

BI (Official Form 1)(4/10)

**United States Bankruptcy Court
Central District of California**

Voluntary Petition

| | |
|--|--|
| Name of Debtor (if individual, enter Last, First, Middle): Picard Medical, Inc. | Name of Joint Debtor (Spouse) (Last, First, Middle): |
| All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): DBA Drake Institute | All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names): |
| Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No. Complete EIN (if more than one, state all): 26-091833 | Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): |
| Street Address of Debtor (No. and Street, City, and State): 18250 Roscoe Blvd. Suite 325 Northridge, CA | Street Address of Joint Debtor (No. and Street, City, and State): |
| ZIP Code 91325 | ZIP Code |
| County of Residence or of the Principal Place of Business: Los Angeles | County of Residence or of the Principal Place of Business: |
| Mailing Address of Debtor (if different from street address): | Mailing Address of Joint Debtor (if different from street address): |
| ZIP Code | ZIP Code |

Location of Principal Assets of Business Debtor (if different from street address above):

| | | |
|---|--|--|
| Type of Debtor (Form of Organization) (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) | Nature of Business (Check one box) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input type="checkbox"/> Other <hr/> Tax-Exempt Entity (Check box if applicable) <ul style="list-style-type: none"> <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code). | Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding <hr/> Nature of Debts (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts. |
|---|--|--|

| | |
|---|---|
| Filing Fee (Check one box) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B. | Chapter 11 Debtors Check one box <ul style="list-style-type: none"> <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D) <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D) Check if <ul style="list-style-type: none"> <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 <i>(amount subject to adjustment on 4/01/13 and every three years thereafter).</i> Check all applicable boxes <ul style="list-style-type: none"> <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b) |
|---|---|

| | | | | | | | | | | | |
|--|--|---|---|---|---|--|---|---|---|--|--|
| Statistical/Administrative Information <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. | THIS SPACE IS FOR COURT USE ONLY | | | | | | | | | | |
| Estimated Number of Creditors <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/> 1-49</td> <td><input checked="" type="checkbox"/> 50-99</td> <td><input type="checkbox"/> 100-199</td> <td><input type="checkbox"/> 200-999</td> <td><input type="checkbox"/> 1,000-5,000</td> <td><input type="checkbox"/> 5,001-10,000</td> <td><input type="checkbox"/> 10,001-25,000</td> <td><input type="checkbox"/> 25,001-50,000</td> <td><input type="checkbox"/> 50,001-100,000</td> <td><input type="checkbox"/> OVER 100,000</td> </tr> </table> | <input type="checkbox"/> 1-49 | <input checked="" type="checkbox"/> 50-99 | <input type="checkbox"/> 100-199 | <input type="checkbox"/> 200-999 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> 25,001-50,000 | <input type="checkbox"/> 50,001-100,000 | <input type="checkbox"/> OVER 100,000 | |
| <input type="checkbox"/> 1-49 | <input checked="" type="checkbox"/> 50-99 | <input type="checkbox"/> 100-199 | <input type="checkbox"/> 200-999 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> 25,001-50,000 | <input type="checkbox"/> 50,001-100,000 | <input type="checkbox"/> OVER 100,000 | | |
| Estimated Assets <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input checked="" type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table> | <input type="checkbox"/> \$0 to \$50,000 | <input type="checkbox"/> \$50,001 to \$100,000 | <input type="checkbox"/> \$100,001 to \$500,000 | <input type="checkbox"/> \$500,001 to \$1 million | <input checked="" type="checkbox"/> \$1,000,001 to \$10 million | <input type="checkbox"/> \$10,000,001 to \$50 million | <input type="checkbox"/> \$50,000,001 to \$100 million | <input type="checkbox"/> \$100,000,001 to \$500 million | <input type="checkbox"/> \$500,000,001 to \$1 billion | <input type="checkbox"/> More than \$1 billion | |
| <input type="checkbox"/> \$0 to \$50,000 | <input type="checkbox"/> \$50,001 to \$100,000 | <input type="checkbox"/> \$100,001 to \$500,000 | <input type="checkbox"/> \$500,001 to \$1 million | <input checked="" type="checkbox"/> \$1,000,001 to \$10 million | <input type="checkbox"/> \$10,000,001 to \$50 million | <input type="checkbox"/> \$50,000,001 to \$100 million | <input type="checkbox"/> \$100,000,001 to \$500 million | <input type="checkbox"/> \$500,000,001 to \$1 billion | <input type="checkbox"/> More than \$1 billion | | |
| Estimated Liabilities <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input checked="" type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table> | <input type="checkbox"/> \$0 to \$50,000 | <input type="checkbox"/> \$50,001 to \$100,000 | <input type="checkbox"/> \$100,001 to \$500,000 | <input type="checkbox"/> \$500,001 to \$1 million | <input checked="" type="checkbox"/> \$1,000,001 to \$10 million | <input type="checkbox"/> \$10,000,001 to \$50 million | <input type="checkbox"/> \$50,000,001 to \$100 million | <input type="checkbox"/> \$100,000,001 to \$500 million | <input type="checkbox"/> \$500,000,001 to \$1 billion | <input type="checkbox"/> More than \$1 billion | |
| <input type="checkbox"/> \$0 to \$50,000 | <input type="checkbox"/> \$50,001 to \$100,000 | <input type="checkbox"/> \$100,001 to \$500,000 | <input type="checkbox"/> \$500,001 to \$1 million | <input checked="" type="checkbox"/> \$1,000,001 to \$10 million | <input type="checkbox"/> \$10,000,001 to \$50 million | <input type="checkbox"/> \$50,000,001 to \$100 million | <input type="checkbox"/> \$100,000,001 to \$500 million | <input type="checkbox"/> \$500,000,001 to \$1 billion | <input type="checkbox"/> More than \$1 billion | | |

