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7 Attorneys for Debtor

8 IN THE UNITED STATES BANKRUPTCY COURT
9 IN AND FOR THE DISTRICT OF ARIZONA

10 In re

11 MMM DIVERSIFIED, LLC,

12 Debtor.

No. 2: 16-10976-BKM

CHAPTER 11

DISCLOSURE STATEMENT

13
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15
16
17 THE DEBTOR PROVIDES THIS DISCLOSURE STATEMENT TO CREDITORS
18 OF SUCH DEBTOR AND OTHER INTERESTED PARTIES. THE PURPOSE OF THIS
19 DISCLOSURE STATEMENT IS TO GIVE INFORMATION WHICH THE DEBTOR BELIEVES
20 TO BE MATERIAL, IMPORTANT AND ADEQUATE FOR MAKING AN INFORMED DECISION
21 IN VOTING ON THE REORGANIZATION PLAN PROPOSED BY THE DEBTOR AND ON
22 FILE WITH THIS COURT. A CLASS OF CREDITORS HAS ACCEPTED THE PLAN, IF
23 AMONG THOSE CREDITORS, WITHIN SUCH CLASS, WHO VOTE ON THE PLAN AT
24 LEAST TWO-THIRDS IN AMOUNT AND MORE THAN ONE-HALF IN NUMBER OF THE
25 ALLOWED CLAIMS IN SUCH CLASS VOTE FAVORABLY FOR THE PLAN.
26

27 IF, HOWEVER, THE REQUISITE ACCEPTANCES ARE NOT OBTAINED, THE
28

1 COURT MAY NEVERTHELESS CONFIRM THE PLAN OF REORGANIZATION IF THE
2 COURT FINDS THAT SUCH PLAN OF REORGANIZATION ACCORDS FAIR AND
3 EQUITABLE TREATMENT TO THE CLASS REJECTING IT. IF SUCH REQUISITE
4 ACCEPTANCES ARE NOT OBTAINED, THE DEBTOR WILL URGE THE COURT TO
5 NEVERTHELESS CONFIRM THE PLAN OF REORGANIZATION.

6 NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED
7 BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY
8 REPRESENTATION OR INDUCEMENT MADE TO SECURE ACCEPTANCES WHICH IS
9 OTHER THAN AS CONTAINED IN THIS STATEMENT SHOULD NOT BE RELIED UPON IN
10 ARRIVING AT A DECISION, AND SUCH REPRESENTATIONS AND INDUCEMENTS
11 SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR, WHO, IN TURN, SHALL
12 DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS
13 MAY BE DEEMED APPROPRIATE.
14

15 PLEASE BE AWARE THAT THE UNITED STATES BANKRUPTCY COURT
16 HAS NOT APPROVED OR VERIFIED THE ACCURACY OF THE STATEMENTS SET
17 FORTH IN THIS DISCLOSURE STATEMENT.
18

19 I. History of Debtor.

20 The Debtor is an Arizona limited liability company. The business of the Debtor is
21 buying, renting and selling real property; the real property presently owned by the Debtor is
22 residential. The Articles of Organization were filed in 1999.
23

24 MICHAEL F. SPRINKLE is the Managing Member of the Debtor. The owners of
25 the Debtor are MICHAEL F. SPRINKLE (30%), MARGAN DUKE (35%) and DEANNE
26 WILSTED (35%). MARGAN DUKE and DEANNE WILSTED are additionally Members of the
27 Debtor. MICHAEL F. SPRINKLE is responsible for the maintenance and business aspects of
28

1 the real property.

2 II. Bankruptcy History.

3 The Chapter 11 proceedings were filed on September 23, 2016. On October 18,
4 2016, the law firm of CARMICHAEL & POWELL, P.C., was appointed by the Bankruptcy Court
5 as the attorneys for the Debtor. Monthly Operating Reports have been filed by the Debtor on
6 a timely basis. Attached as Exhibit A is the Amended Monthly Operating Report for June,
7 2017. Copies of other Monthly Operating Reports can be obtained upon request from
8 DONALD W. POWELL of the law firm of CARMICHAEL & POWELL, P.C., 6225 North 24th
9 Street, Suite 125, Phoenix, Arizona 85016 (602-861-0777).
10

11
12 III. Incidents Precipitating Chapter 11.

13 The Debtor owns 2 residential homes in Maricopa County, Arizona, located at
14 5135 N. 18th Place ("5135") and 1404 E. Marshall ("1404"), Phoenix, Arizona. Additionally, a
15 residential home is owned by the Debtor in Gila County, Arizona, at 146 Columbine Road,
16 Christopher Creek, Arizona ("146"). From late 2013 through early 2016, regular monthly
17 payments were made by the Debtor to WELLS FARGO BANK ("WELLS FARGO") as it
18 possessed liens on the 2 homes in Phoenix, Arizona. Additionally, BANK OF AMERICA ("B of
19 A") received regular monthly payments on the home in Gila County, Arizona, as it possessed a
20 lien on the same.
21

22 During the middle of 2016, WELLS FARGO returned several payments to the
23 Debtor regarding 5135 and 1404, and instituted Deed of Trust foreclosure sales. To stay such
24 Trustee's Sales, the Chapter 11 Petition was filed. Subsequent to the filing of the Chapter 11
25 Petition, regular monthly payments had been made to WELLS FARGO. Upon information
26 and belief, payments concerning 146 have remained current.
27
28

1 IV. Assets and Liquidation Analysis.

2 It is the opinion of the Debtor that the fair market value of 5135 is \$325,000.00, of
3 1404 is \$550,000.00, and of 146 is \$160,000.00. The fair market values above-stated are the
4 personal opinion of MICHAEL F. SPRINKLE, who possesses 44 years of experience in real
5 property transactions and has served as an expert witness regarding real property valuations.

