABLE THEODOR ALBERT UNITED STATES BANKRUPTCY JUDGE;**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE; DISPUTED SECURED CREDITOR**
3 **CUMMING CONSTRUCTION MANAGEMENT, INC. AND ITS ATTORNEY; AND THE**
4 **TWENTY LARGEST UNSECURED CREDITORS:**


5 CLARKE PROJECT SOLUTIONS, INC., a California corporation, fka Cumming Clarke,
6 the Debtor and Debtor-in-Possession in the within Chapter 11 case (the "Debtor"), hereby moves
7 this Court on an emergency basis for an order granting the following relief:

- 8 A. Authorizing payment of prepetition employee wage and salary obligations owed by
9 the Debtor up to the priority limit in Section 507(a) of the United States Bankruptcy
10 Code;
- 11 B. Authorizing the Debtor to pay: 1) the reimbursement of ordinary course prepetition
12 employment business expenses in accordance with company policy, and 2) the
13 payment of benefit obligations including worker's compensation, medical, dental, life
14 insurance, disability insurance, and miscellaneous other benefits incurred and payable
15 in the ordinary course;
- 16 C. Authorizing the Debtor to honor all prepetition vacation pay, sick leave, holiday pay,
17 jury duty pay, and other paid leave claims in the ordinary course;
- 18 D. Authorizing the Debtor to retain its prepetition payroll account(s) for 30 days and
19 directing the bank or other financial institution not or otherwise impair the Debtor's
20 ability to deposit funds into and to withdraw funds from said account(s);
- 21 E. Authorizing the Debtor to take all actions reasonable and necessary to comply with its
22 obligations to its existing payroll services;
- 23 F. The entry of an order (i) directing all banks to honor the Debtor's prepetition checks
24 for payment of any of the foregoing, and (ii) prohibiting all banks from placing any
25 holds on, or attempting to reverse, any automatic transfers on account of the
26 foregoing; and
- 27 G. Such additional relief as the Court deems just and proper.
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1 This Motion is based upon the appended Declaration of Christopher Clarke, the points and
2 authorities in support thereof annexed hereto, and upon such other additional evidence, oral or
3 documentary, that the Court may consider prior to or at the time of the hearing on the Motion.

4 DATED: February 3, 2017

PAMELA JAN ZYLSTRA
A PROFESSIONAL CORPORATION

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7 By: 
8 Pamela J. Zylstra
9 Proposed Attorneys for Clarke Project Solutions, Inc.
Debtor and Debtor-in-Possession

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **GROUND S FOR EMERGENCY RELIEF**

4 The Debtor filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code
5 on February 2, 2017 (the "Petition Date"). The case was filed to stop aggressive collection actions
6 by the disputed creditor, Cumming Construction Management, Inc., ("Cumming") which operates
7 business under the guise of and in the name of the Debtor. The Debtor asserts that Cumming holds
8 no valid claim(s) against the Debtor and that Cumming holds no valid interest in the cash collateral
9 or other collateral in this case. The Debtor filed concurrently herewith a motion requesting authority
10 to use cash collateral on an interim basis to facilitate the Debtor's ability to pay its payroll
11 obligations and post-petition accounts payable in an orderly fashion as they are incurred in the
12 ordinary course of the Debtor's business post-petition.

13 The Debtor is requesting authority to fund the prepetition payroll for services rendered by
14 employees of the Debtor from January 20, 2017 through February 3, 2017. Employees of the Debtor
15 are paid every two weeks and the estimated amount of each payroll, including taxes, is \$130,000.00.
16 The payroll is scheduled for payment primarily by direct deposit for approximately 42 employees on
17 February 10, 2017.

18 The Debtor is in the business of providing labor under government contracts. If the Debtor's
19 employees are not paid, they will cease working and seek employment elsewhere. Any such
20 disruption would have a devastating effect upon the Debtor's business and its reputation in the
21 government contracting market. In contrast, if the Debtor obtains the relief sought herein, the
22 business operation will continue in the ordinary course, customer needs will be met, and the overall
23 value of the Debtor's business enterprise will be preserved for creditors.

24 It is essential that the Debtor pay its employees timely for all services rendered. The Debtor
25 seeks to operate its business in an orderly fashion post-petition, paying its employees in the ordinary
26 course of business as well as its post-petition accounts payable. The Debtor's ability to continue in
27 business depends on its retention of all employees. The single most important factor in the retention
28 of employees is timely payment of compensation. The Debtor requests a hearing on the Motion on

1 an emergency basis so that all employees will be paid timely on February 10, 2017, just eight days
2 after the commencement of this case.

3 Procedural authorization for an emergency hearing on this emergency motion is found in
4 Rule 9006¹ of the Federal Rules of Bankruptcy Procedure, and in Local Bankruptcy Rule 9075-1.²
5 As discussed herein and as set forth in the supporting Clarke Declaration, the Debtor respectfully
6 submits that, on the facts of this case, emergency relief is both necessary and appropriate.

7 **II.**

8 **STATEMENT OF FACTS**

9 The Debtor is a disabled veteran small business enterprise that has been operating since 2004.
10 A specific percentage of government contracts are set aside exclusively for performance by qualified
11 small business enterprises (the “Set Aside Programs”). The Set Aside Programs require all bid
12 proposals to include goods and/or services supplied by small business enterprises that qualify as:
13 1) women owned; 2) minority owned; 3) Native American owned; and 4) service disabled veteran
14 owned.

15 The Debtor was originally created to bid for and perform cost management and cost estimating
16 services under government contracts. Cost estimating contracts may be directly between the Debtor and
17 government entities, such as the Department of Defense. Alternatively, the Debtor may serve as a
18 subcontractor for cost estimating services under a contract bid by an architectural or engineering firm
19 that has a direct contract with a government entity. The Debtor employs two full-time cost estimators.
20 In 2016, the Debtor provided cost estimating services under 25 contracts that generated about eight
21 percent (8.0%) of its business, representing revenue of approximately \$317,000.00. *See*, Clarke
22 Declaration at ¶9.

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25 ¹ Bankruptcy Rule 9006(c) provides, in pertinent part:
26 “when an act is required or allowed to be done at or within a specified time by these rules or by a notice given
27 thereunder or by order of the court, the court for cause shown may in its discretion with or without motion or
28 notice *order the period reduced.*”

² Rule 9075-1(a) and (b) of the Local Bankruptcy Rules for the Central District of California provides for
hearings on an emergency basis or, alternatively, on notice shorter than would otherwise be required under the
Local Bankruptcy Rules.

1 The principal and sole owner of the Debtor, Christopher Clarke (“Clarke”), began developing
2 facilities management business in 2010. The management of government facilities requires hiring
3 employees and staffing desks in government buildings to perform property management functions.
4 Under a facilities management contract, the Debtor hires employees to perform tasks identified by the
5 contract, pays the employees, and then submits an invoice for reimbursement of the employee wages,
6 costs of administration and an agreed percentage profit margin. In 2016, the Debtor employed about 35
7 people to provide facilities management services under numerous contracts directly with the
8 government and as a subcontractor. The facilities management contracts generated about 90% of the
9 Debtor’s business, representing revenue in 2016 of approximately \$3.8 million. *See*, Clarke
10 Declaration at ¶10.

11 Cumming Construction Management, Inc. (“Cumming”) asserts claims against the Debtor in
12 excess of \$500,000.00. From 2004 through 2015, Cumming performed all management,
13 administrative, accounting, financing and other business functions of the Debtor with employees of
14 Cumming and without participation by Christopher Clarke, the principal of the Debtor. Cumming:
15 a) developed substantially all the business, b) negotiated the terms of all contracts; c) negotiated the
16 terms of payments made to Clarke and to Cumming for profit etc.; d) set the terms of payment by the
17 Debtor to Cumming for expenses, etc.; e) decided when to change agreements between Cumming and
18 the Debtor regarding operations and funding and employed Cumming’s lawyers to draft the
19 agreements; f) changed the ownership of the shares of the Debtor; g) cancelled the Sub-Chapter S tax
20 status elected by the Debtor; and h) set all terms for the business relationship between Cumming and the
21 Debtor. Cumming has been and continues to represent itself in the government contract marketplace as
22 Clarke Project Solutions, Inc., a disabled veteran small business enterprise, and continues to provide
23 cost management and cost estimating services under contracts in that name.