BI (Official Form 1)(4/10)

| | | | |
|---|--|--|-------------|
| Voluntary Petition <i>(This page must be completed and filed in every case)</i> | | Name of Debtor(s): Picard Medical, Inc. | |
| All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet) | | | |
| Location Where Filed: - None - | | Case Number: | Date Filed: |
| Location Where Filed: | | Case Number: | Date Filed: |
| Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet) | | | |
| Name of Debtor: - None - | | Case Number: | Date Filed: |
| District: | | Relationship: | Judge: |
| Exhibit A | | Exhibit B | |
| (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input type="checkbox"/> Exhibit A is attached and made a part of this petition. | | (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b). X _____ (Date) Signature of Attorney for Debtor(s) | |
| Exhibit C | | | |
| Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? | | | |
| <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No. | | | |
| Exhibit D | | | |
| (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) | | | |
| <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition. | | | |
| Information Regarding the Debtor - Venue | | | |
| (Check any applicable box) | | | |
| <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District. | | | |
| Certification by a Debtor Who Resides as a Tenant of Residential Property | | | |
| (Check all applicable boxes) | | | |
| <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.) _____ (Name of landlord that obtained judgment) _____ (Address of landlord) | | | |
| <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition. <input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)). | | | |

B1 (Official Form 1)(4/10)

Voluntary Petition

(This page must be completed and filed in every case)

Name of Debtor(s):
Picard Medical, Inc.

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).
I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of Attorney*

X  _____
Signature of Attorney for Debtor(s)

M. Jonathan Hayes (90388); _____
Printed Name of Attorney for Debtor(s)

Law Offices of M. Jonathan Hayes _____
Firm Name

9700 Reseda Blvd., Suite 201
Northridge, CA 91324

Address

Email: **jhayes@polarisnet.net**
(818)882-5600 Fax: (818)882-5610

Telephone Number
7-30-10 (90388); 1


Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X  _____
Signature of Authorized Individual

David Velkoff, MD _____
Printed Name of Authorized Individual

President _____
Title of Authorized Individual

7-30-10 _____
Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b), and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X _____
Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.


| | |
|--|--|
| Attorney or Party Name, Address, Telephone & FAX Numbers and California State Bar Number M. Jonathan Hayes Law Offices of M. Jonathan Hayes 9700 Reseda Blvd., Suite 201 Northridge, CA 91324 (818)882-5600 Fax: (818)882-5610 (90388); Roksana Moradi (266572) <input type="checkbox"/> Attorney for. | FOR COURT USE ONLY |
| UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA | |
| In re: Picard Medical, Inc. Debtor(s). | CASE NO : CHAPTER: 11 ADV. NO : |