6 The fair market value referenced herein represents what such real property
7 would bring pursuant to sale with substantial efforts in a normal course of sale efforts being
8 utilized. The liquidation value of the real properties approximates 80% of the fair market
9 value. Such liquidation value represents a forced sale of the real property without reasonable
10 and normal business marketing efforts applicable.

11 The present bank balance of the Debtor is approximately \$2,500.00.
12 Appliances for the 3 homes along with furniture and maintenance equipment is owned by the
13 Debtor with a fair market value of \$2,000.00. The Debtor has a 10% ownership of AMHB
14 BROKERAGE, LLC, with a value approximating \$30,000.00.

15 V. Valuation of Claims.

16 The Debtor possesses administrative expenses to CARMICHAEL & POWELL,
17 P.C., in an amount approximating \$15,000.00. Such administrative expenses are for legal
18 services and costs rendered on behalf of the Debtor in the Chapter 11 proceedings. The
19 Debtor believes all fees due the United States Trustee for quarterly fees are current.

20 The lien of WELLS FARGO on 5135 approximates \$98,000.00 while the lien of
21 WELLS FARGO on 1404 approximates \$118,000.00. The B of A lien on 146 is in the amount
22 of approximately \$150,000.00. Any unpaid real property taxes due the MARICOPA COUNTY
23 TREASURER ("MARICOPA") and the GILA COUNTY TREASURER ("GILA") will each
24 approximate \$2,000.00. The claims of unsecured creditors approximate \$2,500.00.
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26
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1 VI. Preparation and Accounting Information.

2 The books and records of the Debtor have been prepared on a regular basis
3 under the direction of MICHAEL F. SPRINKLE. The financial information contained in this
4 Disclosure Statement was prepared and supplied by MICHAEL F. SPRINKLE. Normal
5 accounting procedures were utilized at all times in determining valuation of assets, liquidation
6 values, and amounts of claims.

7
8 VII. Post-Petition Matters.

9 On October 14, 2016, an Application to Employ Attorney was filed regarding
10 CARMICHAEL & POWELL, P.C., by DONALD W. POWELL. As previously stated, the
11 Application to Employ Attorney was approved.

12 A Motion for Relief from Automatic Stay ("Motion") was filed by the Debtor on
13 March 9, 2017, against CADBURY COMMONS COMMUNITY ASSOCIATION, INC,
14 ("CADBURY"). The Motion provided that a Complaint had been filed against CADBURY in
15 the Maricopa County Superior Court by the Debtor, MICHAEL F. SPRINKLE and JULIA
16 SPRINKLE (wife of MICHAEL F. SPRINKLE and now deceased). CADBURY is the
17 community association regarding 1404 and was responsible for the maintenance, repair and
18 replacement of the common areas. Due to a sprinkler located in the common area spraying
19 water directly onto the exterior wall of 1404 over 2 years, and despite multiple demands and
20 complaints by the Debtor to CADBURY to either remove or correct the sprinkler, CADBURY
21 failed to comply. The wall ultimately became dilapidated, stained and faded, with the stucco
22 being ruined; further, toxic mold contamination was discovered on the inside of 1404 due to the
23 daily saturation of the wall by said sprinkler. MICHAEL F. SPRINKLE and JULIA SPRINKLE
24 were forced to seek replacement housing as a result of the inhaling of the toxic mold spores on
25 a daily basis, 1404 having been the home of the SPRINKLES. The Motion requested
26
27
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1 authority for the Debtor to continue with the litigation in the Maricopa County Superior Court.
2 CADBURY did not respond and an Order for Relief from Automatic Stay was entered on March
3 31, 2017.

4 In May, 2017, the Debtor filed an Application to Employ Special Counsel,
5 requesting authority to employ Attorney DAVID J. SANDOVAL to represent the Debtor in the
6 aforementioned Maricopa County Superior Court Complaint against CADBURY. On May 25,
7 2017, an Order Authorizing Employment and Appointment of Special Counsel was entered.
8 Further, in late May, 2017, the United States Trustee filed a Motion to Convert or Dismiss
9 Case, stating that the Debtor had failed to submit certain requested documents to the United
10 States Trustee and had failed to properly file completed Monthly Operating Reports. The
11 Debtor filed a timely Response to the Motion to Convert or Dismiss Case and has been
12 attempting to rectify the issues raised by the United States Trustee. The matter is now
13 scheduled for hearing on August 30, 2017, at 11:00 a.m.

14
15
16 VIII. Business Expectations.

17 Since the filing of the Chapter 11 Petition, the Debtor has maintained the 3
18 homes in good condition. Improvements have been made by the Debtor to the real property.
19 It is the opinion of the Debtor that market values of such 3 homes will rise on a regular basis.

