

1 PAMELA J. ZYLSTRA – State Bar No. 147977  
PAMELA JAN ZYLSTRA  
2 A PROFESSIONAL CORPORATION  
18191 Von Karman Avenue, Suite 460  
3 Irvine, CA 92612-7114

4 Telephone: (949) 222-2000  
Facsimile: (949) 222-2022  
5 Email: [zylstralaw@gmail.com](mailto:zylstralaw@gmail.com)

6  
7 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

**DEBTOR'S MOTION FOR ORDER  
APPROVING FIRST STIPULATION  
WITH CUMMING CONSTRUCTION  
MANAGEMENT, INC., dba CUMMING  
CORPORATION FOR USE OF CASH  
COLLATERAL; MEMORANDUM OF  
POINTS AND AUTHORITIES AND  
DECLARATION OF CHRISTOPHER  
CLARKE IN SUPPORT THEREOF**

DATE: September 27, 2017

TIME: 10:00 a.m.

CTRM: Courtroom 5B

411 W. Fourth Street

Santa Ana, California 92701

23  
24  
25  
26  
27  
28

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; ALL**  
4 **CREDITORS AND PARTIES IN INTEREST:**

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 for an order approving the *STIPULATION WITH CUMMING CONSTRUCTION*  
8 *MANAGEMENT, INC., dba CUMMING CORPORATION REGARDING THE DEBTOR'S USE OF*  
9 *CASH COLLATERAL THROUGH JANUARY 31, 2018* (the "Stipulation"). A true and correct copy  
10 of the Stipulation is attached as Exhibit 1 to the Declaration of Christopher Clarke (the "Clarke  
11 Declaration") annexed hereto. The proposed form of order granting the Motion and approving the  
12 Stipulation is attached to the Motion as Exhibit 5.

13 This Motion is based upon the Stipulation, the appended Declaration of Christopher Clarke,  
14 the points and authorities in support thereof annexed hereto, and upon such other additional  
15 evidence, oral or documentary, that the Court may consider prior to or at the time of the hearing on  
16 the Motion.

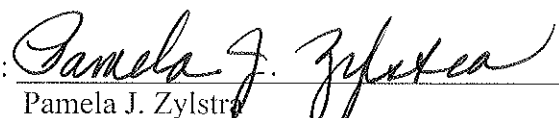
17 WHEREFORE, the Debtor requests that this Court enter its order:

18 A. Approving the Stipulation for the use of cash collateral to the extent that disputed secured  
19 creditor Cumming has an interest in cash collateral pursuant to the terms and limitations set forth  
20 therein; and

21 B. Granting to the Debtor such other and further relief as is just and proper.

22 DATED: September 6, 2017

PAMELA JAN ZYLSTRA  
A PROFESSIONAL CORPORATION

23  
24  
25 By:   
26 Pamela J. Zylstra  
27 Attorneys for Clarke Project Solutions, Inc.  
28 Debtor and Debtor-in-Possession

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I.

3 SUMMARY OF RELIEF REQUESTED

4 The Debtor filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code  
5 on February 2, 2017 (the "Petition Date"). This is the Debtor's third request for court authority to  
6 use cash collateral. By the Motion, the Debtor requests approval of the Stipulation between the  
7 Debtor and Cumming Construction Management, Inc., dba Cumming Corporation ("Cumming") for  
8 the use cash collateral to continue operating the Debtor's business from October 1, 2107, through  
9 January 31, 2018. The Stipulation between the Debtor and Cumming is attached as Exhibit 1 to the  
10 Clarke Declaration. Appended as Exhibit 1 to the Stipulation is the Cash Budget Thru January 2018  
11 dated 8/29/17 (the "Budget"). Attached as Exhibit 5 to the Clarke Declaration is the proposed form  
12 of order approving the Stipulation and authorizing the Debtor's continued use of cash collateral  
13 pursuant to the Budget.

14 The Debtor has been operating on a profitable basis postpetition. The profit on a cash basis,  
15 as reported in the Profit & Loss statement, through July 2017, was a combined profit on a cash basis  
16 for the first six months of approximately \$290,000.00. A true and correct copy of the Debtor's Profit  
17 & Loss statement for the period from February 2, 2017, through July 31, 2017, is attached to the  
18 Clarke Declaration as Exhibit 2.

19 The Debtor's income and expenses for the first six months were consistent with the Debtor's  
20 cash budget projections with few exceptions. A true and correct copy of the Debtor's most recent  
21 Budget vs Actual report for July 2017 is attached to the Clarke Declaration as Exhibit 3.

22 The cash collateral as of July 31, 2017, was approximately \$920,000.00 in cash and  
23 approximately \$250,00.00 in accounts receivable for an estimated total cash collateral of  
24 \$1.2 million. A true and correct copy of the Debtor's A/R Aging as of July 31, 2017, is attached to  
25 the Clarke Declaration as Exhibit 4.

26 The beginning cash collateral, as of the filing of the case on February 2, 2017, consisted of  
27 cash of approximately \$600,000.00 and accounts receivable of approximately \$400,000.00 for total  
28 beginning cash collateral of approximately \$1.0 million. *See*, Clarke Decl., ¶8.

1 Cumming is the only creditor that asserts an interest in cash collateral in this case. Cumming  
2 asserts both secured and unsecured claims against the Debtor. On May 15, 2017, Cumming filed its  
3 Proof of Claim No. 4 asserting an unsecured claim of \$270,358.01, and a secured claim of  
4 \$308,702.00. On May 25, 2017, Cumming filed its Amended Proof of Claim No. 4-2, submitting  
5 additional documents in support of its Proof of Claim No. 4. Cumming alleges a security interest in  
6 the cash, accounts receivable and other assets of the Debtor based on the filing of a UCC Financing  
7 Statement on June 6, 2013, with the Office of the California Secretary of State as Document Number  
8 380354800002. The Debtor disputes all claims alleged by Cumming, including the validity, extent  
9 and priority of the alleged security interest, and asserts that it has no financial obligations owing to  
10 Cumming.

11 The Debtor is requesting Court approval of the Stipulation between the Debtor and Cumming  
12 for the use of cash collateral through January 31, 2018.

13 **II.**

14 **STATEMENT OF FACTS**

15 **A. Orders Authorizing Use of Cash Collateral Through September 30, 2017**

16 The Debtor filed a motion on an emergency basis requesting authority to use cash collateral.  
17 At the request of the Debtor, the Court conducted hearings on February 8, 2017, regarding the  
18 interim use of cash collateral and the payment of prepetition payroll and expenses. The Court  
19 entered orders authorizing the payment of prepetition payroll and the use of cash collateral on an  
20 interim basis and set a final hearing for March 21, 2017.

21 By agreement, the Debtor produced Christopher Clarke, president of the Debtor, for a  
22 Rule 2004 Examination by Cumming on March 1, 2017, regarding the use of cash collateral.  
23 Thereafter, Cumming filed opposition to the proposed use of cash collateral. The Debtor was not  
24 able to reach an agreed resolution of the objections of Cumming, however, the Debtor did resolve  
25 the Limited Opposition of the United States Trustee to the use of cash collateral. After conducting a  
26 final hearing, the Court entered an order authorizing the use of cash collateral through May 31, 2017.

27 The Debtor filed its second motion requesting court authority to use cash collateral to  
28 continue operating its business through September 30, 2017. There was no opposition filed in

1 response to the second motion. The Court granted the second cash collateral motion and authorized  
2 use of cash through September 30, 2017, by order entered on entered on May 30, 2017, as ECF  
3 Docket No. 105.