**ELECTRONIC FILING DECLARATION
(CORPORATION/PARTNERSHIP)**

- | | | |
|-------------------------------------|--|----------------------------|
| <input checked="" type="checkbox"/> | Petition, statement of affairs, schedules or lists | Date Filed: <u>7/31/10</u> |
| <input type="checkbox"/> | Amendments to the petition, statement of affairs, schedules or lists | Date Filed: _____ |
| <input type="checkbox"/> | Other: _____ | Date Filed: _____ |

PART I - DECLARATION OF AUTHORIZED SIGNATORY OF DEBTOR OR OTHER PARTY

I, the undersigned, hereby declare under penalty of perjury that: (1) I have been authorized by the Debtor or other party on whose behalf the above-referenced document is being filed (Filing Party) to sign and to file, on behalf of the Filing Party, the above-referenced document being filed electronically (Filed Document); (2) I have read and understand the Filed Document; (3) the information provided in the Filed Document is true, correct and complete; (4) the "/s/" followed by my name, on the signature lines for the Filing Party in the Filed Document serves as my signature on behalf of the Filing Party and denotes the making of such declarations, requests, statements, verifications and certifications by me and by the Filing Party to the same extent and effect as my actual signature on such signature lines; (5) I have actually signed a true and correct hard copy of the Filed Document in such places on behalf of the Filing Party and provided the executed hard copy of the Filed Document to the Filing Party's attorney; and (6) I, on behalf of the Filing Party, have authorized the Filing Party's attorney to file the electronic version of the Filed Document and this Declaration with the United States Bankruptcy Court for the Central District of California.


 Signature of Authorized Signatory of Filing Party

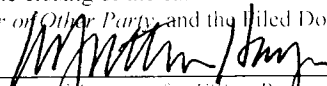
7-30-10
 Date

David Velkoff, MD
 Printed Name of Authorized Signatory of Filing Party

President
 Title of Authorized Signatory of Filing Party

PART II - DECLARATION OF ATTORNEY FOR FILING PARTY

I, the undersigned Attorney for the Filing Party, hereby declare under penalty of perjury that: (1) the "/s/" followed by my name, on the signature lines for the Attorney for the Filing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature lines; (2) an authorized signatory of the Filing Party signed the Declaration of Authorized Signatory of Debtor or Other Party before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (3) I have actually signed a true and correct hard copy of the Filed Document in the locations that are indicated by "/s/" followed by my name, and have obtained the signature of the authorized signatory of the Filing Party in the locations that are indicated by "/s/" followed by the name of the Filing Party's authorized signatory, on the true and correct hard copy of the Filed Document; (4) I shall maintain the executed originals of this Declaration, the Declaration of Authorized Signatory of Debtor or Other Party, and the Filed Document for a period of five years after the closing of the case in which they are filed; and (5) I shall make the executed originals of this Declaration, the Declaration of Authorized Signatory of Debtor or Other Party, and the Filed Document available for review upon request of the Court or other parties.


 Signature of Attorney for Filing Party

7-30-10
 Date

M. Jonathan Hayes (90388)
 Printed Name of Attorney for Filing Party

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court
Central District of California**