20 Regarding 1404, MICHAEL F. SPRINKLE had maintained such home for the
21 past 14 years. He and his spouse were forced to vacate 1404 due to the previously
22 mentioned contamination issues. Rent of \$1,000.00 per month, plus utilities, had been paid
23 by MICHAEL F. SPRINKLE when he occupied 1404. Such location has 3 bedrooms and 3
24 bathrooms.

25
26 5135 is comprised of 3 bedrooms and 2 bathrooms. MICHAEL F. SPRINKLE
27 presently occupies such home, with the monthly rental being \$1,500.00, plus utilities.
28

1 AMERICAN MOTEL HOTEL BROKERS, LLC, has been a tenant at 146 for the past 10 years
2 and provides rent of \$650.00 monthly, plus utilities. 146 is rented approximately 10% of the
3 time for \$150.00 daily.

4 IX. Executory Contracts.

5 As above provided, the Debtor has executory contracts on 3 homes. Such
6 executory contracts are assumed. It is the belief of the Debtor that assignments of rents are
7 not applicable as the 3 real properties are residential homes.
8

9 X. Tax Consequences of Confirmation of the Plan.

10 The confirmation and consummation of the Plan may result in Federal income tax
11 consequences to holders of claims. Tax consequences to a particular creditor will depend on
12 the particular circumstances regarding the claim of that creditor. It is recommended that
13 holders of claims consult their own tax advisors as to the consequences to them of the Plan
14 under Federal and applicable State and local tax laws.
15

16 XI. Alternatives to the Plan.

17 The alternatives to confirmation of the Plan of Reorganization of the Debtor are
18 the continuation of the Chapter 11 proceedings, conversion to Chapter 7 bankruptcy, or
19 dismissal of this matter. The Debtor does not believe the continuation of these matters
20 without a confirmed Plan of Reorganization is beneficial to any of the interested parties.
21 Likewise, the Debtor does not believe that dismissal will be of benefit to the interested parties.
22 The other consideration is conversion to Chapter 7. In a Chapter 7 liquidation, a Trustee will
23 be appointed, and the Trustee will require the services of an attorney and the services of an
24 accountant. The Debtor believes unsecured creditors will receive significantly more under the
25 Plan of Reorganization of the Debtor as opposed to Chapter 7 liquidation.
26
27
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1 XII. Summary of Plan of Reorganization.

2 Set forth below is the Plan of Reorganization of the Debtor.

3 I. Classification of Creditors.

4 The classes of creditors are divided as follows:

5 Class 1 Expenses of Administration.

6 Class 2 Secured creditor WELLS FARGO as
7 to 5135.

8 Class 3. Secured creditor WELLS FARGO as
9 to 1404.

10 Class 4 B of A.

11 Class 5 MARICOPA.

12 Class 6. GILA.

13 Class 7 Unsecured creditors.

14 Class 8. Owner.

15 Treatment Provisions for Claims of Creditors.

16 The claims of creditors will be satisfied and treated as below set forth:

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18
19
20 Class 1. The Debtor has certain administrative claimants. The law firm of
21 CARMICHAEL & POWELL, P.C., the Court appointed attorneys for the Debtor, is due sums for
22 legal services and expenses. The Debtor will pay any approved sums to said claimant within
23 30 days of the applicable Court Order. Any sums due the United States Trustee are within
24 this Class; it is believed the Debtor is current with quarterly payments due the United States
25 Trustee, and will so remain current. This Class is not impaired by the Plan.

26
27 Class 2. WELLS FARGO possesses the lien on the residential home at
28

1 5135. The lien of WELLS FARGO will be retained. The Debtor is presently tendering to
2 WELLS FARGO monthly adequate protection payments of \$283.00 principal, \$196.00 interest
3 and \$221.00 real property taxes, for a total monthly payment of \$700.00. Such payments
4 shall continue for 15 years from the date of confirmation, which at such time the balance due
5 WELLS FARGO will be due and shall be paid by the Debtor. The contract rate of 3.17% will
6 continue.
7

8 Upon the default of the Debtor in any term of this Class which has not been
9 cured within 15 days of written notice to the Debtor and the undersigned attorney, WELLS
10 FARGO shall receive stay relief to pursue all State law remedies, including the scheduling and
11 completion of a foreclosure sale pursuant to the applicable Deed of Trust. This Class is
12 impaired by the Plan.
13

14 Class 3. WELLS FARGO possesses the lien on the residential home at
15 1404. The lien of WELLS FARGO will be retained. The Debtor is presently tendering to
16 WELLS FARGO monthly adequate protection payments of \$538.00 principal, \$189.00 interest
17 and \$531.00 real property taxes, for a total monthly payment of \$1,258.00. Such payments
18 shall continue for 15 years from the date of confirmation, which at such time the balance due
19 WELLS FARGO will be due and shall be paid by the Debtor. The contract rate of 3.448% will
20 continue.
21

22 Upon the default of the Debtor in any term of this Class which has not been
23 cured within 15 days of written notice to the Debtor and the undersigned attorney, WELLS
24 FARGO shall receive stay relief to pursue all State law remedies, including the scheduling and
25 completion of a foreclosure sale pursuant to the applicable Deed of Trust. This Class is
26 impaired by the Plan.
27
28