4 **B. Description of the Debtor's Business Operations**

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

11 The regulations for Set Aside Programs require that the disabled veteran have an active and  
12 controlling participation in the business, that the veteran or small business enterprise perform greater  
13 than 50% of the actual work contracts, receive greater than 50% of the benefits of disabled veteran  
14 small business status, and that the veteran or small business enterprise not enter into a relationship in  
15 which control of the veteran or small business enterprise impairs the veteran's independent judgment.  
16 These requirements are set out in the Veterans Benefit Act 2003, the California Military and Veterans  
17 Code § 999 et seq. and related statutes and federal and state regulations and are collectively referred to  
18 as "Regulations".

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

26 The principal and sole owner of the Debtor, Christopher Clarke ("Clarke"), began developing  
27 facilities management business in 2010. The management of government facilities requires hiring  
28 employees and staffing desks in government buildings to perform property management functions.

1 Under a facilities management contract, the Debtor hires employees to perform tasks identified by the  
2 contract, pays the employees, and then submits an invoice for reimbursement of the employee wages,  
3 costs of administration and an agreed percentage profit margin. In 2016, the Debtor employed about 35  
4 people to provide facilities management services under two contracts directly with the government and  
5 as a subcontractor. The facilities management contracts generated about 90% of the Debtor's business,  
6 representing revenue in 2016 of approximately \$3.8 million.

7 The Debtor's administrative staff include Clarke and three employees. The Debtor's staff of  
8 four people provide all financial and administrative oversight to: (a) submit bid proposals for cost  
9 estimating and facilities management contracts, (b) retain and compensate employees, (c) complete  
10 routine accounting and financial services; and (d) perform all other administrative tasks required for  
11 the Debtor's business operations.

12 **C. Description of the Debtor's Current Sources of Income and the Cash Budget**

13 The Debtor generates revenues in the form of accounts receivable for the performance of  
14 services under its cost estimating contracts and its facilities management contracts. The collection of  
15 those receivables has been consistent and predictable and varies from receipt of payment 20 days  
16 after delivery of invoices to payment 45 days after delivery of invoices.

17 The Debtor prepared a projected Cash Budget for four months, October 1, 2017 through  
18 January 31, 2018 (the "Budget"). A true and correct copy of the Budget is attached as Exhibit 1 to  
19 the Stipulation, attached to the Clarke Declaration as Exhibit 1.

20 **D. The Stipulation for Use of Cash Collateral and Adequate Protection of the**  
21 **Alleged Claim of Cumming**

22 The Debtor and Cumming have agreed to the Debtor's continued use of cash collateral in  
23 connection with the continued operation of the Debtor's business, without interruption, in its  
24 furnishing of services to its customers in accordance with the Budget attached as Exhibit 1 to the  
25 Stipulation. The Budget indicates that the Debtor will operate on a cash-flow positive basis during  
26 the entire budget period and will meet all its post-petition operating expenses, and that its assets will  
27 increase in value due to the anticipated cash accumulation during such period. The business  
28 assumptions underlying the operations projected in the Budget are very reasonable in that the

1 expense items are based upon actual historical data and the revenue projected is in accordance with  
2 the Debtor's historical experience with its customers. The Budget also indicates that this collateral  
3 pool will include cash in excess of \$800,000.00 which is more than the \$600,000.00 that existed on  
4 the Petition Date. *See*, Clarke Declaration at ¶¶8-9. The cash balances include the balance in the  
5 segregated holding account, to be funded for the potential benefit of Cumming, that will be  
6 \$110,000.00 by January 31, 2018.

7 The Debtor and Cumming have stipulated to the use cash collateral from October 1, 2017  
8 through January 31, 2018 pursuant to the terms and conditions set forth below:

9 1. **Budget.** The Debtor will be authorized to make the expenditures provided for in the  
10 Budget monthly. The Debtor may exceed any line item in the Budget up to fifteen percent (15%) in  
11 any one month, as long as the overage for all items in the aggregate does not exceed fifteen percent  
12 (15%) of the total budget amount for that month, with the savings in one month to be carried over  
13 into subsequent months. *See*, Stipulation, ¶¶1-6.

14 2. **Segregation of Voluntary Payments.** The Debtor shall deposit in a segregated debtor-  
15 in-possession bank account \$10,000.00 per month beginning in October 2017 and each month  
16 thereafter through January 2018. This payment is substantially more than accruing interest on any  
17 claim that may be allowed in favor of Cumming, and is not required by either contract or by law.  
18 The accumulation of cash in this segregated account is proposed as a demonstration of the Debtor's  
19 good faith in requesting the use of cash collateral to continue its operations. No payments are to be  
20 made to Cumming until its claims are allowed by the Court and the Court enters an order authorizing  
21 distribution of the funds. *See*, Stipulation, ¶4.

22 3. **Replacement Lien.** Cumming will be granted a replacement lien as adequate protection  
23 to the same validity, priority and extent as existed in its favor on the Petition Date. *See*, Stipulation,  
24 ¶3.

25 4. **Financial Reporting.** The Debtor will provide Cumming with copies of monthly  
26 operating reports required to be submitted to the Office of the United States Trustee, and monthly  
27 Budget reports comparing the budgeted line items to actual collections and expenses, broken down  
28 by the expense line items contained in the Budget. *See*, Stipulation, ¶8.

1 5. **Reservation of Rights.** The Debtor and all other parties in interest will reserve any and  
2 all rights that they may have regarding the alleged claim(s) of Cumming. *See*, Stipulation, ¶7.

3 6. **Additional Disclosures.** None of the provisions set forth in Federal Rule of Bankruptcy  
4 Procedure Rule 4001(c)(1)(B)(i) through (xi) are proposed to be a part of the relief sought in the  
5 Motion. *See*, STATEMENT REGARDING CASH COLLATERAL OR DEBTOR-IN-  
6 POSSESSION FINANCING [FRBP 4001; LBR 4001-2] that is being filed concurrently herewith  
7 confirming the foregoing.

8 III.

9 **THE COURT MAY APPROVE THE STIPULATION FOR THE CONTINUED**  
10 **USE OF ANY AND ALL CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363**

11 The provisions of 11 U.S.C. §363(c)(2) govern a debtor's use of cash collateral.  
12 Section 363(c)(2) provides, in pertinent part, as follows:

13 The trustee [or debtor in possession] may not use, sell or lease cash collateral... unless:

14 (A) each entity that has an interest in such cash collateral consents; or

15 (B) the court, after notice and a hearing, authorizes such use, sale, or lease in  
16 accordance with the provisions of this section.

17 11 U.S.C. §363(c)(2).

18 Accordingly, a court may authorize a debtor's use of creditor's cash collateral in the absence  
19 of creditor consent. *See*, 11 U.S.C. §363(e). A debtor-in-possession has all the rights and powers of  
20 a trustee with respect to property of the estate, including the right to use property of the estate in  
21 compliance with 11 U.S.C. §363. *See*, 11 U.S.C. §1107(a).

22 11 U.S.C. §363(e) provides that, upon the request of an entity that has an interest in property  
23 proposed to be used by the debtor, the court may prohibit or condition such use "as is necessary to  
24 provide adequate protection of such interest." The Bankruptcy Code clearly delineates the party,  
25 which bears the burden of proof on the relevant cash collateral issues:

26 (1) the trustee [or debtor in possession] has the burden of proof of the issue of  
27 adequate protection; and  
28



1 (2) the entity asserting an interest in property has the burden of proof on the issue of  
2 the validity, priority, or extent of such interest. 11 U.S.C. § 363(p).

3 Thus, this Court may authorize the Debtor's use of any cash collateral of Cumming upon  
4 determining that *their interests in the cash collateral will be adequately protected*. *In re McCombs*  
5 *Properties VI, Ltd.*, 88 B.R. 261 (Bankr. C.D. Cal. 1988).

6 The Debtor has satisfied the statutory standards applicable to use of cash collateral. In this  
7 case, the creditor asserting an interest in the cash collateral, Cumming, has consented to the  
8 continued use of cash collateral by the Debtor. Absent objection from another creditor or a party-in-  
9 interest, the Court may approve the Stipulation between Cumming and the Debtor for the continued  
10 use of cash collateral.