24 The case was filed to stop aggressive collection actions by the disputed creditor, Cumming
25 Construction Management, Inc., (“Cumming”) which operates business under the guise of and in the
26 name of the Debtor. The Debtor asserts that Cumming holds no valid claim(s) against the Debtor
27 and that Cumming holds no valid interest in the cash collateral or other collateral in this case.
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1 III.

2 RELIEF REQUESTED

3 The Debtor requests Court authority to pay the pre-petition wage related obligations and
4 honor their employee related pre-petition benefits. These obligations include prepetition payroll,
5 wages, salaries, federal, state and local payroll taxes, deductions and withholdings, payroll
6 deductions relating to various benefits, reimbursement of business expenses, and miscellaneous
7 other claims asserted by current employees (including, without limitation, worker's compensation,
8 medical, dental, life insurance, and disability insurance) (collectively, the "Prepetition
9 Compensation"). These benefits include vacation pay, sick leave, holiday pay, jury duty pay, and
10 other paid leave ("Benefits").

11 The pre-petition wages component of the Prepetition Compensation that is payable on
12 February 10, 2017 will be approximately \$129,400.¹ The payroll for the Employees is paid in
13 arrears every two weeks. Payroll is due on February 10, 2017 for pre-petition wages for the period
14 January 27, 2017 through February 3, 2017. Attached to the Declaration of Christopher Clarke as
15 Exhibit "1" is the payroll register for the Debtor's employees reflecting the payroll amount paid
16 every two weeks for each. The names of employees and all personal identification information has
17 been redacted. Exhibit 1 reflects the payroll amounts, including taxes and benefits, paid to
18 employees on January 27, 2017. Therefore, the estimated payroll, payroll tax, and benefit amounts
19 due on February 10, 2017 for pre-petition wages for the period January 27, 2017 through February 3,
20 2017 would be approximately the amount shown on Exhibit "1".

21 The Prepetition Compensation amounts include compensation to the two insiders in this case,
22 but no payments will be made to the insiders until the Debtors' post-petition compensation is
23 authorized to be paid pursuant to the U.S. Trustee Guidelines. Furthermore, the payroll checks paid
24 pursuant to this motion will not exceed the \$12,850 wage priority limit provided for in Section 507
25 of the Bankruptcy Code.

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¹ This number is based on the prior period's actual payroll paid on January 27, 2017, which the Debtor believes will approximate the current period payroll.

1 The Debtor also seeks an order authorizing the Debtors to retain its prepetition payroll
2 account(s) for a period of 30 days and directing the bank or other financial institution not to
3 otherwise impair the Debtors ability to deposit funds into and to withdraw funds from said
4 account(s), and authorizing the Debtors to take all actions reasonable and necessary to comply with
5 its obligations to its existing payroll service, Telepayroll, Inc., and the entry of an order (i) directing
6 all banks to honor the Debtor's prepetition checks for payment of any of the foregoing, and
7 (ii) prohibiting all banks from placing any holds on, or attempting to reverse, any automatic transfers
8 on account of the foregoing. Because the payroll accounts serve a very limited purpose, the Debtors
9 desire to retain these accounts during the case for thirty (30) days after the Petition Date. Because
10 these are limited purpose accounts, the retention of these accounts for this limited period will not
11 have any adverse impact upon the interests of creditors, since no pre-petition claims will be paid
12 from these accounts except to the extent authorized in this Motion, or otherwise, by this Court.

13 IV.

14 **CAUSE EXISTS TO AUTHORIZE THE DEBTOR**
15 **TO PAY PRE-PETITION PAYROLL**

16 A. **The Court May Authorize Payment of Pre-Petition Payroll and Honoring of**
17 **Benefits.**

18 Bankruptcy Code section 507(a)(4) gives priority status to allowed unsecured claims for
19 wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an
20 individual within 180 days of the Petition Date, up to \$10,950 per individual. Specifically,
21 section 507(a)(4) provides in pertinent part:

22 (a) The following expenses and claims have priority in the following order: ...

23 (4) Fourth, allowed unsecured claims, but only to the extent of \$12,850 for each
24 individual or corporation, as the case may be, earned within 180 days before the
date of the filing of the petition or the date of the cessation of the debtor's
business, whichever occurs first, for--

25 (A) wages, salaries, or commissions, including vacation, severance, and sick leave
pay earned by an individual;

26 11 U.S.C. § 507(a)(4).
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1 Courts have consistently authorized the payment of pre-petition priority wages and
2 other debt in the absence of a plan of reorganization, where such payments create "the
3 greatest likelihood of payment of creditors in full or at least proportionately."¹

4 As stated by the Ninth Circuit in In re Adams Apple, Inc., 829 F.2d 1484 (9th Cir.
5 1987):

6 [A]nother "fundamental tenet"--rehabilitation of debtors, which may supersede
7 the policy of equal treatment. Cases have permitted unequal treatment of
8 prepetition debts when necessary for rehabilitation, in such contexts as (i)
9 prepetition wages to key employees; (ii) hospital malpractice premiums incurred
10 prior to filing; (iii) debts to providers of unique and irreplaceable supplies; and
11 (iv) peripheral benefits under labor contracts. *See* Ordin, Case Comment, In re
12 Texlon Corporation, 596 F.2d 1092 (2d Cir.1979): Finality of Order of
13 Bankruptcy Court, 54 Amer.Bankr.L.J. 173, 177 (1980). ... [I]t illustrates a
14 Congressional willingness to subordinate the interests of pre-petition creditors to
15 the goal of rehabilitation.

16 Adams Apple, 829 F.2d at 1490.

17 Courts have also authorized Chapter 11 debtors to honor pre-petition employee benefits.
18 *See* Matter of Canton Casting, Inc., 103 B.R. 874 (Bankr.N.D.Ohio 1989) (authorizing payment
19 of pre-petition vacation benefits); In re Busy Beaver Bldg. Centers, Inc., 19 F.3d 833, 853 (3rd
20 Cir. 1994) ("the bankruptcy court entered numerous interim orders ...authorizing ... the payment
21 of pre-petition wages *and employee benefits...*"); In re Chateaugay Corp., 80 B.R. 279, 281
22 (S.D.N.Y. 1987) ("Judge Lifland. upon application of LTV, issued an order authorizing and
23 empowering LTV to continue payment of pre-petition wages and salaries, *employee*
24 *reimbursement expenses, and benefits.*").

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26 ¹ *See* Matter of Columbia Gas, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994); In re Lehigh & New England Ry. Co., 657
27 F. 2d 570, 581 (3rd Cir. 1981); Ionosphere Club, 98 B.R. 175 (Bankr. S.D.N.Y. 1989); In re Structurlite Plastics Corp.,
28 (Structurlite I) 86 Bankr. 922, 932 (Bankr. S.D. Ohio 1988), *citing* In re Chateaugay Corp., 80 Bankr. 279, 287
(S.D.N.Y. 1987); In re Columbia Packing Co., 35 B.R. 447 (Bankr. D. Mass. 1983). Collier on Bankruptcy - 15th ed.
Revised, ¶ 507.05[1] (2000).

1 As set forth above, Section 507(a)(4) affords priority status to unsecured claims for wages,
2 salaries or commissions, including vacation, severance, and sick leave pay earned by an individual
3 within 180 days before the filing of a bankruptcy petition to the extent of \$12,850 for each such
4 individual. For a number of reasons, the Bankruptcy Code affords special treatment to certain pre-
5 petition claims of employees. Wages are priority claims, and thus must be paid in full in a
6 reorganization case. The ability to ensure that the employees receive their unpaid pre-petition salary
7 and do not miss a paycheck is critical to obtaining the stability necessary for a successful
8 reorganization, which benefits all creditors. Compared with a typical claim in bankruptcy, wages
9 represent a large part of an employee's wealth. In addition, unlike an ordinary trade creditor, the
10 typical employee does not have other sources of income and, thus, cannot diversify the risk of the
11 employer's default. Therefore, this Court has authority to allow the Debtors to pay certain pre-
12 petition claims.