1 Class 4. B of A possesses the lien on the residential home at 146. The lien
2 of B of A will be retained. Monthly adequate protection payments have been made by the
3 Debtor to B of A. Beginning 30 days after confirmation, and continuing on the same day of
4 each month thereafter for 60 months, the Debtor shall pay B of A interest at the contract rate
5 and real property taxes. From 61 months after the date of confirmation through 120 months
6 from the date of confirmation, B of A shall be paid an amortized amount which will allow B of A
7 to be fully paid within 120 months from the date of confirmation.
8

9 Upon the default of the Debtor in any term of this Class which has not been
10 cured within 15 days written notice to the Debtor and the undersigned attorney, B of A shall
11 receive stay relief to pursue all State law remedies, including the scheduling and completion of
12 a foreclosure sale pursuant to the applicable Deed of Trust. This Class is impaired by the
13 Plan.
14

15 Class 5. Any delinquent real property taxes due MARICOPA shall be paid
16 within 12 months of the date of confirmation. Real property taxes occurring post-confirmation
17 shall be paid by the Debtor on a current basis. Interest at the statutory legal rate will be
18 applicable for said delinquent sums. This Class is impaired by the Plan.
19

20 Class 6 Any delinquent real property taxes due GILA shall be paid within 12
21 months of the date of confirmation. Real property taxes occurring post-confirmation shall be
22 paid by the Debtor on a current basis. Interest at the statutory legal rate will be applicable for
23 said delinquent sums. This Class is impaired by the Plan.
24

25 Class 7. Unsecured creditors with valid and proven claims will be paid within
26 12 months from the date of confirmation. Interest will be paid to unsecured creditors from the
27 confirmation date at 3.5%. This Class is impaired by the Plan.
28

1 Class 8. The interest of the Owners in the Debtor will be retained under the
2 Plan. As all creditors will be fully paid under the Plan, no new money will be contributed by
3 the Owners. This Class is not impaired by the Plan.

4 RESPECTFULLY SUBMITTED this 31st day of July, 2017.

5 CARMICHAEL & POWELL, P.C.


6 
7 By _____
8 Donald W. Powell
9 6225 North 24th Street, #125
10 Phoenix, Arizona 85016
11 Attorneys for Debtor

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:)
MMM DIVERSIFIED, LLC)
)
)
)
)
)
)
 Debtor)
)

CASE NO. 2:16-bk-10976-BKM
AMENDED
BUSINESS AND INDUSTRY
MONTHLY OPERATING REPORT
MONTH OF JUNE 2017
DATE PETITION FILED: 9/23/2016
TAX PAYER ID NO.: 86-0968874

Nature of Debtor's Business: Real Estate

DATE DISCLOSURE STATEMENT FILED _____ TO BE FILED
DATE PLAN OF REORGANIZATION FILED _____ TO BE FILED

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING MONTHLY OPERATING REPORT AND
THE ACCOMPANYING ATTACHMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

RESPONSIBLE PARTY:

[Signature]
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY
MICHAEL F. SPRINKLE

PRINTED NAME OF RESPONSIBLE PARTY

Managing Member
TITLE
7-7-17
DATE

PREPARER:

[Signature]
ORIGINAL SIGNATURE OF PREPARER
VERA FEHR
PRINTED NAME OF PREPARER

BOOKKEEPER
TITLE
7-7-17
DATE

PERSON TO CONTACT REGARDING THIS REPORT: MICHAEL F. SPRINKLE

PHONE NUMBER: (602) 677-2762

ADDRESS: 6232 N. 7th Street, #101
Phoenix, Arizona 85014

FILE ORIGINAL REPORT ELECTRONICALLY WITH THE COURT, FILE PAPER COPY WITH U.S. TRUSTEE'S OFFICE

Case Number: 2:16-bk-10976-BKM

CURRENT MONTH'S RECEIPTS AND DISBURSEMENTS

	BANK ACCOUNTS				Total
	General	General	Payroll	Tax	
	# 2621	# 2757	#	#	
Balance at Beginning of Period	0	248			248

RECEIPTS					
Rental Income	4,100	2,800			6,900
Accounts Receivable	1,500				1,500
Loans and Advances					
Sale of Assets					
Transfers from Other DIP Accounts					
Other (attach list)					
TOTAL RECEIPTS	5,600	2,800			8,400

DISBURSEMENTS					
Business - Ordinary Operations	4,121	1,094			5,215
Capitol Improvements					
Pre-Petition Debt					
Transfers to Other DIP Accounts					
Other (attach list)					
INSURANCE - HOME	58	58			116
MORTGAGE	1,258	1,855			3,113
Reorganization Expenses:					
Attorney Fees					
Accountant Fees					
Other Professional Fees					
U. S. Trustee Quarterly Fee					
Court Costs					
TOTAL DISBURSEMENTS	5,437	3,007			8,444

Balance at End of Month	163	41			204
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*Information provided above should reconcile with balance sheet and income statement amounts

DISBURSEMENTS FOR CALCULATING QUARTERLY FEES:	
Total Disbursements From Above	8,444
Less: Transfers to Other DIP Accounts	0
Plus: Estate Disbursements Made by Outside Sources (payments from escrow; 2-party check; etc.)	0
Total Disbursements for Calculating Quarterly Fees	8,444

INCOME STATEMENT

(Accrual Basis)

*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) year-to-date and filing-to-date information is provided, and (3) if reorganization expenses are segregated in the statement.