#### 11 IV.

#### 12 THE CONTINUED USE OF CASH COLLATERAL

#### 13 PROMOTES A SUCCESSFUL REORGANIZATION

14 In *In re O'Conner*, 808 F.2d 1393 (10<sup>th</sup> Cir. 1987), the Tenth Circuit Court of Appeals  
15 recognized that the ultimate goal of Chapter 11 proceedings is to enhance the prospects of  
16 reorganization. In this regard, the Tenth Circuit stated as follows:

17 [T]he Debtors' efforts are not only to be encouraged, but also their efforts  
18 during the administration of the proceeding are to be measured in light of that  
19 quest. Because the ultimate benefit to be achieved by a successful reorganization  
20 inures to all the creditors of the estate, a fair opportunity must be given to the  
21 Debtors to achieve that end.... In order to encourage the Debtor's efforts in the  
22 formative period prior to the proposal of a reorganization, the court must be  
23 flexible in applying the adequate protection standard.

24 *Id.* at 1397-98 (emphasis added); *Accord, In re Dynaco Corp.*, 162 B.R. 389, 395 (Bank. D.N.H.  
25 1993) (“[T]he court will generally permit the business operations to continue, at least to the point of  
26 plan formulation, if the debtors make a solid evidentiary showing to support their projections...”);  
27 *In re Heatron, Inc.*, 6 B.R. 493, 496 (Bankr. W.D. Mo 1980) (“At the beginning of the  
28

1 reorganization process the Court must work with less evidence than might be desirable and should  
2 resolve issues in favor of the reorganization where the evidence is conflicting.”).

3 A determination to grant to the Debtor use of cash collateral will help promote a successful  
4 reorganization, as it will allow the Debtor to continue, uninterrupted, the normal operations of its  
5 business. The Debtor has a strong potential for successful reorganization. The Debtor’s efforts to  
6 successfully reorganize its financial affairs, in turn, will be to the ultimate benefit of Cumming (and  
7 the unsecured creditors in this case), by preserving and enhancing the value of its secured interest.  
8 *See*, Clarke Declaration at ¶13.

9 The Debtor and Cumming have agreed to the continued use of cash collateral. The  
10 Stipulation attached as Exhibit 1 to the Declaration of Christopher Clarke sets forth the agreement of  
11 the parties. The Court may approve the Stipulation and authorize the continued use of cash  
12 collateral based both on the consent of Cumming.

13 In addition, the continued operation of the business will likely result in a successful  
14 reorganization that will benefit the other creditors and parties-in-interest in this case. The Debtor has  
15 a strong potential for successful reorganization if the Debtor is permitted to utilize cash collateral.  
16 By contrast, if the Debtor is denied use of cash collateral, it will be forced to close its business and  
17 cease operations almost immediately. Such a cessation of operations, even temporarily, would cause  
18 irreparable damage to the Debtor’s business in the form of immediate client defections, lost  
19 revenues, and loss of goodwill. The Debtor provides facilities management services under  
20 government contracts for locations nationwide. If the Debtor was permanently prohibited from  
21 using cash collateral, the Debtor would be forced to totally cease its operations, and disrupt  
22 government services in multiple locations. With the prospect for no reorganization, assets of the  
23 Debtor would be distributed to a substantially larger creditor body that would include administrative  
24 damage claims for breach of the various facilities management contracts. All factors weigh in favor  
25 of authorizing the Debtor to continue continuing operations with the goal of reorganizing its  
26 financial affairs. *See*, Clarke Declaration, ¶13.

27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

V.

CONCLUSION

Based upon the foregoing, the Debtor respectfully requests that this Court enter its Order authorizing the use of cash collateral under the terms and conditions set forth in the Stipulation between Cumming and the Debtor, attached to the Declaration of Christopher Clarke as Exhibit 1.

DATED: September 6, 2017

PAMELA JAN ZYLSTRA  
A PROFESSIONAL CORPORATION

By: *Pamela J. Zylstra*  
Pamela J. Zylstra  
Attorneys for Clarke Project Solutions, Inc.  
Debtor and Debtor-in-Possession

**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 2015, 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. Purpose. The Debtor filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code on February 2, 2017 (the “Petition Date”). I make this declaration in support of the Debtor’s third motion requesting court authority to use cash collateral. By the Motion, the Debtor requests authority to use cash collateral to continue operating its business from October 1, 2107 through January 31, 2018, pursuant to the terms of the *STIPULATION WITH CUMMING CONSTRUCTION MANAGEMENT, INC., dba CUMMING CORPORATION REGARDING THE DEBTOR’S USE OF CASH COLLATERAL THROUGH JANUARY 31, 2018* (the “Stipulation”). A true and correct copy of the Stipulation is attached hereto as Exhibit 1.

3. First Motion for Use of Cash Collateral. The Debtor filed an emergency motion requesting authority to use cash collateral on February 4, 2017 as ECF Docket No. 6. The alleged creditor, Cumming Construction Management, Inc., (“Cumming”) filed opposition to the motion. At the request of the Debtor, the Court conducted hearings on February 8, 2017, regarding the interim use of cash collateral, and the payment of prepetition payroll and expenses. The Court entered its orders authorizing the payment of prepetition payroll and the use of cash collateral on an interim basis, and set a final hearing for March 21, 2017. The Court conducted a final hearing on March 21, 2017, and entered its order authorizing the use of cash collateral through May 31, 2017.

1           4.       Second Motion for Use of Cash Collateral. The Debtor filed its second motion  
2 requesting court authority to use cash collateral to continue operating its business through  
3 September 30, 2017. There was no opposition filed in response to the second motion. The Court  
4 granted the second cash collateral motion and authorized use of cash through September 30, 2017.

5           5.       Debtor's Operations Profitable Postpetition. The Debtor has been operating on a  
6 profitable basis since filing the bankruptcy case. The profit on a cash basis, as reported in the Profit  
7 & Loss statement, through July 2017, was a combined profit on a cash basis for the first six months  
8 of approximately \$290,000.00. A true and correct copy of the Debtor's Profit & Loss statement for  
9 the period from February 2, 2017, through July 31, 2017, is attached hereto as Exhibit 2.

10          6.       Cash Budget vs Actual. The Debtor's income and expenses for the first six months  
11 were consistent with the Debtor's cash budget projections with few exceptions. A true and correct  
12 copy of the Debtor's most recent Budget vs Actual report for July 2017 is attached hereto as  
13 Exhibit 3.

14          7.       Cash Collateral As Of July 31, 2017. The cash collateral as of July 31, 2017, was  
15 approximately \$920,000.00 in cash and approximately \$250,000.00 in accounts receivable for an  
16 estimated total cash collateral of \$1.2 million. A true and correct copy of the Debtor's A/R Aging as  
17 of July 31, 2017, is attached hereto as Exhibit 4.

18          8.       Cash Collateral As Of February 2, 2017. The beginning cash collateral, as of the  
19 filing of the case on February 2, 2017, consisted of cash of approximately \$600,000.00 and accounts  
20 receivable of approximately \$400,000.00 for total beginning cash collateral of approximately \$1.0  
21 million.

22          9.       Budget. The Debtor generates revenues from the performance of services under the  
23 facilities management contracts and cost estimating contracts. I worked with my administrative staff  
24 to develop a budget projection for the period from October 1, 2017, through January 31, 2018. A  
25 true and correct copy of the Cash Budget (the "Budget") is appended as Exhibit 1 to the Stipulation  
26 that is attached hereto as Exhibit 1.