13 In the within case, as more particularly set forth in the Clarke Declaration, ample cause exists
14 justifying payment of the pre-petition period wages. The Debtor provides facilities management
15 services under government contracts for locations nationwide. If the Debtor was prohibited from
16 paying prepetition payroll, it would likely result in disruption of government services in multiple
17 locations. If the Debtor fails to provide services under those contracts, there may be substantial
18 administrative damage claims for breach of the various facilities management contracts. As
19 evidenced by the Clarke Declaration, the maximization of the value of the Debtor is contingent upon
20 the continued operation of the Debtor's government contracting business. Since the loss of any
21 employee at this critical juncture could materially damage the Debtor's business operations, and
22 consequently the value of the overall business enterprise, compelling grounds exist for the entry of
23 an order authorizing the Debtor to pay and/or honor the pre-petition employee wages and
24 compensation in the amounts established by the Clarke Declaration. See, Clarke Declaration, ¶11.

25 The payroll register listing the Debtor's employees, and the wages paid to each employee for
26 the most recent pay period ending on January 20, 2017 and paid on January 37, 2017 is attached to
27 the Clarke Declaration as Exhibit "1". The payroll register is the best estimate of the anticipated
28 wages, taxes and benefits that will be due and payable to employees of the Debtor on February 10.

1 2017 for the pay period ending February 3, 2017. The estimated amount of payroll due February 10,
2 2017, including taxes, is \$130,000.00.

3 It is critical that the Debtor continue, in the ordinary course, those personnel policies that
4 were in effect prior to the Petition Date. If the checks issued by a payroll service such as
5 Telepayroll, Inc. in payment of any of the compensation or other employee obligations are
6 dishonored, or if such obligations are not timely paid postpetition, the employees may suffer extreme
7 personal hardship and may be unable to pay their daily living expenses. A loss of employee morale
8 and goodwill at this crucial juncture would undermine the Debtor's stability, and undoubtedly would
9 have a negative effect on the Debtor, its customers, the value of the business, and the ability to
10 achieve the Debtor's objectives in chapter 11. As noted by the court in In re Equalnet
11 Communications Corp., 258 B.R. 368 (Bankr. S.D. Tex. 2000), "the need to pay [pre-petition
12 employee wage claims] in an ordinary course of business time frame is simple common sense.
13 Employees are more likely to stay in place and to refrain from actions which could be detrimental to
14 the case and/or the estate if their pay and benefits remain intact and uninterrupted." Id. at 370.

15 Nothing in this Motion nor any payments made by the Debtor pursuant to this Motion, shall
16 be deemed an assumption or rejection of any employee benefit plan, employment agreement, other
17 program or contract, or otherwise affect the Debtor's rights under section 365 the Bankruptcy Code
18 to assume or reject any executory contract between the Debtor and any employee or any payroll
19 service.

20 The Debtor believes that, unless the Court allows the payments requested herein to its
21 employees, the disruption to the employees and business practices would substantially jeopardize the
22 Debtor's ability to reorganize its financial affairs.

23 **B. All the Cash Payments in Question Represent Payment of Priority Claims.**

24 All the payments in question constitute priority claims pursuant to Sections 507(a)(4) and
25 (a)(5) of the Bankruptcy Code, and are therefore more likely to be paid in any event. The Debtor is
26 unable to determine whether all vacation, severance and sick leave pay was earned by employees
27 within 180 days of the Petition Date or whether contributions to employee benefit plans arise from
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1 services rendered within 180 days of the Petition Date. However, none of the payroll checks will
2 exceed this limit.

3 Since all priority payments must be made eventually before general unsecured claims can be
4 paid, the Courts often permit the payment of pre-petition wages so that the debtor-in-possession may
5 maintain an effective workforce, especially where the amount of the payment is relatively small and
6 where it appears that the wages being paid would ultimately qualify as priority claims. *In re Quality*
7 *Interiors, Inc., supra*, at 396, citing 11 U.S.C. §507. The Debtor believes that all the subject pre-
8 petition wages, as well as claims for vacation and sick leave benefits and other related benefits,
9 constitute priority claims pursuant to the provisions of Sections 507(a)(4) and (a)(5), which will be
10 paid by the Debtor in any event. Consequently, there is ample authority and legal justification for
11 authorizing the Debtor to honor its wage and benefit commitments to current employees to the extent
12 that they constitute pre-petition obligations, as they are relatively small amounts and likely within
13 priority limits in any event.


14 VI.

15 CONCLUSION

16 Based upon the foregoing, the Debtor requests that this Court grant the relief herein
17 requested.

18 DATED: February 3, 2017

PAMELA JAN ZYLSTRA
A PROFESSIONAL CORPORATION

21 By: 
22 Pamela J. Zylstra
23 Proposed Attorneys for Clarke Project Solutions, Inc.
24 Debtor and Debtor-in-Possession

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DECLARATION OF CHRISTOPHER CLARKE

I, Christopher Clarke, declare and state as follows:

1. Oath. I am the CEO of CLARKE PROJECT SOLUTIONS, INC., a California corporation, fka CUMMING CLARKE (the “Debtor”) and have served in that capacity since 2015. Prior to that time, I was an employee of the Debtor from 2010 through 2014 but had no managerial authority or input. As a part of my responsibilities as CEO of the Debtor, I oversee the preparation of the Debtor’s books and records which occur in the ordinary course of the business of the Debtor at or about the time of the transactions to which they pertain. I am personally responsible for the overseeing the maintenance and custody of the books and records of account of the Debtor and personally participated in the preparation of the financial materials described below and attached to this declaration. The matters stated herein are true and correct and are within my personal knowledge, and if called upon to testify as a witness, I could and would testify competently thereto.

2. Service Disabled Veteran Small Business. I was a member of the Armed Forces and served in combat in the Vietnam War. I am certified with a 30% service connected disability and qualify under Federal and state regulations as a “service disabled veteran”. The Debtor is a disabled veteran small business enterprise that has been operating since 2004. A specific percentage of government contracts are set aside exclusively for performance by qualified small business enterprises (the “Set Aside Programs”). The Set Aside Programs require all bid proposals to include goods and/or services supplied by small business enterprises that qualify as: 1) women owned; 2) minority owned; 3) Native American owned; and 4) service disabled veteran owned.

3. Reason for Filing Case. The Debtor filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code on February 2, 2017 (the “Petition Date”). The case was filed to stop aggressive collection actions by the disputed creditor, Cumming Construction Management, Inc., (“Cumming”) which operates business under the guise of and in the name of the Debtor. The Debtor asserts that Cumming holds no valid claim(s) against the Debtor and that Cumming holds no valid interest in the cash collateral or other collateral in this case. The Debtor filed concurrently herewith a motion requesting authority to use cash collateral on an interim basis to facilitate the

1 Debtor's ability to pay its payroll obligations and post-petition accounts payable in an orderly
2 fashion as they are incurred in the ordinary course of the Debtor's business post-petition.

3 4. Payroll and Benefits. The Debtor requests Court authority to pay the pre-petition
4 wage related obligations and honor the employee related pre-petition benefits. These obligations
5 include prepetition payroll, wages, salaries, federal, state and local payroll taxes, deductions and
6 withholdings, payroll deductions relating to various benefits, reimbursement of business expenses,
7 and miscellaneous other claims asserted by current employees (including, without limitation,
8 worker's compensation, medical, dental, life insurance, and disability insurance) (collectively, the
9 "Prepetition Compensation"). These benefits include vacation pay, sick leave, holiday pay, jury
10 duty pay, and other paid leave ("Benefits").