In re Picard Medical, Inc. Debtor(s) Case No. _____ Chapter 11

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

| (1) <i>Name of creditor and complete mailing address including zip code</i> | (2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | (3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | (4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | (5) <i>Amount of claim [if secured, also state value of security]</i> |
|---|---|--|---|--|
| Bouchard Communications 22647 Ventura Blvd. # 503 Woodland Hills, CA 91364 | Bouchard Communications 22647 Ventura Blvd. # 503 Woodland Hills, CA 91364 | | | 29,900.00 |
| Central Valley Medical Center 1127 Wilshire Blvd, Ste 600 Los Angeles, CA 90017 | Central Valley Medical Center 1127 Wilshire Blvd, Ste 600 Los Angeles, CA 90017 | | | 36,226.00 |
| David Velkoff 18250 Roscoe Blvd Northridge, CA 91325 | David Velkoff 18250 Roscoe Blvd. #325 Northridge, CA 91325 | Payroll, back pay, credit cards and loans | | 94,163.13 |
| Dennis Napoli 4012 Winterhaven St Yorba Linda, CA 92886 | Dennis Napoli 4012 Winterhaven St Yorba Linda, CA 92886 | Litigation handled by Brackey's office | | 22,711.00 |
| EDD 658 E. Brier Dr, Ste 300 San Bernardino, CA 92408 | EDD 658 E. Brier Dr, Ste 300 San Bernardino, CA 92408 | DKIN? | | 34,117.27 |
| EDD 658 E. Brier Dr, Ste 300 San Bernardino, CA 92408 | EDD 658 E. Brier Dr, Ste 300 San Bernardino, CA 92408 | | | 102,481.66 |
| GST Management Services, Inc Ted Horton-Billard 9100 Wilshire Blvd 601E Beverly Hills, CA 90212 | GST Management Services, Inc Ted Horton-Billard 9100 Wilshire Blvd 601E Beverly Hills, CA 90212 | | Disputed | 47,500.00 |
| IRS 6430 Variel Ave Woodland Hills, CA 91367 | IRS 6430 Variel Ave Woodland Hills, CA 91367 | | | 642,693.10 |
| Jeffrey Coons 3448 Golden Poppy Way Yorba Linda, CA 92886 | Jeffrey Coons 3448 Golden Poppy Way Yorba Linda, CA 92886 | Back pay, credit cards, loans | | 113,657.03 |
| John or Kathleen Dennis PO Box 19068 Irvine, CA 92623 | John or Kathleen Dennis PO Box 19068 Irvine, CA 92623 | Vista Landlord | | 124,408.99 |
| Kerlan-Jobe 6801 Park Terrace, Ste 500 Los Angeles, CA 90045 | Kerlan-Jobe 6801 Park Terrace, Ste 500 Los Angeles, CA 90045 | | | 148,101.10 |

B4 (Official Form 4) (12/07) - Cont.

In re Picard Medical, Inc.

Case No. _____

Debtor(s)


LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

| (1) <i>Name of creditor and complete mailing address including zip code</i> | (2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | (3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | (4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | (5) <i>Amount of claim [if secured, also state value of security]</i> |
|---|---|--|---|--|
| KFI 15760 Ventura Blvd, Ste 2024 Encino, CA 91436 | KFI 15760 Ventura Blvd, Ste 2024 Encino, CA 91436 | | | 67,062.27 |
| Krycler, Ervin, Taubman 15303 Ventura Blvd, Ste 1040 Sherman Oaks, CA 91403 | Krycler, Ervin, Taubman 15303 Ventura Blvd, Ste 1040 Sherman Oaks, CA 91403 | | | 71,556.00 |
| Patricia McSwain 10 Evening Breeze Irvine, CA 92603 | Patricia McSwain 10 Evening Breeze Irvine, CA 92603 | Expenses and back pay | | 37,735.92 |
| Peterson & Bradford, LLP 100 N First St, Ste 300 Burbank, CA 91502 | Peterson & Bradford, LLP 100 N First St, Ste 300 Burbank, CA 91502 | | | 23,212.64 |
| Richard Shaw | Richard Shaw | | | 85,080.14 |
| Ronald Lung 21 Spicewood Aliso Viejo, CA 92656 | Ronald Lung 21 Spicewood Aliso Viejo, CA 92656 | Expenses, back pay, credits cards, loans | | 60,006.13 |
| Sharpe Equipment Leasing PO Box 10337 Glendale, AZ 85318 | Sharpe Equipment Leasing PO Box 10337 Glendale, AZ 85318 | | | 20,544.36 |
| Stonecreek Plaza PO Box 19068 Irvine, CA 92623 | Stonecreek Plaza PO Box 19068 Irvine, CA 92623 | | | 71,501.00 |
| TelePacific 3300 N. Cimarron Rd Las Vegas, NV 89129 | TelePacific 3300 N. Cimarron Rd Las Vegas, NV 89129 | | | 109,000.00 |