27          10.       Terms and Conditions for Use of Cash Collateral. The Debtor proposes to use cash  
28 collateral through January 31, 2018, pursuant to the terms and conditions set forth in the Stipulation:

- 1 a. **Budget.** The Debtor will be authorized to make the expenditures provided for in the  
2 Budget monthly. The Debtor may exceed any line item in the Budget up to fifteen  
3 percent (15%) in any one month, as long as the overage for all items in the aggregate  
4 does not exceed fifteen percent (15%) of the total budget amount for that month, with  
5 the savings in one month to be carried over into subsequent months. Stipulation, ¶¶1-6.
- 6 b. **Segregation of Adequate Protection Payments.** The Debtor shall deposit in a  
7 segregated debtor-in-possession bank account \$10,000.00 each month. The Debtor  
8 made the first monthly deposit in the segregated account in March 2017. This payment  
9 is substantially more than accruing interest on any claim that may be allowed in favor  
10 of Cumming, and is not required by either contract or by law. The accumulation of  
11 cash in this segregated account is proposed as a demonstration of the Debtor's good  
12 faith in requesting the use of cash collateral to continue its operations. No payments  
13 are to be made to Cumming until its claims are allowed by the Court and the Court  
14 enters an order authorizing distribution of the funds. Stipulation, ¶4.
- 15 c. **Replacement Lien.** Cumming will be granted a replacement lien as adequate  
16 protection to the same validity, priority and extent as existed in its favor on the Petition  
17 Date. Stipulation, ¶3.
- 18 d. **Financial Reporting.** The Debtor will provide Cumming with copies of monthly  
19 operating reports required to be submitted to the Office of the United States Trustee,  
20 and monthly Budget reports comparing the budgeted line items to actual collections and  
21 expenses, broken down by the expense line items contained in the Budget. Stipulation,  
22 ¶8.
- 23 e. **Reservation of Rights.** The Debtor and all other parties in interest will reserve any  
24 and all rights that they may have regarding the alleged claim(s) of Cumming.  
25 Stipulation, ¶7.
- 26 11. **Budget Assumptions.** The Debtor proposes to use cash collateral in connection with  
27 the continued operation of its business, without interruption, in its furnishing of services to its  
28 customers in accordance with the Budget appended to the Stipulation as Exhibit 1. The Budget

1 indicates that the Debtor will operate on a cash-flow positive basis during the entire budget period  
2 and will meet all its post-petition operating expenses, and that its assets subject to the liens and  
3 replacement liens will remain relatively consistent during such period. The business assumptions  
4 underlying the operations projected in the Budget are very reasonable in that the expense items are  
5 based upon actual historical data and the revenue projected is in accordance with the Debtor's  
6 historical experience with its customers.

7       12.     Debtor's Current Administrative Staff. The Debtor's administrative staff consists of  
8 four employees and me. The Debtor's staff of five people provide all financial and administrative  
9 oversight to: (a) submit bid proposals for cost estimating and facilities management contracts,  
10 (b) retain and compensate employees, (c) supervise employees, travel to site locations, etc.;;  
11 (d) attend conferences, planning meetings, and other events required to fulfill the contracts;  
12 (e) complete routine accounting and financial services; and (f) perform all other administrative tasks  
13 required for the Debtor's business operations.

14       13.     Promote Reorganization. A determination to grant to the Debtor use of cash  
15 collateral will help promote a successful reorganization, as it will allow the Debtor to continue,  
16 uninterrupted, the normal operations of its business. The Debtor has a strong potential for successful  
17 reorganization. The Debtor's efforts to successfully reorganize its financial affairs, in turn, will be to  
18 the ultimate benefit of all creditors, including Cumming and all creditors in this case, by preserving  
19 and enhancing the value of the assets of the estate. If the Debtor is denied use of cash collateral, it  
20 will be forced to close its business and cease operations almost immediately. Such a cessation of  
21 operations, even temporarily, would cause irreparable damage to the Debtor's business in the form  
22 of immediate client defections, lost revenues, and loss of goodwill. If the Debtor was permanently  
23 prohibited from using cash collateral, the Debtor would be forced to totally cease its operations, and  
24 disrupt government services in multiple locations. With the prospect for no reorganization, assets of  
25 the Debtor would be distributed to a significantly larger creditor body, including administrative  
26 damage claims for breach of the various facilities management contracts. All factors weigh in favor  
27 of authorizing the Debtor to continue continuing operations with the goal of reorganizing its  
28 financial affairs.

1                   **BACKGROUND FACTS REGARDING DEBTOR’S FORMATION,**  
2                   **BUSINESS OPERATIONS AND CLAIMS ALLEGED BY CUMMING**

3           14.    Service Disabled Veteran. I was a member of the Armed Forces and served in  
4 combat in the Vietnam War. I am certified with a 30% service connected disability and qualify under  
5 Federal and state regulations as a “service disabled veteran”.

6           15.    Set Aside Programs. A specific percentage of government contracts are set aside  
7 exclusively for performance by qualified small business enterprises (the “Set Aside Programs”). The  
8 bidding environment for government cost estimating and cost management contracts is extremely  
9 competitive. A business that is a qualified small business enterprise under one of the Set Aside  
10 Programs is significantly more likely to succeed. The Set Aside Programs require all bid proposals to  
11 include goods and/or services supplied by small business enterprises that qualify as: 1) women owned;  
12 2) minority owned; 3) Native American owned; and 4) service disabled veteran owned. The regulations  
13 for Set Aside Programs require that the disabled veteran have an active and controlling participation in  
14 the business, that the veteran or small business enterprise perform greater than 50% of the actual work  
15 contracts, receive greater than 50% of the benefits of disabled veteran small business status, and that the  
16 veteran or small business enterprise not enter into a relationship in which control of the veteran or small  
17 business enterprise impairs the veteran’s independent judgment. These requirements are set out in the  
18 Veterans Benefit Act 2003, the California Military and Veterans Code § 999 et seq. and related statutes  
19 and federal and state regulations and are collectively referred to as "Regulations".

20           16.    Formation of Debtor. Cumming Clarke was created in 2004 to bid for and perform cost  
21 management and cost estimating services under government contracts. Cost estimating contracts may  
22 be directly between the Debtor and government entities, such as the Department of Defense.  
23 Alternatively, the Debtor may serve as a subcontractor for cost estimating services under a contract bid  
24 by an architectural or engineering firm that has a direct contract with a government entity.

25           17.    Cumming/CPS. From 2004 through 2015, Cumming performed all management,  
26 administrative, accounting, financing and other business functions of the Debtor with employees of  
27 Cumming and without my participation. During this period the name changed to Clarke Project  
28 Solutions, Inc. and there were a series of ownership changes. The business operated by Cumming first



1 under the name Cumming Clarke and then under the Clarke Project Solutions, Inc. is referred to as  
2 "Cumming/CPS". Cumming: a) developed substantially all the Cumming/CPS business, b) negotiated  
3 the terms of all contracts; c) negotiated the terms of payments made to Clarke and Cumming/CPS; d)  
4 set the terms of payment by Cumming/CPS to Cumming; e) decided when to change Support  
5 Agreements and employed Cumming's lawyers to draft the agreements; f) changed the ownership of  
6 the shares of Cumming/CPS; g) cancelled the Sub-Chapter S tax status elected by Cumming/CPS; and  
7 h) set all terms for the business relationship between Cumming/CPS and Cumming. Cumming has  
8 been and continues to represent itself in the government contract marketplace as Clarke Project  
9 Solutions, Inc., a disabled veteran small business enterprise, and continues to provide cost management  
10 and cost estimating services under contracts in that name. The entire operation was in the control of  
11 Cumming.

12 18. Support Agreements and "Loan and Security Agreement" Attorneys for Cumming  
13 prepared operational support agreements between Cumming and Cumming/CPS dated 2004. In 2009  
14 the lawyers for Cumming drafted a new Support Agreement and required Clarke to sign it, stating only  
15 that circumstances had changed and a new Support Agreement was necessary. In 2010 lawyers for  
16 Cumming drafted yet another Support Agreement as well as a document entitled Loan and Security  
17 Agreement which purported to grant Cumming a security interest in all the receivables and assets of  
18 Cumming/CPS. Cumming was creating the "debt" and deciding whether Cumming/CPS was going to  
19 repay the debt to Cumming since Cumming controlled the collection of Cumming/CPS revenue,  
20 determined what expenses to pay, and how much Cumming/CPS should pay to Cumming.