11 5. Payroll Register. The pre-petition wages component of the Prepetition Compensation
12 that is payable on February 10, 2017 will be approximately \$129,400.10, based on the most recent
13 payroll amount paid on January 27, 2017. The payroll for the Employees is paid in arrears every two
14 weeks. Payroll is due on February 10, 2017 for pre-petition wages for the period January 27, 2017
15 through February 3, 2017. A true and correct copy of the payroll register for the Debtor's employees
16 reflecting the payroll amount paid every two weeks for each is attached as Exhibit 1. The payroll
17 register reflects the payroll amounts, including taxes and benefits, paid to employees on January 27,
18 2017. The names of employees and all personal identification information has been redacted from
19 the payroll register. The estimated payroll, payroll tax, and benefit amounts due on February 10,
20 2017 for pre-petition wages for the period January 27, 2017 through February 3, 2017 would be
21 approximately \$129,400.10 as shown on Exhibit "1". Each payroll check included in the payroll
22 checks to be paid pursuant to this motion will not exceed the \$12,850 wage priority limit provided
23 for in Section 507 of the Bankruptcy Code.

24 6. Failure to Pay Payroll Is Hardship For Employees. It is critical that the Debtor
25 continue, in the ordinary course, those personnel policies that were in effect prior to the Petition
26 Date. If the checks issued by a payroll service such as Telepayroll, Inc. in payment of any of the
27 compensation or other employee obligations are dishonored, or if such obligations are not timely
28 paid postpetition, the employees may suffer extreme personal hardship and may be unable to pay

1 their daily living expenses. A loss of employee morale and goodwill at this crucial juncture would
2 undermine the Debtor's stability, and undoubtedly would have a negative effect on the Debtor, its
3 customers, the value of the business, and the ability to achieve the Debtor's objectives in chapter 11.

4 7. Compensation of Insiders. The Prepetition Compensation amounts include
5 compensation to the two insiders in this case, but no payments will be made to the insiders until the
6 post-petition compensation is authorized to be paid to insiders pursuant to the U.S. Trustee
7 Guidelines. Furthermore, the payroll checks paid pursuant to this motion will not exceed the
8 \$12,850 wage priority limit provided for in Section 507 of the Bankruptcy Code.

9 8. Preservation of Labor Force. The Debtor is in the business of providing labor under
10 government contracts. If the Debtor's employees are not paid, they will cease working and seek
11 employment elsewhere. Any such disruption would have a devastating effect upon the Debtor's
12 business and its reputation in the government contracting market. In contrast, if the Debtor obtains
13 the relief sought herein, the business operation will continue in the ordinary course, customer needs
14 will be met, and the overall value of the Debtor's business enterprise will be preserved for creditors.

15 9. Cost Estimating Business. The Debtor was originally created to bid for and perform
16 cost management and cost estimating services under government contracts. Cost estimating contracts
17 may be directly between the Debtor and government entities, such as the Department of Defense.
18 Alternatively, the Debtor may serve as a subcontractor for cost estimating services under a contract bid
19 by an architectural or engineering firm that has a direct contract with a government entity. The Debtor
20 employs two full-time cost estimators. In 2016, the Debtor provided cost estimating services under two
21 contracts that generated about eight percent (8.0%) of its business, representing revenue of
22 approximately \$317,000.00.

23 10. Facilities Management Business. I am the sole owner of the Debtor and I began
24 developing facilities management business in 2010. The management of government facilities requires
25 hiring employees and staffing desks in government buildings to perform property management
26 functions. Under a facilities management contract, the Debtor hires employees to perform tasks
27 identified by the contract, pays the employees, and then submits an invoice for reimbursement of the
28 employee wages, costs of administration and an agreed percentage profit margin. In 2016, the Debtor

1 employed about 35 people to provide facilities management services under numerous contracts directly
2 with the government and as a subcontractor. The facilities management contracts generated about 90%
3 of the Debtor's business, representing revenue in 2016 of approximately \$3.8 million.

4 11. Disruption of Government Contracts. The Debtor provides facilities management
5 services under government contracts for locations nationwide. If the Debtor was prohibited from
6 paying prepetition payroll, it would likely result in disruption of government services in multiple
7 locations. If the Debtor fails to provide services under those contracts, there may be substantial
8 administrative damage claims for breach of the various facilities management contracts. Protecting
9 and maximizing the value of the Debtor is contingent upon the continued operation of the Debtor's
10 government contracting business.

11 12. Disputed Creditor Cumming. Cumming Construction Management, Inc. ("Cumming")
12 asserts claims against the Debtor in excess of \$500,000.00. From 2004 through 2015, Cumming
13 performed all management, administrative, accounting, financing and other business functions of the
14 Debtor with employees of Cumming and without my participation. Cumming: a) developed
15 substantially all the business, b) negotiated the terms of all contracts; c) negotiated the terms of
16 payments made to Clarke and to Cumming for profit etc.; d) set the terms of payment by the Debtor to
17 Cumming for expenses, etc.; e) decided when to change agreements between Cumming and the Debtor
18 regarding operations and funding and employed Cumming's lawyers to draft the agreements;
19 f) changed the ownership of the shares of the Debtor; g) cancelled the Sub-Chapter S tax status elected
20 by the Debtor; and h) set all terms for the business relationship between Cumming and the Debtor.
21 Cumming has been and continues to represent itself in the government contract marketplace as Clarke
22 Project Solutions, Inc., a disabled veteran small business enterprise, and continues to provide cost
23 management and cost estimating services under contracts in that name.

24 13. Maintain Payroll Deposit Account. The Debtor requests authority to retain its
25 prepetition payroll account(s) for a period of 30 days and an order directing the bank or other
26 financial institution not to otherwise impair the Debtor's ability to deposit funds into and to
27 withdraw funds from said account(s), and authorizing the Debtors to take all actions reasonable and
28 necessary to comply with its obligations to its existing payroll service, Telepayroll, Inc.. and the

EXHIBIT 1

#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)										
Check Date :		01/27/2017-1								
Period Range :		01/07/2017 TO 01/20/2017								
Week Number :		Week #4								
Employee Name	Rate of Pay	Social Security Number		Salary		Frequency		Check Number		
		Hours	Current Amount	Hours	YTD Amount	Current Amount	YTD Amount	Check Date	Check Type	Net Check YTD Amount
Earnings Description				Deductions Description	YTD Amount	Current Amount	YTD Amount	Taxes Description	Current Amount	YTD Amount
		-XXX-XX-XXXX-						-99997072 Memo		
01 Regular	0.00	59.00	0.00	20 Direct Deposit Ct	121.00	1,034.27	2,068.54	Federal (S/0)	429.38	858.76
04 Holiday	0.00	17.00	0.00	21 Direct Deposit Se	35.00	20.00	40.00	OASDI	152.62	305.24
06 PTO	0.00	4.00	0.00	22 2nd Direct Depos	4.00	600.00	1,200.00	Medicare	35.69	71.38
07 Salary	0.00	0.00	2,461.54		0.00	1,654.27	3,308.54	State MD (14/0)	189.58	379.16
Check Totals:		80.00	2,461.54		160.00	3,615.38	5,555.84		807.27	1,614.54
		-99997071 Memo						-99997070 Memo		
01 Regular	0.00	73.00	0.00	11 Phone Reimburs	138.50	-75.00	-75.00	Federal (M/3)	386.44	772.88
04 Holiday	0.00	8.00	0.00	20 Direct Deposit Ct	24.00	2,852.92	5,630.84	OASDI	224.15	448.30
07 Salary	0.00	0.00	3,615.38		0.00	2,777.92	5,555.84	Medicare	52.42	104.84
								State PA (SM/3)	110.99	221.98
								East Berlin Boro LST	2.00	4.00
								East Berlin Boro Res	61.46	122.92
Check Totals:		81.00	3,615.38		162.50	2,777.92	5,555.84		837.46	1,674.92
		-99997070 Memo						-99997070 Memo		
01 Regular	0.00	48.00	0.00	20 Direct Deposit Ct	112.00	1,763.39	3,525.87	Federal (S/0)	400.53	801.06
04 Holiday	0.00	8.00	0.00		24.00	0.00	0.00	OASDI	145.46	290.92
06 PTO	0.00	24.00	0.00		24.00	0.00	0.00	Medicare	34.02	68.04
07 Salary	0.00	0.00	2,346.15		0.00	1,763.39	3,525.87	EE Washington L&I	2.75	6.41
Check Totals:		80.00	2,346.15		160.00	1,763.39	3,525.87		582.76	1,166.43
		-99997069 Memo						-99997069 Memo		
01 Regular	0.00	72.00	0.00	20 Direct Deposit Ct	120.00	3,185.61	6,371.22	Federal (S/2)	838.00	1,676.00
04 Holiday	0.00	8.00	0.00		24.00	0.00	0.00	OASDI	270.13	540.26
06 PTO	0.00	0.00	0.00		16.00	0.00	0.00	Medicare	63.18	126.36
07 Salary	0.00	0.00	4,356.92		0.00	3,185.61	6,371.22		1,171.31	2,342.62
Check Totals:		80.00	4,356.92		160.00	3,185.61	6,371.22		1,171.31	2,342.62