REVENUES	Current Month	Year to Date	Total Since Filing
Gross Revenue	8,400	27,395	37,292
Less: Returns & Discounts	0	0	0
Net Revenue	8,400	27,395	37,292
GOST-OF-GOODS SOLD			
Material	0	0	0
Direct Labor	0	0	0
Direct Overhead (attach detail)	0	0	0
Total Cost of Goods Sold	0	0	0
GROSS PROFIT	8,400	27,395	37,292
OPERATING EXPENSES			
Officer/Insider Compensation	0	0	0
Selling & Marketing (attach detail)	0	0	0
General & Administrative (attach detail)	8,444	25,144	34,071
Other Expenses (attach detail)	0	0	0
Total Operating Expenses	8,444	25,144	34,071
Income Before Non-operating Income and Expense	(44)	2,251	3,221
OTHER INCOME & EXPENSE			
Other Income (attach list)	0	0	0
Other Expense (attach list)	0	0	0
Interest Expense	0	0	0
Depreciation/Depletion	0	0	0
Amortization	0	0	0
Net Other Income & Expense	0	0	0
Income Before Reorganization Expense	(44)	2,251	3,221
REORGANIZATION EXPENSES			
Professional Fees	0	1,800	1,800
U.S. Trustee Fees	0	650	975
Other (attach list)	0	0	0
Total Reorganization Expenses	0	2,450	2,775
Income Tax	0	0	0
NET PROFIT OR (LOSS)	(44)	(199)	446

COMPARATIVE BALANCE SHEET

(Accrual Basis)

*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) current and prior period information is provided, and (3) if pre-petition and post-petition liabilities are segregated.

ASSETS	SCHEDULE AMOUNT ¹	CURRENT MONTH	PRIOR MONTH
Unrestricted Cash		204	248
Restricted Cash		0	0
Total Cash		204	248
Accounts Receivable (net)		0	0
Inventory		0	0
Notes Receivable		0	0
Prepaid Expenses		0	0
Other (attach list)		0	0
Total Current Assets		204	248
Property, Plant & Equipment		1,200,000	1,200,000
Less: Accumulated Depreciation		0	0
Net Property, Plant & Equip.		1,200,000	1,200,000
Due From Insider(s)		0	0
Other Assets - net (attach list)		37,000	37,000
Other (attach list)		270,000	270,000
TOTAL ASSETS		1,507,204	1,507,248
POST-PETITION LIABILITIES			
Accounts Payable		0	0
Taxes Payable		0	0
Notes Payable		0	0
Professional Fees		0	0
Secured Debt		0	0
Other (attach list)		0	0
Total Post-Petition Liabilities		0	0
PRE-PETITION LIABILITIES			
Secured Debt		380,000	380,000
Priority Debt		0	0
Unsecured Debt		0	0
Other (attach list)		0	0
Total Pre-Petition Liabilities		380,000	380,000
TOTAL LIABILITIES		380,000	380,000
EQUITY			
Pre-petition Owner's Equity		1,127,204	1,127,248
Post-Petition Cumulative Profit/Loss		446	490
Direct Charges to Equity (explain)		0	0
Total Equity		1,127,650	1,127,738
TOTAL LIABILITIES & OWNER'S EQUITY		1,507,650	1,507,738

¹ This column should reflect the information provided in Schedules A, B, C, D, E, and F filed with the Court

STATUS OF ASSETS

*Information provided on this page should reconcile with balance sheet amounts

ACCOUNTS RECEIVABLE	TOTAL	0-30 Days	31-60 Days	60+ Days
Total Accounts Receivable	0			
Less Amount Considered Uncollectible	0			
Net Accounts Receivable	0			

DUE FROM INSIDER	
Schedule Amount	0
Plus: Amount Loaned Since Filing Date	0
Less: Amount Collected Since Filing Date	0
Less: Amount Considered Uncollectible	0
Net Due From Insiders	0

INVENTORY	
Beginning Inventory	0
Plus: Purchases	0
Less: Cost of Goods Sold	0
Ending Inventory	0

Date Last Inventory was taken: N/A

FIXED ASSETS	SCHEDULE AMOUNT	ADDITIONS	DELETIONS	CURRENT AMOUNT
Real Property →	1,200,000	—	—	1,200,000
Buildings				
Accumulated Depreciation	0	—	—	0
Net Buildings	1,200,000	—	—	1,200,000
Equipment	35,000	—	—	35,000
Accumulated Depreciation	10,000	—	—	10,000
Net Equipment	25,000	—	—	25,000
Autos/Vehicles	0	—	—	0
Accumulated Depreciation	0	—	—	0
Net Autos/Vehicles	0	—	—	0

Provide a description of fixed assets added or deleted during the reporting period; include the date of Court order:

NONE

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STATUS OF LIABILITIES AND SENSITIVE PAYMENTS

*Information provided on this page should reconcile with balance sheet and disbursement detail amounts

POST-PETITION LIABILITIES	TOTAL	0-30 Days	31-60 Days	61-90 Days	91+ Days
Accounts Payable *	0				
Taxes Payable	0				
Notes Payable	0				
Professional Fees Payable	0				
Secured Debt	0				
Other (attach list)	0				
Total Post-Petition Liabilities	0				