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date 7-30-10

Signature 
David Velkoff, MD
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

STATEMENT OF RELATED CASES
INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1015-2
UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA

1. A petition under the Bankruptcy Act of 1898 or the Bankruptcy Reform Act of 1978 has previously been filed by or against the debtor, his/her spouse, his or her current or former domestic partner, an affiliate of the debtor, any copartnership or joint venture of which debtor is or formerly was a general or limited partner, or member, or any corporation of which the debtor is a director, officer, or person in control, as follows: (Set forth the complete number and title of each such of prior proceeding, date filed, nature thereof, the Bankruptcy Judge and court to whom assigned, whether still pending and, if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior proceeding(s).)

None

2. (If petitioner is a partnership or joint venture) A petition under the Bankruptcy Act of 1898 or the Bankruptcy Reform Act of 1978 has previously been filed by or against the debtor or an affiliate of the debtor, or a general partner in the debtor, a relative of the general partner, general partner of, or person in control of the debtor, partnership in which the debtor is a general partner, general partner of the debtor, or person in control of the debtor as follows: (Set forth the complete number and title of each such prior proceeding, date filed, nature of the proceeding, the Bankruptcy Judge and court to whom assigned, whether still pending and, if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior proceeding(s).)

None

3. (If petitioner is a corporation) A petition under the Bankruptcy Act of 1898 or the Bankruptcy Reform Act of 1978 has previously been filed by or against the debtor, or any of its affiliates or subsidiaries, a director of the debtor, an officer of the debtor, a person in control of the debtor, a partnership in which the debtor is general partner, a general partner of the debtor, a relative of the general partner, director, officer, or person in control of the debtor, or any persons, firms or corporations owning 20% or more of its voting stock as follows: (Set forth the complete number and title of each such prior proceeding, date filed, nature of proceeding, the Bankruptcy Judge and court to whom assigned, whether still pending, and if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior proceeding(s).)

None

4. (If petitioner is an individual) A petition under the Bankruptcy Reform Act of 1978, including amendments thereof, has been filed by or against the debtor within the last 180 days: (Set forth the complete number and title of each such prior proceeding, date filed, nature of proceeding, the Bankruptcy Judge and court to whom assigned, whether still pending, and if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior proceeding(s).)

None

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed at Northridge, CA, California.

Dated

7/30/10



David Velkoff, MD

Debtor

Joint Debtor

MASTER MAILING LIST
Verification Pursuant to Local Bankruptcy Rule 1007-2(d)

Name M. Jonathan Hayes (90388); Roksana Moradi (90388)

Address 9700 Reseda Blvd., Suite 201 Northridge, CA 91324

Telephone (818)882-5600 Fax: (818)882-5610

- Attorney for Debtor(s)
 Debtor in Pro Per

| | |
|---|---------------------------------------|
| UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA | |
| List all names including trade names used by Debtor(s) within last 8 years: Picard Medical, Inc. DBA Drake Institute | Case No.: <hr/> Chapter: 11 |

VERIFICATION OF CREDITOR MAILING LIST

The above named debtor(s), or debtor's attorney if applicable, do hereby certify under penalty of perjury that the attached Master Mailing List of creditors, consisting of 12 sheet(s) is complete, correct, and consistent with the debtor's schedules pursuant to Local Rule 1007-2(d) and I/we assume all responsibility for errors and omissions.

Date: 7-30-10



 David Velkoff, MD President
 Signer Title

Date: _____

 Signature of Attorney
**M. Jonathan Hayes (90388);
 Law Offices of M. Jonathan Hayes
 9700 Reseda Blvd., Suite 201
 Northridge, CA 91324
 (818)882-5600 Fax: (818)882-5610**

CREDITOR

AAM Supplies
10808 Foothill Blvd
Suite 160
Rancho Cucamonga, CA 91730

Accent Service Company
PO Box 9495
Newport Beach, CA 92658

Anthem Blue Cross
1250 E Diehl Rd
Suite 300
Naperville, IL 60563

APS Assoc for Psychological Science
1133 15th Street, NW, Suite 1000
Washington, DC 20005