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Telepayroll, Inc.
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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (SI09)												
Check Date:		01/27/2017-1										
Period Range:		01/07/2017 TO 01/20/2017										
Week Number:		Week #4										
Employee Name	Rate of Pay	Social Security Number		Hours	YTD Amount	Salary Deductions Description	Frequency	Check Number		Check Date	Check Type	Net Check
		Current	YTD					Check Description	Current Amount			
01 Regular	0.00	56.00	0.00	120.00	0.00	03 Child Support	Bi-Weekly	2230.77	-99997068 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	10 Child Support		343.57	Federal (S/O)			205.25
06 PTO	0.00	16.00	0.00	16.00	0.00	20 Direct Deposit Cf		120.81	OASDI			97.03
07 Salary	0.00	0.00	2,230.77	0.00	4,461.54	21 Direct Deposit Sa		614.27	Medicare			22.69
						25 Medical 125		153.57	AK-SUI (EE)			7.83
						26 Dental 125		621.57				
Check Totals:		80.00	2,230.77	160.00	4,461.54			1,897.97		01/27/2017	Regular	886.29
								3,575.25				0.00
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Cf	Bi-Weekly	3653.85	-99997067 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	21 Direct Deposit Sa		2,345.95	Federal (S/O)			778.38
07 Salary	0.00	0.00	3,653.85	0.00	7,307.70			250.00	OASDI			226.54
Check Totals:		80.00	3,653.85	160.00	7,307.70			2,595.95	Medicare			52.98
								5,191.90		01/27/2017	Regular	2,115.80
01 Regular	0.00	72.00	0.00	136.00	0.00	10 Reimbursement	Bi-Weekly	3076.92	-99997066 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	20 Direct Deposit Cf		0.00	Federal (W/1)			402.40
07 Salary	0.00	0.00	3,076.92	0.00	6,153.84			2,212.98	OASDI			190.77
Check Totals:		80.00	3,076.92	160.00	6,153.84			2,212.98	Medicare			44.62
								4,425.96	State GA (OB/0)			226.15
										01/27/2017	Regular	863.94
01 Regular	0.00	78.00	0.00	142.00	0.00	10 Reimbursement	Bi-Weekly	1980.77	-99997065 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	0.00	0.00	16.00	0.00	11 Phone Reimburs		-1,191.80	Federal (S/2)			293.80
07 Salary	0.00	0.00	2,230.77	0.00	4,461.54	12 Expense Reimb		-75.00	OASDI			138.31
Check Totals:		78.00	2,230.77	158.00	4,461.54	20 Direct Deposit Cf		-50.00	Medicare			32.35
								2,944.80	State MD (2/2)			138.31
								1,628.00				602.77
								3,256.00				1,205.54

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)	
Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name Earnings Description	Rate of Pay	Social Security Number		YTD Amount	Salary Deductions Description	Frequency	Check Description	Check Date		Net Check YTD Amount
		Current	YTD					Current Amount	YTD Amount	
01 Regular	0.00	64.00	0.00	126.75	11 Phone Reimburs	Bi-Weekly	-99997064 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	20 Direct Deposit Ct		Federal (M/0)			185.38
06 PTO	0.00	8.00	0.00	8.00	21 Direct Deposit Sa		OASDI			112.08
07 Salary	0.00	0.00	1,807.69	0.00			Medicare			26.21
Check Totals:		80.00	1,807.69	158.75			State CA (M/0)			33.61
							State CA EE SDI (M/0)			16.27
										373.55
										747.10
01 Regular	0.00	72.00	0.00	136.00	20 Direct Deposit Ct	Bi-Weekly	-99997063 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	22 2nd Direct Depos		Federal (S/0)			538.99
07 Salary	0.00	0.00	2,500.00	0.00			OASDI			155.00
Check Totals:		80.00	2,500.00	160.00			Medicare			36.25
							State GA (0B/0)			141.54
										871.78
										1,743.56
01 Regular	0.00	32.00	0.00	88.00	20 Direct Deposit Ct	Bi-Weekly	-99997062 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00			Federal (M/2)			227.50
06 PTO	0.00	24.00	0.00	24.00			OASDI			148.80
07 Salary	0.00	0.00	2,400.00	0.00			Medicare			34.80
08 Unpaid Time	0.00	16.00	0.00	24.00			State MO (M1/)			88.00
Check Totals:		80.00	2,400.00	160.00						499.10
										1,072.33
										0.00
Clark, Christopher A - 40 - XXX-XX-XXXX -										0.00
01 Regular	0.00	80.00	0.00	160.00	10 Reimbursement	Bi-Weekly	-99997061 Memo	01/27/2017	Regular	0.00
07 Salary	0.00	0.00	3,461.54	0.00	20 Direct Deposit Ct		Federal (M/0)			700.00
Check Totals:		80.00	3,461.54	160.00			OASDI			214.62
							Medicare			50.19
							State CA (M/0)			350.00
							State CA EE SDI (M/0)			31.15
										1,345.96
										2,691.92

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)	
Check Date:	01/27/2017-1
Period Range:	01/07/2017 TO 01/20/2017
Week Number:	Week #4

Employee Name	Social Security Number		YTD Amount	Salary Deductions Description	Frequency	YTD Amount	Taxes Description	Check Number	Check Date	Check Type	Net Check
	Current	Hours									
01 Regular	0.00	84.50	0.00	20 Direct Deposit Ct	Bi-Weekly	5,998.92	Federal (S/2)	-99997060 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	0.00	0.00				OASDI				1,517.96
06 PTO	0.00	0.00	0.00				Medicare				505.26
07 Salary	0.00	0.00	7,846.16				EE Washington L&I				118.16
17 Ins Reimb Tε	0.00	0.00	303.20								9.06
Check Totals:		84.50	8,149.36								2,150.44
01 Regular	0.00	72.00	0.00	20 Direct Deposit Ct	Bi-Weekly	3,321.95	Federal (M/0)	-99997059 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	26 Dental 125		43.37	OASDI				230.80
07 Salary	0.00	0.00	4,307.70				Medicare				130.85
							State LA (0/)				30.60
Check Totals:		80.00	4,307.70								942.38
01 Regular	0.00	72.00	0.00	20 Direct Deposit Ct	Bi-Weekly	5,313.77	Federal (S/1)	-99997058 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00				OASDI				1,920.30
06 PTO	0.00	0.00	0.00				Medicare				486.46
07 Salary	0.00	0.00	7,846.16				EE Washington L&I				113.76
Check Totals:		80.00	7,846.16								11.87
01 Regular	0.00	72.00	0.00	10 Reimbursement	Bi-Weekly	-186.18	Federal (S/1)	-99997057 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	0.00	0.00	11 Phone Reimburs		-50.00	OASDI				511.64
06 PTO	0.00	8.00	0.00	20 Direct Deposit Ct		2,876.48	Medicare				238.46
07 Salary	0.00	0.00	3,846.16	22 2nd Direct Depos		400.00					55.76
Check Totals:		80.00	3,846.16								805.86