*DEBTOR MUST ATTACH AN AGED ACCOUNTS PAYABLE LISTING

PAYMENTS TO INSIDERS AND PROFESSIONALS

Insiders			
Name	Reason for Payment	Amount Paid this Month	Total Paid to Date
Total Payments to Insiders		0	0

Professionals				
Name	Date of Court Order Authorizing Payment	Amount Approved	Amount Paid this Month	Total Paid to Date
Total Payments to Professionals			0	0

Case Number: 2:16-bk-10976-BKM

CASE STATUS

QUESTIONNAIRE

	YES	NO
Have any funds been disbursed from any accounts other than a Debtor-in-Possession account?		<input checked="" type="checkbox"/>
Are any post-petition receivables (accounts, notes or loans) due from related parties?		<input checked="" type="checkbox"/>
Are any wages past due?		<input checked="" type="checkbox"/>
Are any U. S. Trustee quarterly fees delinquent?		<input checked="" type="checkbox"/>

Provide a detailed explanation of any "YES" answers to the above questions: (attach additional sheets if needed)

Current number of employees:

0

INSURANCE

Carrier & Policy Number	Type of Policy	Period Covered	Payment Amount & Frequency
STATE FARM 93-CF-B395-4	HOME	ANNUAL	58 MTHLY
" " 03-C5-6270-1	↓	↓	59 MTHLY
WELLS FARGO MIP-RCH-0315-99			128 MTHLY

What steps have been taken to remedy the problems which brought on the chapter 11 filing?

WE ARE STILL WORKING WITH WELLS FARGO TO FIND OUT WHAT THEY ARE DOING TO RECTIFY THEIR MISAPPROPRIATION OF THE LOAN PAYMENTS.

Identify any matters that are delaying the filing of a plan of reorganization:

WELLS FARGO CONTINUED DELAYS IN THE ALLOCATION OF PAYMENTS MADE OVER THE LAST 5 YEARS

DISBURSEMENT DETAIL

Month: JUNE-17
 Account # 2621
 Bank Name B of A

Cash/Electronic Disbursements			
Date	Payee	Purpose	Amount
6-22-17	BANK OF AMERICA	CHECK ORDER FEE	197.00
6-30-17	STATE FARM	HOME INSURANCE -18 TH PL	58.00
Total Cash/Electronic Disbursements			255.00

CHECKS ISSUED				
Check Number	Date	Payee	Purpose	Amount
1002	6-23-17	JIM WAGNER	REPAIRS FOR 18 TH PL	901.00
1003	6-26-17	APS	ELECTRICITY FOR COMBINE	22.80
1004	6-26-17	WELLS FARGO	MORTGAGE FOR MARSHALL	1,257.84
1006	6-28-17	CASH	ELECTRICAL REPAIR FOR 18 TH PL	2,000.00
1008	6-28-17	CASH	" " "	1,000.00
Total checks listed on this page				5,182
Total checks listed on continuation pages				—
TOTAL DISBURSEMENTS FOR THE MONTH (include cash/electronic disbursements)				5,437

DISBURSEMENT DETAIL

Month: JUNE-17
 Account # 2757
 Bank Name BOFA

Cash/Electronic Disbursements			
Date	Payee	Purpose	Amount
6-1-17	STATE FARM	HOME INSURANCE - 5/35	58.00
6-1-17	BANK OF AMERICA	MONTHLY FEE	15.00
6-26-17	BANK OF AMERICA	COPY FEE FOR PAST STMTS	25.00
Total Cash/Electronic Disbursements			98.00

CHECKS ISSUED				
Check Number	Date	Payee	Purpose	Amount
2206	6-1-17	CITY OF PHOENIX	WATER FOR MARSHALL	158.72
2209	6-2-17	APS	ELECTRICITY FOR COLUMBINE	20.71
2211	6-2-17	SRP	ELECTRICITY FOR 18 TH PL	72.39
2208	6-5-17	CITY OF PHOENIX	WATER FOR 18 TH PL	212.25
2213	6-6-17	VERA FEHR	Bookkeeping Services	288.00
2214	6-7-17	SOUTHWEST GAS	GAS SERVICE FOR 18 TH PL	21.95
2215	6-7-17	RAMONE FLORES	LANDSCAPE SERVICE 18 TH PL	280.00
2210	6-5-17	BANK OF AMERICA	MORTGAGE ON COLUMBINE	954.99
2212	6-5-17	WELLS FARGO	MORTGAGE ON 18 TH PL	900.00
Total checks listed on this page				2,909
Total checks listed on continuation pages				
TOTAL DISBURSEMENTS FOR THE MONTH (include cash/electronic disbursements)				3,007



P.O. Box 15384
Wilmington, DE 19850

Customer service information

☎ 1.888.BUSINESS (1.888.287.4637)

🌐 bankofamerica.com

📮 Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

MMM DIVERSIFIED,L.L.C.
DEBTOR IN POSSESSION
1404 E MARSHALL AVE
PHOENIX, AZ 85014-2358

Your Business Fundamentals Checking

for June 9, 2017 to June 30, 2017

Account number: 2621

MMM DIVERSIFIED,L.L.C. DEBTOR IN POSSESSION

Account summary

Beginning balance on June 9, 2017	50.00
Deposits and other credits	5,600.00
Withdrawals and other debits	-58.00
Checks	-5,181.64
Service fees	-197.00
Ending balance on June 30, 2017	\$163.36

of deposits/credits: 4

of withdrawals/debits: 7

of items-previous cycle¹: 0

of days in cycle: 22

Average ledger balance: \$338.99

¹Includes checks paid/deposited items&other debits

Bank of America **Business Advantage**



Online Banking
**TIP OF
THE MONTH**

Send payments with ACH

As a small business owner, did you know you can pay vendors and suppliers at other financial institutions—outside of Bank of America—using ACH payments?