21 19. Alleged Claim(s) of Cumming. Since 2010, Cumming, operating under the Debtor's  
22 name, generated annual revenue of between \$2,000,000 and \$3,500,000. According to the claim(s) of  
23 Cumming, the operation of Cumming/CPS required "advances" by Cumming under the Support  
24 Agreement(s) to pay the expenses and management fee Cumming was collecting for itself out of  
25 revenue generated under the Cumming/CPS contracts. Cumming refused my requests for detailed  
26 information on Cumming/CPS business operations, profitability, the basis of calculating expenses,  
27 allocation of revenue or even the terms by which Cumming was selling its own services to  
28 Cumming/CPS. Cumming maintained a bank account in the name of the Debtor, made all the

1 disbursements from that account without participation of Clarke and collected all revenue invoiced in  
2 the name of the Debtor. All customer invoice payments were sent to Cumming at Cumming's address.

3 20. Alleged Claims of Cumming. Cumming asserts both secured and unsecured claims  
4 against the Debtor. On May 15, 2017, Cumming filed its Proof of Claim No. 4 asserting an  
5 unsecured claim of \$270,358.01, and a secured claim of \$308,702.00. On May 25, 2017, Cumming  
6 filed its Amended Proof of Claim No. 4-2, submitting additional documents in support of its Proof of  
7 Claim No. 4. Cumming alleges a security interest in the cash, accounts receivable and other assets  
8 of the Debtor based on the filing of a UCC Financing Statement on June 6, 2013, with the Office of  
9 the California Secretary of State as Document Number 380354800002. The Debtor disputes all  
10 claims alleged by Cumming, including the validity, extent and priority of the alleged security  
11 interest, and asserts that it has no financial obligations owing to Cumming. In fact, I believe that  
12 Cumming owes the Debtor substantial sums as a result of its operation of Cumming/CPS.

13 21. Operation of Cumming/CPS. In 2010 I went to work for Cumming/CPS as its sole  
14 employee and began developing the facilities management business. All other services under the  
15 Cumming/CPS contracts were performed by employees of Cumming. At that time, the Debtor  
16 qualified as a disabled veteran small business enterprise and was eligible to participate in Set Aside  
17 Programs under contracts for facilities management services. I developed the facilities management  
18 business over time and has managed all services provided under those contracts. In December 2015,  
19 Cumming/CPS was performing under two contracts for facilities management services. At the same  
20 time, Cumming was providing cost estimating services under approximately 110 contracts in the name  
21 of Clarke Project Solutions, Inc. operating as Cumming/CPS. The invoices for cost estimating services  
22 were submitted to customers by Cumming/CPS with "Clarke Project Solutions, Inc." and "Disabled  
23 Veteran Small Business Enterprise" prominently displayed at the top and the address for Cumming  
24 listed at the bottom. All payments were directed to the address for Cumming and Cumming endorsed  
25 and deposited all checks payable to Clarke Project Solutions, Inc.

26 22. Cost Estimating Contracts. Currently the Debtor employs two full-time cost estimators.  
27 In 2016, the Debtor provided cost estimating services under 25 contracts that generated about eight  
28 percent (8.0%) of its business, representing revenue of approximately \$317,000.00.

1           23.    Facilities Management Contracts. In 2010 I started working as an employee of the  
2 Debtor and I began developing facilities management business. The management of government  
3 facilities requires hiring employees and staffing desks in government buildings to perform property  
4 management functions. Under a facilities management contract, the Debtor hires employees to perform  
5 tasks identified by the contract, pays the employees, and then submits an invoice for reimbursement of  
6 the employee wages, costs of administration and an agreed percentage profit margin. In 2016, the  
7 Debtor employed about 35 people to provide facilities management services under two contracts  
8 directly with the government and as a subcontractor. The facilities management contracts generated  
9 about 90% of the Debtor's business, representing revenue in 2016 of approximately \$3.8 million.

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

12           Executed this 6th day of September 2017, at Irvine, California.

13 

14           CHRISTOPHER CLARKE

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

# EXHIBIT 1

1 PAMELA J. ZYLSTRA – State Bar No. 147977  
PAMELA JAN ZYLSTRA  
2 A PROFESSIONAL CORPORATION  
18191 Von Karman Avenue, Suite 460  
3 Irvine, CA 92612-7114

4 Telephone:(949) 222-2000  
Facsimile: (949) 222-2022  
5 Email: zylstralaw@gmail.com

6  
7 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

**STIPULATION WITH CUMMING  
CONSTRUCTION MANagements,  
INC., dba CUMMING CORPORATION  
REGARDING THE DEBTOR'S USE OF  
CASH COLLATERAL THROUGH  
JANUARY 31, 2018; DECLARATION  
OF CHRISTOPHER CLARKE IN  
SUPPORT THEREOF**

DATE: September 27, 2017

TIME: 10:00 a.m.

CTRM: Courtroom 5B

411 W. Fourth Street

Santa Ana, California 92701

23 TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES BANKRUPTCY  
24 JUDGE, AND ALL PARTIES IN INTEREST:

25 This Stipulation Regarding the Debtor's Use of Cash Collateral Through January 31, 2018,  
26 ("Stipulation") is made by and between Clarke Project Solutions, Inc., a California corporation,  
27 ("Debtor"), and Cumming Construction Management, Inc., dba Cumming Corporation  
28 ("Cumming") through their respective attorneys of record, with reference to the following facts:

RECITALS

1  
2 A. Case Background. The Debtor filed a voluntary petition under Chapter 11 of the  
3 United States Bankruptcy Code on February 2, 2017 (the "Petition Date"). The Debtor remains in  
4 possession of its assets and continues to operate its business as debtor-in-possession pursuant to  
5 11 U.S.C. §§ 1107, 1108.

6 B. Secured Claim Alleged by Cumming. Cumming asserts both secured and unsecured  
7 claims against the Debtor. On May 15, 2017, Cumming filed its Proof of Claim No. 4 asserting an  
8 unsecured claim of \$270,358.01, and a secured claim of \$308,702.00. On May 25, 2017, Cumming  
9 filed its Amended Proof of Claim No. 4-2, submitting additional documents in support of its Proof of  
10 Claim No. 4. Cumming alleges a security interest in the cash, accounts receivable and other assets  
11 of the Debtor based on the filing of a UCC Financing Statement on June 6, 2013, with the Office of  
12 the California Secretary of State as Document Number 380354800002. The Debtor disputes all  
13 claims alleged by Cumming, including the validity, extent and priority of the alleged security  
14 interest, and asserts that it has no financial obligations owing to Cumming.

15 C. First Orders Authorizing Use of Cash Collateral Through May 31, 2017. The Debtor  
16 filed an emergency motion requesting court authority to use cash collateral to continue operating its  
17 business through May 31, 2017. First, the Court authorized the use of cash collateral on an interim  
18 basis through March 22, 2017, by order entered February 8, 2017 as ECF Docket No. 33. At the  
19 final hearing on March 22, 2017, the Court granted the emergency cash collateral motion and  
20 authorized use of cash through May 31, 2017, by order entered on April 17, 2017, as ECF Docket  
21 No. 92.

22 D. Second Order Authorizing Use of Cash Collateral Through September 30, 2017. The  
23 Debtor filed its second motion requesting court authority to use cash collateral to continue operating  
24 its business through September 30, 2017. There was no opposition filed in response to the second  
25 motion. The Court granted the second cash collateral motion and authorized use of cash through  
26 September 30, 2017, by order entered on entered on May 30, 2017, as ECF Docket No. 105.