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)	
Check Date :	01/27/2017-1
Period Range :	01/07/2017 TO 01/20/2017
Week Number :	Week #4

Employee Name	Rate of Pay		Current		Social Security Number		Salary		Frequency		Check Number	Check Date	Check Type	Net Check
	Rate	Hours	Amount	Hours	YTD	Amount	Description	YTD	Amount	Amount				
01 Regular	0.00	72.00	0.00	136.00	0.00	0.00	11 Phone Reimburs	3230.77	Bi-Weekly	-75.00	-99997056 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	0.00	0.00	16.00	0.00	0.00	20 Direct Deposit Cr	2,425.87		4,776.74	Federal (S/I)			582.74
06 PTO	0.00	8.00	0.00	8.00	0.00	0.00	21 Direct Deposit Sa	50.00		100.00	OASDI			200.31
07 Salary	0.00	0.00	3,230.77	0.00	6,461.54	0.00					Medicare			46.85
Check Totals:		80.00	3,230.77	160.00	6,461.54	0.00		2,400.87	Bi-Weekly	4,801.74				829.90
											-99997055 Memo	01/27/2017	Regular	0.00
01 Regular	0.00	64.00	0.00	128.00	0.00	0.00	20 Direct Deposit Cr	3,981.73	Bi-Weekly	1,992.03	Federal (M/O)			1,384.47
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00				3,984.06	OASDI			246.87
06 PTO	0.00	8.00	0.00	8.00	0.00	0.00					Medicare			57.74
07 Salary	0.00	0.00	3,981.73	0.00	7,963.46	0.00					State KS (M/I)			300.62
Check Totals:		80.00	3,981.73	160.00	7,963.46	0.00		1,992.03	Bi-Weekly	3,984.06				1,989.70
											-99997054 Memo	01/27/2017	Regular	0.00
01 Regular	0.00	49.00	0.00	113.00	0.00	0.00	20 Direct Deposit Cr	1,750.00	Bi-Weekly	1,297.97	Federal (S/O)			251.49
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00				2,595.94	OASDI			108.50
06 PTO	0.00	23.00	0.00	23.00	0.00	0.00					Medicare			25.38
07 Salary	0.00	0.00	1,750.00	0.00	3,500.00	0.00					State AL (S/O)			66.66
Check Totals:		80.00	1,750.00	160.00	3,500.00	0.00		1,297.97	Bi-Weekly	2,595.94				452.03
											-99997053 Memo	01/27/2017	Regular	0.00
01 Regular	0.00	72.00	0.00	136.00	0.00	0.00	20 Direct Deposit Cr	1,800.00	Bi-Weekly	1,446.34	Federal (S/I)			145.34
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00				2,892.68	OASDI			111.60
07 Salary	0.00	0.00	1,800.00	0.00	3,600.00	0.00					Medicare			26.10
Check Totals:		80.00	1,800.00	160.00	3,600.00	0.00		1,446.34	Bi-Weekly	2,892.68	State AL (H/1)			70.62
														353.66
														707.32

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Telepayroll, Inc.
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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)	
Check Date:	01/27/2017-1
Period Range:	01/07/2017 TO 01/20/2017
Week Number:	Week #4

Employee Name	Rate of Pay	Social Security Number		Hours	Current Amount	YTD Amount	Salary Deductions Description	Frequency	YTD Amount	Taxes Description	Check Number	Check Date	Check Type	Current Amount	YTD Amount	Net Check
		Hours	Amount													
01 Regular	0.00	103.00	0.00	172.00	0.00	0.00	20 Direct Deposit Ct	Bi-Weekly	2,072.64	4,145.28	-99997052 Memo	01/27/2017	Regular	271.63	543.26	0.00
04 Holiday	0.00	0.00	0.00	16.00	0.00	0.00								157.38	314.76	
06 PTO	0.00	0.00	0.00	8.00	0.00	0.00								36.81	73.62	
07 Salary	0.00	0.00	2,307.69	0.00	4,615.38											
17 Ins Reimb Te	0.00	0.00	230.77	0.00	461.54											
Check Totals:		103.00	2,538.46	196.00	5,076.92				2,072.64	4,145.28				465.82	931.64	
01 Regular	0.00	72.00	0.00	136.00	0.00	0.00	20 Direct Deposit Ct	Bi-Weekly	2,066.21	4,163.17	-99997051 Memo	01/27/2017	Regular	447.46	901.42	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00	26 Dental 125		43.37	43.37				179.07	360.83	
07 Salary	0.00	0.00	2,931.54	0.00	5,863.08									41.88	84.39	
Check Totals:		80.00	2,931.54	160.00	5,863.08				2,109.58	4,206.54				821.96	1,656.54	
01 Regular	0.00	64.00	0.00	64.00	0.00	0.00	11 Phone Reimburs	Bi-Weekly	-75.00	-75.00	-99997050 Memo	01/27/2017	Regular	550.58	550.58	0.00
04 Holiday	0.00	8.00	0.00	8.00	0.00	0.00	20 Direct Deposit Ct		1,247.99	1,247.99				238.46	238.46	
06 PTO	0.00	8.00	0.00	8.00	0.00	0.00	22 2nd Direct Depos		1,569.00	1,569.00				55.77	55.77	
07 Salary	0.00	0.00	3,846.15	0.00	3,846.15									259.35	259.35	
Check Totals:		80.00	3,846.15	80.00	3,846.15				2,741.99	2,741.99				1,104.16	1,104.16	
01 Regular	0.00	72.00	0.00	136.00	0.00	0.00	20 Direct Deposit Ct	Bi-Weekly	2,493.60	5,013.52	-99997049 Memo	01/27/2017	Regular	638.73	1,288.30	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00	26 Dental 125		43.37	43.37				223.85	450.39	
07 Salary	0.00	0.00	3,653.85	0.00	7,307.70									52.35	105.33	
Check Totals:		80.00	3,653.85	160.00	7,307.70				2,536.97	5,056.89				1,116.88	2,250.81	