Simply use Online Banking to make cost-effective electronic fund transfers with ACH:

\$10 for next-day delivery and \$3 for 3-day delivery. Log in or enroll at bankofamerica.com/smallbusiness.

Click the **Transfers** tab, then select **Send Money to Someone** and then **Using Their Account Number at Another Bank**.

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IMPORTANT INFORMATION: BANK DEPOSIT ACCOUNTS

Updating your contact information - We encourage you to keep your contact information up-to-date. This includes address, email and phone number. If your information has changed, the easiest way to update it is by visiting the Help & Support tab of Online Banking. Or, you can call our Customer Service team.

Deposit agreement - When you opened your account, you received a deposit agreement and fee schedule and agreed that your account would be governed by the terms of these documents, as we may amend them from time to time. These documents are part of the contract for your deposit account and govern all transactions relating to your account, including all deposits and withdrawals. Copies of both the deposit agreement and fee schedule which contain the current version of the terms and conditions of your account relationship may be obtained at our financial centers.

Electronic transfers: In case of errors or questions about your electronic transfers - If you think your statement or receipt is wrong or you need more information about an electronic transfer (e.g., ATM transactions, direct deposits or withdrawals, point-of-sale transactions) on the statement or receipt, telephone or write us at the address and number listed on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number.
- Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

For consumer accounts used primarily for personal, family or household purposes, we will investigate your complaint and will correct any error promptly. If we take more than 10 business days (10 calendar days if you are a Massachusetts customer) (20 business days if you are a new customer, for electronic transfers occurring during the first 30 days after the first deposit is made to your account) to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it will take to complete our investigation.

For other accounts, we investigate, and if we find we have made an error, we credit your account at the conclusion of our investigation.

Reporting other problems - You must examine your statement carefully and promptly. You are in the best position to discover errors and unauthorized transactions on your account. If you fail to notify us in writing of suspected problems or an unauthorized transaction within the time period specified in the deposit agreement (which periods are no more than 60 days after we make the statement available to you and in some cases are 30 days or less), we are not liable to you for, and you agree to not make a claim against us for the problems or unauthorized transactions.

Direct deposits - If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us at the telephone number listed on the front of this statement to find out if the deposit was made as scheduled. You may also review your activity online or visit a financial center for information.

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Equal Housing Lender

Deposits and other credits

Date	Description	Amount
06/21/17	Agent Assisted transfer from CHK 0446 Confirmation# 0106333302	1,500.00
06/26/17	Counter Credit	2,300.00
06/28/17	Counter Credit	1,500.00
06/28/17	Counter Credit	300.00
Total deposits and other credits		\$5,600.00

Withdrawals and other debits

Date	Description	Amount
06/30/17	STATE FARM RD 27 DES:CPC-CLIENT ID:24 5 1185349624 INDN: MMM DIVERSIFIED LLC CO ID:9000313004 CCD	-58.00
Total withdrawals and other debits		-\$58.00

Checks

Date	Check #	Amount
06/23/17	1002	-901.00
06/26/17	1003	-22.80
06/26/17	1004	-1,257.84

Date	Check #	Amount
06/28/17	1006*	-2,000.00
06/28/17	1009*	-1,000.00
Total checks		-\$5,181.64
Total # of checks		5

* There is a gap in sequential check numbers

Bank of America Business Advantage



**Thank you for your business.
Here's to your continued success.**

We're committed to finding the smartest path to long-term growth for your business. Our small business specialists will work to help you strengthen your business and plan for the future. Please visit bankofamerica.com/smallbusiness to learn more.

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Service fees

Date	Transaction description	Amount
06/22/17	CHECK ORDER00333 DES:FEE ID:099J6770 PMT INFO: PRODUCT(S): 59.77 S&H: 118.46 AZ TAX: 18.77	-197.00

Total service fees **-\$197.00**

Note your Ending Balance already reflects the subtraction of Service Fees.

Daily ledger balances

Date	Balance (\$)	Date	Balance(\$)	Date	Balance (\$)
06/21	1,500.00	06/23	402.00	06/28	221.36
06/22	1,303.00	06/26	1,421.36	06/30	163.36



P.O. Box 15294
Wilmington, DE 19850

MMM DIVERSIFIED, L.L.C.
6232 N 7TH ST STE 101
PHOENIX, AZ 85014-1850

Customer service information

- ☎ 1.888.BUSINESS (1.888.287.4637)
- 🌐 bankofamerica.com
- 📍 Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Your Business Fundamentals Checking

for June 1, 2017 to June 30, 2017

MMM DIVERSIFIED, L.L.C.