27 E. Use of Cash Collateral Through January 31, 2018. The Debtor asserts that it is  
28 necessary to use cash collateral to continue operating its business. By this Stipulation, the Debtor

1 and Cumming set forth their agreement, subject to Court approval, regarding the terms and  
2 conditions on which Cumming consents to the Debtor's continued use of cash collateral through  
3 September 30, 2017.

4 **AGREEMENT**

5 1. Use of Cash Collateral. The Debtor is authorized to use cash collateral through  
6 January 31, 2018, in the amounts set forth in the Cash Budget Thru January 2018 dated 8/29/17 (the  
7 "Budget") which is attached as Exhibit "1" to the annexed Declaration of Christopher Clarke.

8 2. Authorized Use Through January 31, 2018. The parties will come back at or before  
9 January 31, 2018, with an additional stipulation or new motion regarding the continued use of cash  
10 collateral.

11 3. Replacement Lien. Cumming is hereby granted a replacement lien as adequate  
12 protection to the same validity, priority and extent as existed in its favor on the Petition Date.

13 4. Monthly Segregation of \$10,000. The Debtor will continue to deposit in a segregated  
14 debtor-in-possession bank account \$10,000.00 per month each month. The Debtor commenced  
15 making deposits in March 2017, and the deposits shall be included in the cash collateral that is  
16 subject to the replacement lien in favor of Cumming. No payments are to be made to Cumming until  
17 its claims are allowed by the Court and the Court enters an order authorizing distribution of the  
18 funds.

19 5. Legal Fees. The expense line item for "Legal Fees" is a budget item and does not  
20 authorize the Debtor to pay attorney fees and costs or retainers to professionals except as authorized  
21 by an order of the Court.

22 6. 15% Expense Variance. The Debtor is authorized to exceed the amounts set forth in  
23 the Budget by as much as 15% of each respective budget total; however, if the Debtor's revenues  
24 increase, then the respective Debtor's expenditures may exceed the amount of the expenditures set  
25 forth in the respective budget in proportion to the increase in actual revenues from budgeted  
26 revenues. Budget savings for any month may be carried over and used by the Debtor in subsequent  
27 months.  
28

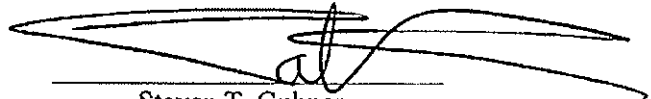
1           7.     Claims of Cumming. The Debtor, creditors and all other parties-in-interest will  
2 reserve any and all rights that they may have to object to the claims of Cumming Construction  
3 Management, Inc. and to object to the validity, priority and extent of its lien, if any, encumbering the  
4 Debtor's assets.

5           8.     Reporting Requirements. The Debtor shall provide to counsel for Cumming monthly  
6 operating reports required to be submitted to the Office of the United States Trustee, and monthly  
7 Budget reports comparing the budgeted line items to actual collections and expenses, broken down  
8 by the expense line items contained in the Budget, within 25 days after the end of each monthly  
9 period after the Petition Date.

10          9.     Court Approval. This Stipulation is subject to approval by order of the Bankruptcy  
11 Court. The Debtor will take all action required to obtain an order of the Bankruptcy Court approving  
12 the Stipulation.

13 DATED: 9/5/2017

BRUTZKUS GUBNER



Steven T. Gubner  
Talin Keshishian

Attorneys for Creditor, Cumming  
Construction Management, Inc.,  
dba Cumming Corporation

14  
15  
16  
17  
18  
19  
20 DATED: 9/05/2017

PAMELA JAN ZYLSTRA  
A PROFESSIONAL CORPORATION

21  
22 By: Pamela J. Zylstra

Pamela J. Zylstra

Attorneys for Clarke Project Solutions, Inc.  
Debtor and Debtor-in-Possession



**DECLARATION OF CHRISTOPHER CLARKE**

I, Christopher Clarke, declare:

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 2015, 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. Purpose. I make this declaration in support of the Stipulation With Cumming Construction Management, Inc., dba Cumming Corporation Regarding the Debtor’s Use Of Cash Collateral through January 31, 2018.

3. Case Background. The Debtor filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code on February 2, 2017 (the “Petition Date”). The Debtor remains in possession of its assets and continues to operate its business as debtor-in-possession pursuant to 11 U.S.C. §§ 1107, 1108.

4. First Orders Authorizing Use of Cash Collateral. The Debtor filed an emergency motion requesting authority to use cash collateral on February 4, 2017 as ECF Docket No. 6. The alleged creditor, Cumming Construction Management, Inc., (“Cumming”) filed opposition to the motion. At the request of the Debtor, the Court conducted hearings on February 8, 2017, regarding the interim use of cash collateral, and the payment of prepetition payroll and expenses. The Court entered its orders authorizing the payment of prepetition payroll and the use of cash collateral on an interim basis, and set a final hearing for March 21, 2017. The Court conducted a final hearing on March 22, 2017, and entered its order on April 17, 2017 as ECF Docket No. 92, authorizing the use of cash collateral through May 31, 2017.

1           5.     Second Order Authorizing Use of Cash Collateral. The Debtor filed a second motion  
2 requesting authority to use cash collateral through September 30, 2017. There was no opposition  
3 filed in response to the second motion. The Court granted the second cash collateral motion and  
4 authorized use of cash through September 30, 2017, by order entered on entered on May 30, 2017, as  
5 ECF Docket No. 105.

6           6.     Use of Cash Collateral Through January 31, 2018. It is necessary to use cash  
7 collateral to continue operating the Debtor's business. The Debtor has requested the consent of  
8 Cumming to the continued use of cash collateral through January 31, 2018, based on the cash  
9 projections of the Debtor for that period.

10          7.     Budget. The Debtor generates revenues from the performance of services under the  
11 facilities management contracts and cost estimating contracts. I worked with my administrative staff  
12 to develop a budget projection for the period from October 1, 2017, through January 31, 2018. A  
13 true and correct copy of the Cash Budget Thru January 2018 dated 8/29/17 (the "Budget") is  
14 attached hereto as Exhibit 1.

15           Executed this 5th day of September, at Irvine, California.

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

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



CHRISTOPHER CLARKE

EXHIBIT 1 ‘BUDGET’  
APPENDED TO  
CASH COLLATERAL STIPULATION

**CLARKE PROJECT SOLUTIONS, INC**  
**CASH BUDGET THRU JANUARY 2018**  
**8/29/2017**

	<u>Oct 2017</u>	<u>Nov 2017</u>	<u>Dec 2017</u>	<u>Jan 2018</u>
<b>Beginning Cash</b>	\$845,224	\$865,501	\$858,366	\$728,344
<b>Cash Receipts</b>				
Collected A/R - Cost Estimating	\$15,000	\$15,000	\$15,000	\$15,000
Collected A/R - Facility Support	\$395,540.57	\$316,990.73	\$316,990.73	\$316,990.73
<b>Total Cash Receipts</b>	<u>\$1,255,764</u>	<u>\$1,197,492</u>	<u>\$1,190,357</u>	<u>\$1,060,335</u>
<b>Disbursements</b>				
Direct Personnel Labor	\$210,000	\$200,000	\$300,000	\$200,000
Consultants - Direct	\$50,000	\$20,000	\$20,000	\$20,000
Indirect Personnel Labor	\$24,000	\$25,000	\$38,000	\$25,000
<b>Insurance</b>				
Dental Insurance	\$1,100	\$1,100	\$1,100	\$1,100
Professional Liability (E&O)	\$897	\$897	\$897	\$897
Health Insurance	\$8,600	\$8,600	\$8,600	\$8,600
Life Insurance	\$217	\$217	\$217	\$300
General Liability & W/C	\$2,074	\$2,074	\$2,074	\$2,074
<b>Total Insurance</b>	<u>\$12,888</u>	<u>\$12,888</u>	<u>\$12,888</u>	<u>\$12,971</u>
Payroll Taxes	\$20,475	\$19,688	\$29,575	\$19,688
Payroll Processing & Fees	\$650	\$650	\$650	\$650
<b>Office Expenses</b>				
Bank Service Charges	\$0	\$0	\$0	\$0
Computer Expenses	\$2,000	\$2,000	\$2,000	\$2,000
Dues and Subscriptions	\$500	\$500	\$500	\$500
Office Expense - Other	\$100	\$100	\$100	\$100
Office Supplies	\$200	\$200	\$200	\$200
Postage, Shipping	\$100	\$100	\$100	\$100
<b>Total Office Expenses</b>	<u>\$2,900</u>	<u>\$2,900</u>	<u>\$2,900</u>	<u>\$2,900</u>