Exhibit Page 23

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Telepayroll, Inc.
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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)																	
Check Date:		01/27/2017-1															
Period Range:		01/07/2017 TO 01/20/2017															
Week Number:		Week #4															
Employee Name	Rate of Pay	Current		Social Security Number		Salary		Frequency		Check Number		Check Date		Check Type		Net Check	
		Hours	Amount	Hours	YTD	Amount	Description	Current Amount	YTD Amount	Taxes Description	Current Amount	YTD Amount	Regular	Regular	YTD Amount		
01 Regular	0.00	72.00	0.00	0.00	136.00	0.00	20 Direct Deposit Ct	1,642.67	3,285.34	-99997048 Memo	01/27/2017	Regular	400.53	801.06			
04 Holiday	0.00	8.00	0.00	0.00	24.00	0.00				Federal (S/O)			145.46	290.92			
07 Salary	0.00	0.00	2,346.15	0.00	4,692.30	0.00				OASDI			34.02	68.04			
07 Salary	0.00	0.00	2,346.15	0.00	4,692.30	0.00				Medicare			123.47	246.94			
07 Salary	0.00	0.00	2,692.31	0.00	5,384.62	0.00				State KY (S/O)			703.48	1,406.96			
Check Totals:		80.00	2,346.15	160.00	4,692.30			1,642.67	3,285.34		01/27/2017	Regular	703.48	1,406.96			
01 Regular	0.00	72.00	0.00	0.00	104.00	0.00	20 Direct Deposit Ct	1,764.07	3,690.66	-99997047 Memo	01/27/2017	Regular	424.23	911.30			
04 Holiday	0.00	8.00	0.00	0.00	24.00	0.00				Federal (S/O)			151.34	318.26			
06 PTO	0.00	0.00	0.00	0.00	32.00	0.00	25 Medical 125	207.19	207.19	OASDI			35.39	74.43			
07 Salary	0.00	0.00	2,971.15	0.00	5,942.30	0.00	26 Dental 125	44.18	44.18	Medicare			65.91	138.60			
07 Salary	0.00	0.00	2,692.31	0.00	5,384.62	0.00				State AZ (03)			676.87	1,442.59			
Check Totals:		80.00	2,692.31	160.00	5,384.62			2,015.44	3,942.03		01/27/2017	Regular	676.87	1,442.59			
01 Regular	0.00	72.00	0.00	0.00	136.00	0.00	20 Direct Deposit Ct	2,017.96	4,035.92	-99997046 Memo	01/27/2017	Regular	509.90	1,019.80			
04 Holiday	0.00	8.00	0.00	0.00	24.00	0.00				Federal (M/O)			184.21	368.42			
07 Salary	0.00	0.00	2,971.15	0.00	5,942.30	0.00				OASDI			43.08	86.16			
07 Salary	0.00	0.00	2,971.15	0.00	5,942.30	0.00				Medicare			216.00	432.00			
07 Salary	0.00	0.00	2,971.15	0.00	5,942.30	0.00				State MO (M/O)			953.19	1,906.38			
Check Totals:		80.00	2,971.15	160.00	5,942.30			2,017.96	4,035.92		01/27/2017	Regular	953.19	1,906.38			
01 Regular	0.00	72.00	0.00	0.00	136.00	0.00	20 Direct Deposit Ct	1,974.10	3,948.20	-99997045 Memo	01/27/2017	Regular	535.15	1,070.30			
04 Holiday	0.00	8.00	0.00	0.00	24.00	0.00				Federal (S/O)			178.85	357.70			
07 Salary	0.00	0.00	2,884.62	0.00	5,769.24	0.00				OASDI			41.83	83.66			
07 Salary	0.00	0.00	2,884.62	0.00	5,769.24	0.00				Medicare			154.69	309.38			
07 Salary	0.00	0.00	2,884.62	0.00	5,769.24	0.00				State NY (S/O)			910.52	1,821.04			
Check Totals:		80.00	2,884.62	160.00	5,769.24			1,974.10	3,948.20		01/27/2017	Regular	910.52	1,821.04			
01 Regular	0.00	72.00	0.00	0.00	128.00	0.00	20 Direct Deposit Ct	1,469.34	2,938.68	-99997044 Memo	01/27/2017	Regular	318.80	637.60			
04 Holiday	0.00	8.00	0.00	0.00	24.00	0.00				Federal (S/O)			125.19	250.38			
06 PTO	0.00	0.00	0.00	0.00	8.00	0.00				OASDI			29.28	58.56			
07 Salary	0.00	0.00	2,019.23	0.00	4,038.46	0.00				Medicare			76.62	153.24			
07 Salary	0.00	0.00	2,019.23	0.00	4,038.46	0.00				State KS (S/O)			549.89	1,099.78			
Check Totals:		80.00	2,019.23	160.00	4,038.46			1,469.34	2,938.68		01/27/2017	Regular	549.89	1,099.78			

#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)

Check Date:	01/27/2017-1
Period Range:	01/07/2017 TO 01/20/2017
Week Number:	Week #4

Employee Name Earnings Description	Rate of Pay	Current		Social Security Number		YTD Amount	Salary Deductions Description	Frequency	Taxes Description	Check Date		Net Check
		Hours	Amount	Hours	Amount					01/27/2017	Regular	
01 Regular	0.00	72.00	0.00	136.00	0.00	0.00	20 Direct Deposit Ct	Bi-Weekly	Federal (M/O)	237.31	474.62	
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00			OASDI	133.54	267.08	
07 Salary	0.00	0.00	2,153.85	0.00	4,307.70				Medicare	31.23	62.46	
Check Totals:		80.00	2,153.85	160.00	4,307.70				State PA (SM/O)	66.12	132.24	
									Cumberland TWP	36.62	73.24	
										504.82	1,009.64	
01 Regular	0.00	72.00	0.00	104.00	0.00	0.00	20 Direct Deposit Ct	Bi-Weekly	Federal (S/O)	813.15	1,638.45	
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00	26 Dental 125		OASDI	245.31	493.31	
06 PTO	0.00	0.00	0.00	32.00	0.00	0.00			Medicare	57.37	115.37	
07 Salary	0.00	0.00	4,000.00	0.00	8,000.00				State GA (OA/O)	224.78	452.16	
Check Totals:		80.00	4,000.00	160.00	8,000.00					1,340.61	2,699.29	
01 Regular	0.00	72.00	0.00	136.00	0.00	0.00	20 Direct Deposit Ct	Bi-Weekly	Federal (M/O)	220.00	440.00	
04 Holiday	0.00	8.00	0.00	24.00	0.00	0.00			OASDI	126.38	252.76	
07 Salary	0.00	0.00	2,038.46	0.00	4,076.92				Medicare	29.56	59.12	
Check Totals:		80.00	2,038.46	160.00	4,076.92				State MD (45/O)	153.98	307.96	
										529.92	1,059.84	
01 Regular	25.00	41.00	1,025.00	78.00	1,950.00	1,950.00	11 Phone Reimburs	Bi-Weekly	Federal (S/O)	122.55	260.10	
04 Holiday	0.00	0.00	0.00	8.00	200.00	200.00	20 Direct Deposit Ct		OASDI	63.55	133.30	
							21 Direct Deposit Sa		Medicare	14.86	31.17	
Check Totals:		41.00	1,025.00	86.00	2,150.00					200.96	424.57	

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)												
Check Date:		01/27/2017-1										
Period Range:		01/07/2017 TO 01/20/2017										
Week Number:		Week #4										
Employee Name	Rate of Pay	Social Security Number		Hours	YTD Amount	Salary		Frequency	Check Number			
		Current	Amount			Deductions Description	Current Amount			Check Date	Check Type	Net/Check
Earnings Description		Hours	Amount					YTD Amount		YTD Amount		
01 Regular	0.00	86.50	0.00	172.00	0.00	13 Advance	250.00	500.00	-99997039 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	20 Direct Deposit Ct	2,710.58	5,654.13	Federal (S/6)			611.36
07 Salary	0.00	0.00	4,538.46	0.00	9,076.92	25 Medical 125	414.38	414.38	OASDI			255.69
Check Totals:		94.50	4,538.46	196.00	9,076.92		3,374.96	6,568.51	Medicare			59.80
									State CA (H/4)			199.53
									State CA EE SDI (H/4)			37.12
							2,307.69	6,568.51		01/27/2017	Regular	1,163.50
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Ct	1,618.78	3,237.56	-99997038 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00				Federal (S/0)			390.91
07 Salary	0.00	0.00	2,307.69	0.00	4,615.38				OASDI			143.08
Check Totals:		80.00	2,307.69	160.00	4,615.38		1,618.78	3,237.56	Medicare			33.46
									State GA (1B/)			121.46
										01/27/2017	Regular	688.91
												1,377.82
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Ct	1,820.33	3,674.66	-99997037 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00				Federal (M/2)			195.61
07 Salary	0.00	0.00	2,230.77	0.00	4,461.54				OASDI			135.62
Check Totals:		80.00	2,230.77	160.00	4,461.54		1,863.70	3,718.03	Medicare			31.72
									EE Washington L&I			4.12
										01/27/2017	Regular	367.07
												743.51
01 Regular	0.00	72.00	0.00	136.00	0.00	10 Reimbursement	-354.93	-354.93	-99997036 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00	20 Direct Deposit Ct	3,552.14	6,749.35	Federal (M/3)			529.90
07 Salary	0.00	0.00	4,230.77	0.00	8,461.54				OASDI			262.31
Check Totals:		80.00	4,230.77	160.00	8,461.54		3,197.21	6,394.42	Medicare			61.35
									State NC (MW/7)			180.00
										01/27/2017	Regular	1,033.56
												2,067.12

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Telepayroll, Inc.
phone: 800-442-4988
fax: 800-736-1555
e-mail: Taxfiling@Telepayroll.Com