Arrowhead
PO Box 856158
Louisville, KY 40285

Aspen Publishers
4829 Innovation Way
Chicago, IL 60682

Bouchard Communications
22647 Ventura Blvd. # 503
Woodland Hills, CA 91364

BriteStar
1570 E. Edinger Ave, # 9
Santa Ana, CA 92705

Calico Systems Inc
12 Spring Hill Rd
North Salem, NY 10560

CareerBuilder
14857 Collections Center Dr
Chicago, IL 60693

Central Valley Medical Center
1127 Wilshire Blvd, Ste 600
Los Angeles, CA 90017

Chazco
10666 Wellworth Ave
Los Angeles, CA 90024

City of Los Angeles
PO Box 53200
Los Angeles, CA 90053

Clear Channel Broadcasting, Inc.
15760 Ventura Blvd. Ste 2024
Encino, CA 91436

Clear Channel Radio
9660 Granite Ridge Dr, STE 100
San Diego, CA 92123

Clear Channel Radio

CREDITOR

15760 Ventura Bl.
Suite 2024
Encino, CA 91436

Cotkin & Collins
300 S. Grand Ave, 24th Floor
Los Angeles, CA 90071

County of Los Angeles
PO Box 54027
Los Angeles, CA 90054

Daniel Gonzales

Daniel Logtenberg

David Velkoff
18250 Roscoe Blvd
Northridge, CA 91325

Dell Financial
4307 Collection center Dr
Chicago, IL 60693

Dennis Napoli
4012 Winterhaven St
Yorba Linda, CA 92886

EDD
658 E. Brier Dr, Ste 300
San Bernardino, CA 92408

Freund & Brackey
427 N. Camden Dr
Beverly Hills, CA 90210

Gibson-Paul, Barbara
24710 Stonegate Dr.
CA 91034

GST Management Services, Inc
Ted Horton-Billard
9100 Wilshire Blvd 601E
Beverly Hills, CA 90212

Hokorawa Companies

IdeaRC Media Corp
PO Box 619009, DFW Airport
Dallas, TX 75261

Imperial Irrigation District
PO Box 937
Imperial, CA 92251

Infinisource
PO Box 889
Coldwater, MI 49036

Iron Mountain
PO Box 601002
Los Angeles, CA 90060

CREDITOR

IRS
6430 Variel Ave
Woodland Hills, CA 91367

IRS
POB 145595
Cincinnati, OH 45250-5595

Jeffrey Coons
3448 Golden Poppy Way
Yorba Linda, CA 92886

John or Kathleen Dennis
PO Box 19068
Irvine, CA 92623

Karcher Copy
16277 Laguna Canyon Rd, Ste D
Irvine, CA 92618

Kay Bennett
6332 Silverwood Dr.
Huntington Beach, CA 92647

Kerlan-Jobe
6801 Park Terrace, Ste 500
Los Angeles, CA 90045

KFI
15760 Ventura Blvd, Ste 2024
Encino, CA 91436

Krycler, Ervin, Taubman
15303 Ventura Blvd, Ste 1040
Sherman Oaks, CA 91403

Mackie, Keri
PO Box 3344
Blue Jay, CA 92317

Manpower

MetriTech
3486 Investment Blvd
Hayward, CA 94545

Mr. Printer Inc.
4439 Sepulveda Blvd
Culver City, CA 90230

MVAP
1415 Lawrence Dr,
Newbury Park, CA 91320

OC Family Magazine
1451 Quail St, Ste 201
Newport Beach, CA 92660

Office Depot
PO Box 4155
Sarasota, FL 34230

Orange County Tax Collector

CREDITOR

PO Box 1438
Santa Ana, CA 92702

Oriental Trading Company
PO Box 790403
Saint Louis, MO 63179

Parenting Media
PO Box 1460
Norfolk, VA 23501

Patricia McSwain
10 Evening Breeze
Irvine, CA 92603

Peterson & Bradford, LLP
100 N First St, Ste 300
Burbank, CA 91502

PhonesUSA
8592 Ventura Blvd
Los Angeles, CA 90034

Pitney Bowes
PO Box 856460
Louisville, KY 40285

ProData Imaging
2152 Michelson
Irvine, CA 92612

Professional Fire Protection
PO Box 2753
Costa Mesa, CA 92628

Richard Shaw

Ronald Lung
21 Spicewood
Aliso Viejo, CA 92656

San Diego Gas & Electric
PO Box 25111
Santa Ana, CA 92799

Santa Clarita Valley Publications
27259 Camp Plenty Road
Canyon Country, CA 91351