	Oct 2017	Nov 2017	Dec 2017	Jan 2018
Telephone	\$650	\$650	\$650	\$650
Contributions	\$100	\$100	\$100	\$100
Conferences / Tradeshow	\$500	\$500	\$500	\$500
Professional & Outside Services				
Accounting & Finance	\$10,000	\$10,000	\$10,000	\$10,000
Legal Fees	\$15,000	\$15,000	\$15,000	\$15,000
IT & Technology	\$1,500	\$1,500	\$1,500	\$1,500
Total Prof. & Outside Services	\$26,500	\$26,500	\$26,500	\$26,500
Travel & Entertainment				
Airfare	\$3,500	\$2,500	\$2,500	\$2,500
Ground Transportation	\$1,500	\$1,000	\$1,000	\$1,000
Fuel	\$200	\$100	\$100	\$100
Lodging	\$3,000	\$2,000	\$2,000	\$2,000
Meals and Entertainment	\$2,500	\$2,000	\$2,000	\$2,000
Mileage Reimbursement	\$500	\$250	\$250	\$250
Parking & Tolls	\$300	\$200	\$200	\$200
Total Travel & Entertainment	\$11,500	\$8,050	\$8,050	\$8,050
Other Expense				
Secured Debt - Cumming	\$10,000	\$10,000	\$10,000	\$10,000
US Trustee Qtrly Fees	\$6,500	\$0	\$0	\$0
Federal Income Tax Expense	\$12,000	\$12,000	\$12,000	\$12,000
State & Local Tax Expense	\$2,200	\$800	\$800	\$800
Total Other Expense	\$30,700	\$22,800	\$22,800	\$22,800
<b>Total Disbursements</b>	<b>\$390,263</b>	<b>\$339,126</b>	<b>\$462,013</b>	<b>\$339,209</b>
<b>Ending Cash</b>	<b>\$865,501</b>	<b>\$858,366</b>	<b>\$728,344</b>	<b>\$721,126</b>
<b>Cumming Holding Account Balance</b>	<b>\$80,000</b>	<b>\$90,000</b>	<b>\$100,000</b>	<b>\$110,000</b>
<b>Total Cash</b>	<b>\$945,501</b>	<b>\$948,366</b>	<b>\$828,344</b>	<b>\$831,126</b>

## EXHIBIT 2

**Clarke Project Solutions, Inc. (post B)**  
**Profit & Loss**  
 February through July 2017

12:30 PM  
 08/08/17  
 Cash Basis

	Jul 17	TOTAL
Ordinary Income/Expense		
Income		
42700 · Fee Revenues	14,665.49	293,670.07
42710 · Revenue - Estimating	400,940.81	2,185,078.51
42730 · Revenue - Facility Services		
Total 42700 · Fee Revenues	415,606.30	2,478,748.58
Total Income	415,606.30	2,478,748.58
Cost of Goods Sold		
50200 · Direct Costs		
50210 · Salaries Direct		
50220 · Direct Personnel Labor	215,662.95	1,394,920.95
50230 · Direct Personnel Bonuses	0.00	0.00
Total 50210 · Salaries Direct	215,662.95	1,394,920.95
Total 50200 · Direct Costs	215,662.95	1,394,920.95
50300 · Other Direct Expenses		
50320 · Consultants - Direct Other	70,968.88	350,678.03
Total 50300 · Other Direct Expenses	70,968.88	350,678.03
Total COGS	286,631.83	1,745,598.98
Gross Profit	128,974.47	733,149.60
Expense		
Payroll Exchange	0.00	0.00
60000 · Operating Expenses		
60100 · Salaries Indirect		
60110 · Indirect Personnel Labor	23,604.82	150,180.30
Total 60100 · Salaries Indirect	23,604.82	150,180.30
61000 · Employee Relations & Benefits		
61100 · Insurance		
61110 · Dental Insurance	1,084.25	6,028.43
61120 · Professional Liability (E&O)	897.33	5,383.98
61130 · Health Insurance	8,906.58	49,144.18
61140 · Life Insurance	222.90	1,295.40
61160 · General Liability & W/C	2,303.90	11,723.43
61165 · Disability Benefits Insurance	0.00	74.26
Total 61100 · Insurance	13,414.96	73,649.68

No assurance is provided on these financial statements.

**Clarke Project Solutions, Inc. (post B)**  
**Profit & Loss**  
February through July 2017

12:30 PM  
08/08/17  
Cash Basis

	Jul 17	TOTAL
61190 · Payroll Taxes	18,870.55	127,679.95
61200 · Processing & Administration Fee	708.52	3,895.14
61220 · Training	0.00	2,685.00
<b>Total 61000 · Employee Relations &amp; Benefits</b>	<b>32,994.03</b>	<b>207,909.77</b>
62000 · Office Expenses		
62120 · Bank Service Charges	0.00	0.00
62130 · Computer Expenses	592.95	3,728.81
62140 · Dues and Subscriptions	165.00	787.48
62160 · Interest Expense	0.00	42.68
62200 · Office Expense - Other	0.00	1,443.21
62210 · Office Supplies	213.20	2,011.49
62230 · Postage, Shipping & Delivery	6.59	361.04
62290 · Telephone - Reimbursements		
62291 · Verizon	125.66	722.07
62292 · Internet	50.00	300.00
62290 · Telephone - Reimbursements - Other	500.00	2,874.37
<b>Total 62290 · Telephone - Reimbursements</b>	<b>675.66</b>	<b>3,896.44</b>
<b>Total 62000 · Office Expenses</b>	<b>1,653.40</b>	<b>12,271.15</b>
63000 · Marketing & Business Developmen		
63130 · Contributions	0.00	225.00
63140 · Conferences & Tradeshow	0.00	1,100.80
<b>Total 63000 · Marketing &amp; Business Developmen</b>	<b>0.00</b>	<b>1,325.80</b>
64000 · Professional & Outside Services		
64100 · Accounting & Finance	337.50	6,744.50
64110 · Consultants	722.35	1,226.32
64130 · IT & Technology	670.00	3,947.46
<b>Total 64000 · Professional &amp; Outside Services</b>	<b>1,729.85</b>	<b>11,918.28</b>
65000 · Travel & Entertainment		
65100 · Airfare	899.66	11,304.39
65110 · Ground Transportation	211.38	3,805.00
65120 · Fuel	16.08	425.86
65140 · Lodging	324.48	11,660.54
65150 · Meals and Entertainment	405.02	7,188.60
65160 · Mileage Reimbursement	571.92	4,128.71



Clarke Project Solutions, Inc. (post B)  
**Profit & Loss**  
 February through July 2017