#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)													
Check Date:		01/27/2017-1											
Period Range:		01/07/2017 TO 01/20/2017											
Week Number:		Week #4											
Employee Name	Rate of Pay	Social Security Number		Hours	Amount	Deductions Description	Salary	Frequency		Check Number	Check Date	Check Type	Net Check
		Current	YTD					Current Amount	YTD Amount				
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Ct	2096.15	Bi-Weekly	3,035.24	-99997035 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00								676.06
07 Salary	0.00	0.00	2,096.15	0.00	4,192.30								259.92
Check Totals:		80.00	2,096.15	160.00	4,192.30								60.78
01 Regular	0.00	72.00	0.00	136.00	0.00	20 Direct Deposit Ct	1923.08	Bi-Weekly	2,769.78	-99997034 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00								511.64
07 Salary	0.00	0.00	1,923.08	0.00	3,846.16								238.46
Check Totals:		80.00	1,923.08	160.00	3,846.16								55.76
01 Regular	0.00	72.00	0.00	128.00	0.00	20 Direct Deposit Ct	2320.00	Bi-Weekly	3,593.56	-99997033 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	8.00	0.00	24.00	0.00								524.46
06 PTO	0.00	0.00	0.00	8.00	0.00								287.68
07 Salary	0.00	0.00	2,320.00	0.00	4,640.00								67.28
Check Totals:		80.00	2,320.00	160.00	4,640.00								167.02
01 Regular	0.00	71.00	0.00	106.00	0.00	20 Direct Deposit Ct	3884.62	Bi-Weekly	5,910.26	-99997032 Memo	01/27/2017	Regular	0.00
04 Holiday	0.00	9.00	0.00	27.00	0.00								964.62
06 PTO	0.00	0.00	0.00	27.00	0.00								481.70
07 Salary	0.00	0.00	3,884.62	0.00	7,769.24								112.66
Check Totals:		80.00	3,884.62	160.00	7,769.24								300.00
01 Regular	27.25	36.00	981.00	68.00	1,853.00	20 Direct Deposit Ct	0.00	Bi-Weekly	1,827.62	-99997031 Memo	01/27/2017	Regular	0.00
04 Holiday	27.25	4.00	109.00	12.00	327.00								120.30
Check Totals:		40.00	1,090.00	80.00	2,180.00								135.16
Check Totals:													31.62
Check Totals:													65.30
Check Totals:													352.38

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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)											
Check Date:		01/27/2017-1									
Period Range:		01/07/2017 TO 01/20/2017									
Week Number:		Week #4									
Employee Name	Rate of Pay	Social Security Number		Salary Deductions Description	Frequency	Taxes Description		Check Number	Check Date	Check Type	Net Check
		Current	YTD			Current Amount	YTD Amount				
Earnings Description	Hours	Amount	Hours	Amount	Current Amount	YTD Amount	Current Amount	YTD Amount	Current Amount	YTD Amount	YTD Amount
Company					42 Checks	42 EMPLOYEES					
01 Regular	2889.00	2,006.00	5350.75	3,803.00	03 Child Support	343.57	687.14	Federal			0.00
04 Holiday	286.00	109.00	930.00	527.00	10 Reimbursement	-2,089.68	-2,271.12	OASDI	18,572.18		37,135.80
06 PTO	131.00	0.00	338.00	0.00	10 Child Support	120.81	241.62	Medicare	7,139.48		14,347.07
07 Salary	0.00	114,203.66	0.00	227,857.38	11 Phone Reimburs	-450.00	-450.00	State AL	1,669.72		3,355.39
08 Unpaid Time	16.00	0.00	24.00	0.00	12 Expense Reimb	-50.00	-223.08	State AZ	169.93		339.86
17 Ins Reimb Te	0.00	382.37	0.00	764.74	13 Advance	250.00	500.00	State CA	65.91		138.60
					20 Direct Deposit Cf	81,073.30	162,382.07	State CA EE SDI	583.14		1,208.67
					21 Direct Deposit Sa	1,023.57	2,236.15	State CO	84.54		172.81
					22 2nd Direct Depos	2,869.00	4,169.00	State GA	150.00		300.00
					25 Medical 125	1,243.14	1,243.14	State HI	713.93		1,546.84
					26 Dental 125	305.21	305.21	State KS	259.35		259.35
								State KY	457.39		914.78
								State LA	123.47		246.94
								State MD	156.44		315.07
								State MO	617.13		1,234.26
								State NC	304.00		622.00
								State NY	180.00		360.00
								State PA	510.19		1,026.07
								AK-SUI (EE)	177.11		354.22
								EE Washington L&I	7.83		18.98
								Cumberland TWP	20.29		35.12
								East Berlin Boro LST	36.62		73.24
								East Berlin Boro Res	2.00		4.00
									61.46		122.92
									32,062.11		64,131.99
									7,139.48		14,347.07
									1,669.72		3,355.39
									628.99		1,326.48
									24.26		58.84
									27.38		54.76
									31.00		65.19
									432.93		982.16

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Telepayroll, Inc.
 phone: 800-442-4988
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#4705 Clarke Project Solutions, Inc.

Payroll Register With Year To Date (S109)											
Check Date :		01/27/2017-1									
Period Range :		01/07/2017 TO 01/20/2017									
Week Number :		Week #4									
Employee Name Earnings Description	Rate of Pay	Social Security Number		Salary Deductions Description	Frequency	Check Number		Check Date	Check Type	Net Check	
		Current	YTD			Current Amount	YTD Amount				Current Amount
		Hours	Amount	Hours	Amount						
CO-SUI										137.52	
GA-SUI										10.69	
HI-SUI										92.31	
KS-SUI										437.26	
KY-SUI										131.38	
LA-SUI										206.57	
MD-SUI										86.54	
MO-SUI										297.21	
NC-SUI										84.62	
NY-SUI										762.34	
TN-SUI										548.08	
TX-SUI/Replenishment										2,154.99	
WA-SUI										294.24	
AL-Security Assess										5.56	
CA-Employment & Training Tax										17.54	
CO-Bond Principal Surcharge										32.64	
ER- Washington L & I										82.84	
HI-ER & TRN Assess										0.38	
NY-Re-employment										14.20	
WA-Admin Fund										5.02	
Company Totals:						3322.00	116,701.03	6642.75	232,952.12	84,638.92	168,820.13
										12,699.07	25,591.82
										44,761.18	89,723.81

Exhibit
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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: 18111 Von Karman, Suite 460, Irvine, California 92612-7152.

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S EMERGENCY MOTION FOR ORDER AUTHORIZING PAYMENT AND HONORING OF PREPETITION PAYROLL OBLIGATIONS; MEMORANDUM OF POINTS AND AUTHORITIES; AND DECLARATION OF CHRISTOPHER CLARKE IN SUPPORT THEREOF**

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 stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) February 3, 2017, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Queenie K Ng queenie.k.ng@usdoj.gov US Trustee
- United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov US Trustee
- Pamela Jan Zylstra zylstralaw@gmail.com Counsel for Debtor

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) February __, 2017, I served the following persons and/or entities at the last known addresses 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 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

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) February 3, 2017, I served the following persons and/or entities by personal delivery, overnight mail service, 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, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

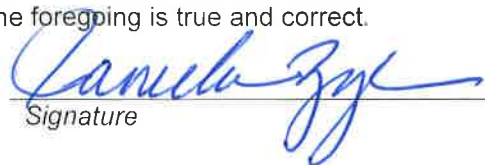
PERSONAL SERVICE: Honorable Theodor Albert, 411 W. Fourth St., Fifth Floor, Santa Ana, CA 92701
Office of United States Trustee, Queenie Ng, 411 W. Fourth St., Suite 9041, Santa Ana, CA 92701
VIA OVERNIGHT DELIVERY: Cumming Construction Management, Inc., Attn CFO Brian
VIA EMAIL: Attorneys for Cumming: John M. Genga <jgenga@gengalaw.com>

Service information continued on attached page

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

2/3/2017
Date

Pamela Zylstra
Printed Name


Signature