Account number: 2757

Account summary

Beginning balance on June 1, 2017	\$248.31
Deposits and other credits	2,800.00
Withdrawals and other debits	-58.00
Checks	-2,909.01
Service fees	-40.00
Ending balance on June 30, 2017	\$41.30

- # of deposits/credits: 1
- # of withdrawals/debits: 12
- # of items-previous cycle¹: 23
- # of days in cycle: 30
- Average ledger balance: \$570.59
- ¹includes checks paid, deposited items & other debits

Bank of America **Business Advantage**



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Online Banking
TIP OF
THE MONTH

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SSM-02-17-0641.B

IMPORTANT INFORMATION: BANK DEPOSIT ACCOUNTS

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- Tell us the dollar amount of the suspected error.


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Deposits and other credits

Date	Description	Amount
06/02/17	Deposit	2,800.00
Total deposits and other credits		\$2,800.00

Withdrawals and other debits

Date	Description	Amount
06/01/17	STATE FARM RO 27 DES:SFPP ID:24 5 1185349624 INDN: MMM DIVERSIFIED LLC CO ID:9000307001 PPD	-58.00
Total withdrawals and other debits		-\$58.00

Checks

Date	Check #	Amount
06/01/17	2206	-158.72
06/05/17	2208*	-212.25
06/02/17	2209	-20.71
06/05/17	2210	-954.99
06/02/17	2211	-72.39

Date	Check #	Amount
06/05/17	2212	-900.00
06/06/17	2213	-288.00
06/07/17	2214	-21.95
06/30/17	2215	-280.00
Total checks		-\$2,909.01
Total # of checks		9

* There is a gap in sequential check numbers

Bank of America Business Advantage



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Service fees

Your Overdraft and NSF: Returned Item fees for this statement period and year to date are shown below.

	Total for this period	Total year-to-date
Total Overdraft fees	\$0.00	\$0.00
Total NSF: Returned Item fees	\$0.00	\$175.00

We refunded to you a total of \$140.00 in fees for Overdraft and/or NSF: Returned Items this year.

To help avoid overdraft and returned item fees, you can set up:

- Customized alerts – get email or text message alerts (footnote 1) to let you know if your balance is low
- Overdraft Protection – enroll to help protect yourself from overdrafts and declined transactions

To enroll, go to bankofamerica.com/online, call us at the number listed on this statement, or come see us at your nearest financial center.

(footnote 1) Alerts received as text messages on your mobile access device may incur a charge from your mobile access service provider. This feature is not available on the Mobile website. Wireless carrier fees may apply.

Based on the activity on your business accounts for the statement period ending 05/31/17, a Monthly Fee was charged for your Business Fundamentals checking account (Primary). You can avoid the fee in the future by meeting one of the requirements below:

At least one of the following occurred

- \$250+ in new net purchases on a linked Business debit card
- \$250+ in new net purchases on a linked Business credit card
- \$3,000+ minimum daily balance in primary checking account
- \$5,000+ average monthly balance in primary checking account
- \$15,000+ combined average monthly balance in linked business accounts

A check mark indicates that you have qualified for a monthly fee waiver on the account based on your usage of these products or services. For information on how to open a new product or to link an existing service to your account please call 1-888-BUSINESS or visit bankofamerica.com/smallbusiness.

Date	Transaction description	Amount
06/01/17	Monthly Fee for Business Fundamentals	-15.00
06/26/17	Statement Copy Fee	-25.00
Total service fees		-\$40.00

Note your Ending Balance already reflects the subtraction of Service Fees.

Daily ledger balances

Date	Balance (\$)	Date	Balance (\$)	Date	Balance (\$)
06/01	16.59	06/06	368.25	06/26	321.30
06/02	2,723.49	06/07	346.30	06/30	41.30
06/05	656.25				

Other:

2:16-bk-10976-BKM MMM DIVERSIFIED, LLC

Type: bk

Chapter: 11 v

Office: 2 (Phoenix)

Assets: y

Judge: BKM

U.S. Bankruptcy Court

District of Arizona

Notice of Electronic Filing

The following transaction was received from DONALD W. POWELL entered on 7/19/2017 at 2:25 PM AZ and filed on 7/19/2017

Case Name: MMM DIVERSIFIED, LLC

Case Number: 2:16-bk-10976-BKM

Document Number: 79

Docket Text:

Amended Operating Report For June, 2017 *Amended Business and Industry Monthly Operating Report for June, 2017* filed by DONALD W. POWELL of CARMICHAEL & POWELL, P.C. on behalf of MMM DIVERSIFIED, LLC. (POWELL, DONALD)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:Amended June, 2017 Monthly Report.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=875559564 [Date=7/19/2017] [FileNumber=40125228-0] [14d600823424eb70c13b44f91cfb27120894408cb468b3b87fd1af511849d6ae0ecfeff0a0de86daf9df3cc3c9dc54a751171158bf9889bd16a9207fed3b1340]]

2:16-bk-10976-BKM Notice will be electronically mailed to:

PATTY CHAN on behalf of U.S. Trustee U.S. TRUSTEE
patty.chan@usdoj.gov

DONALD W. POWELL on behalf of Debtor MMM DIVERSIFIED, LLC
d.powell@cplawfirm.com

2:16-bk-10976-BKM Notice will not be electronically mailed to:

KRISTIN E MCDONALD on behalf of Creditor Wells Fargo Bank, N.A.
McCarthy & Holthus, LLP
8502 E. Via de Ventura, Suite 200
Scottsdale, AZ 85258