School News
PO Box 728
Seal Beach, CA 90740

Segal, Cohen & Landis, Esq.
Sam Landis
9100 Wilshire Blvd 601E
Beverly Hills, CA 90212

Shamma Construction
11255 Ruffner Ave
Granada Hills, CA 91344

Sharpe Equipment Leasing

CREDITOR

PO Box 10337
Glendale, AZ 85318

Southern California Edison

Stonecreek Plaza
PO Box 19068
Irvine, CA 92623

Storage Solutions

SWAT
PO Box 3684
Beverly Hills, CA 90212

T-Mobile
PO Box 51843
Los Angeles, CA 90051

TelePacific
3300 N. Cimarron Rd
Las Vegas, NV 89129

The Cove Office Park
5225 Canyon Crest Dr, Ste 71-519
Riverside, CA 92507

The Gas Company
PO Box C
Monterey Park, CA 91756

Thought Technology
2180 Belgrave Ave
Montreal, Qc. H4A 2L8

Veritek
1301 S. Lewis St
Anaheim, CA 92805

Verizon
PO Box 9688
Mission Hills, CA 91346

Virginia Phillips & Associates, llc
Ginny Phillips
104 w. Market St.
Palestine, IL 62451

Vision Plan of America
3255 Wilshire Blvd, Ste 1610
Los Angeles, CA 90010

| | |
|---|--|
| Attorney or Party Name, Address, Telephone & FAX Number, and California State Bar Number M. Jonathan Hayes 9700 Reseda Blvd., Suite 201 Northridge, CA 91324 (818)882-5600 Fax: (818)882-5610 California State Bar Number: (90388); Roksana Moradi (90388) Attorney for Debtor | FOR COURT USE ONLY |
| UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA | |
| In re: Picard Medical, Inc. Debtor(s), Plaintiff(s), Defendant(s) | CASE NO.: ADV. NO.: CHAPTER: 11 |

**Corporate Ownership Statement Pursuant to
F.R.B.P. 1007(a)(1) and 7007.1, and Local Bankruptcy Rule 1002-5**

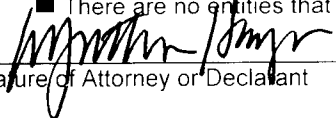
Pursuant to F.R.B.P. 1007(a)(1) and 7007.1, and Local Bankruptcy Rule 1002-5, any corporation, other than a governmental unit, that is a debtor in a voluntary case or a party to an adversary proceeding or a contested matter shall file this statement identifying all its parent corporations and listing any publicly held company, other than a governmental unit, that directly or indirectly own 10% or more of any class of the corporation's equity interest, or state that there are no entities to report. This Corporate Ownership Statement must be filed with the initial pleading filed by a corporate entity in a case or adversary proceeding. A supplemental statement must promptly be filed upon any change in circumstances that renders this Corporate Ownership Statement inaccurate.

I, **M. Jonathan Hayes (90388);**, the undersigned in the above-captioned case, hereby declare
(Print Name of Attorney or Declarant)

under penalty of perjury under the laws of the United States of America that the following is true and correct:

[Check the appropriate boxes and, if applicable, provide the required information.]

1. I have personal knowledge of the matters set forth in this Statement because:
- I am the president or other officer or an authorized agent of the debtor corporation
 - I am a party to an adversary proceeding
 - I am a party to a contested matter
 - I am the attorney for the debtor corporation
- 2.a. The following entities, other than the debtor or a governmental unit, directly or indirectly own 10% or more of any class of the corporation's(s') equity interests:
[For additional names, attach an addendum to this form.]
- b. There are no entities that directly or indirectly own 10% or more of any class of the corporation's equity interest.



Signature of Attorney or Declarant

7-30-10

Date

M. Jonathan Hayes (90388);

Printed Name of Attorney or Declarant