12:30 PM  
 08/08/17  
 Cash Basis

	Jul 17	TOTAL
65170 · Parking & Tolls	45.60	785.45
65000 · Travel & Entertainment - Other	0.00	28.99
<b>Total 65000 · Travel &amp; Entertainment</b>	<b>2,474.14</b>	<b>39,327.54</b>
<b>Total 60000 · Operating Expenses</b>	<b>62,456.24</b>	<b>422,932.84</b>
<b>Total Expense</b>	<b>62,456.24</b>	<b>422,932.84</b>
<b>Net Ordinary Income</b>	<b>66,518.23</b>	<b>310,216.76</b>
Other Income/Expense		
Other Expense		
70500 · Other Expense		
70530 · Federal Income Tax Expense	0.00	-164.26
70540 · State & Local Tax Expense	1,721.06	5,912.68
70560 · U.S. Trustee Fees	6,500.00	11,375.00
<b>Total 70500 · Other Expense</b>	<b>8,221.06</b>	<b>17,123.42</b>
<b>Total Other Expense</b>	<b>8,221.06</b>	<b>17,123.42</b>
<b>Net Other Income</b>	<b>-8,221.06</b>	<b>-17,123.42</b>
<b>Net Income</b>	<b>58,297.17</b>	<b>293,093.34</b>

**Clarke Project Solutions, Inc. (post B)**  
**Profit & Loss**  
 February through July 2017

12:30 PM  
 08/08/17  
 Cash Basis

	Feb 17	Mar 17	Apr 17	May 17	Jun 17
Ordinary Income/Expense					
Income					
42700 · Fee Revenues					
42710 · Revenue - Estimating	27,616.00	67,468.86	96,495.27	58,915.00	28,509.45
42730 · Revenue - Facility Services	214,658.04	391,850.64	393,174.35	550,001.05	234,453.62
Total 42700 · Fee Revenues	242,274.04	459,319.50	489,669.62	608,916.05	262,963.07
Total Income	242,274.04	459,319.50	489,669.62	608,916.05	262,963.07
Cost of Goods Sold					
50200 · Direct Costs					
50210 · Salaries Direct					
50220 · Direct Personnel Labor	212,097.68	228,073.77	203,356.65	208,816.59	326,913.31
50230 · Direct Personnel Bonuses	0.00	0.00	0.00	0.00	0.00
Total 50210 · Salaries Direct	212,097.68	228,073.77	203,356.65	208,816.59	326,913.31
Total 50200 · Direct Costs	212,097.68	228,073.77	203,356.65	208,816.59	326,913.31
50300 · Other Direct Expenses					
50320 · Consultants - Direct Other	0.00	65,945.75	72,550.83	66,096.46	75,116.11
Total 50300 · Other Direct Expenses	0.00	65,945.75	72,550.83	66,096.46	75,116.11
Total COGS	212,097.68	294,019.52	275,907.48	274,913.05	402,029.42
Gross Profit	30,176.36	165,299.98	213,762.14	334,003.00	-139,066.35
Expense					
Payroll Exchange	0.00	0.00	0.00	0.00	0.00
60000 · Operating Expenses					
60100 · Salaries Indirect					
60110 · Indirect Personnel Labor	21,542.32	21,317.32	23,792.32	23,267.32	36,656.20
Total 60100 · Salaries Indirect	21,542.32	21,317.32	23,792.32	23,267.32	36,656.20
61000 · Employee Relations & Benefits					
61100 · Insurance					
61110 · Dental Insurance	910.77	-305.21	2,300.23	1,040.88	997.51
61120 · Professional Liability (E&O)	897.33	897.33	897.33	897.33	897.33
61130 · Health Insurance	7,335.35	-106.98	16,193.50	8,216.68	8,599.05
61140 · Life Insurance	216.42	0.00	422.28	216.90	216.90
61160 · General Liability & W/C	2,074.89	432.96	2,303.89	2,303.89	2,303.90
61165 · Disability Benefits Insurance	0.00	0.00	0.00	0.00	74.26
Total 61100 · Insurance	11,434.76	918.10	22,117.23	12,675.68	13,088.95

No assurance is provided on these financial statements.

**Clarke Project Solutions, Inc. (post B)**  
**Profit & Loss**  
**February through July 2017**

12:30 PM  
08/08/17  
Cash Basis

	Feb 17	Mar 17	Apr 17	May 17	Jun 17
61190 · Payroll Taxes	22,160.30	20,587.00	18,597.83	18,553.93	28,910.34
61200 · Processing & Administration Fee	546.31	654.33	558.01	563.23	864.74
61220 · Training	0.00	0.00	0.00	0.00	2,685.00
<b>Total 61000 · Employee Relations &amp; Benefits</b>	<b>34,141.37</b>	<b>22,159.43</b>	<b>41,273.07</b>	<b>31,792.84</b>	<b>45,549.03</b>
62000 · Office Expenses					
62120 · Bank Service Charges	30.00	-30.00	0.00	0.00	0.00
62130 · Computer Expenses	0.00	1,429.99	825.71	880.16	0.00
62140 · Dues and Subscriptions	105.33	101.61	0.00	415.54	0.00
62160 · Interest Expense	0.00	0.00	0.00	42.68	0.00
62200 · Office Expense - Other	54.06	0.00	0.00	1,389.15	0.00
62210 · Office Supplies	179.99	186.39	542.97	115.13	773.81
62230 · Postage, Shipping & Delivery	49.00	51.21	50.98	203.26	0.00
62290 · Telephone - Reimbursements					
62291 · Verizon	0.00	160.53	160.55	149.68	125.65
62292 · Internet	50.00	50.00	50.00	50.00	50.00
62290 · Telephone - Reimbursements - Other	450.00	400.00	450.00	624.37	450.00
<b>Total 62290 · Telephone - Reimbursements</b>	<b>500.00</b>	<b>610.53</b>	<b>660.55</b>	<b>824.05</b>	<b>625.65</b>
<b>Total 62000 · Office Expenses</b>	<b>918.38</b>	<b>2,349.73</b>	<b>2,080.21</b>	<b>3,869.97</b>	<b>1,399.46</b>
63000 · Marketing & Business Developmen					
63130 · Contributions	0.00	125.00	100.00	0.00	0.00
63140 · Conferences & Tradeshow	0.00	1,000.00	0.00	100.80	0.00
<b>Total 63000 · Marketing &amp; Business Developmen</b>	<b>0.00</b>	<b>1,125.00</b>	<b>100.00</b>	<b>100.80</b>	<b>0.00</b>
64000 · Professional & Outside Services					
64100 · Accounting & Finance	0.00	2,990.50	2,183.00	820.50	413.00
64110 · Consultants	0.00	115.47	145.00	0.00	243.50
64130 · IT & Technology	0.00	731.97	670.00	670.00	1,205.49
<b>Total 64000 · Professional &amp; Outside Services</b>	<b>0.00</b>	<b>3,837.94</b>	<b>2,998.00</b>	<b>1,490.50</b>	<b>1,861.99</b>
65000 · Travel & Entertainment					
65100 · Airfare	636.40	3,184.45	3,245.90	1,298.78	2,039.20
65110 · Ground Transportation	159.73	1,177.59	1,340.41	359.14	556.75
65120 · Fuel	0.00	111.27	111.10	87.89	99.52
65140 · Lodging	0.00	3,121.59	3,370.25	2,564.86	2,279.36
65150 · Meals and Entertainment	162.21	1,581.58	2,608.64	1,100.37	1,330.78
65160 · Mileage Reimbursement	590.11	462.74	1,240.35	740.67	522.92

**Clarke Project Solutions, Inc. (post B)**  
**Profit & Loss**  
 February through July 2017

12:30 PM  
 08/08/17  
 Cash Basis

	Feb 17	Mar 17	Apr 17	May 17	Jun 17
65170 · Parking & Tolls	0.00	316.01	193.32	168.00	62.52
65000 · Travel & Entertainment - Other	0.00	0.00	24.00	4.99	0.00
<b>Total 65000 · Travel &amp; Entertainment</b>	<b>1,548.45</b>	<b>9,955.23</b>	<b>12,133.97</b>	<b>6,324.70</b>	<b>6,891.05</b>
<b>Total 60000 · Operating Expenses</b>	<b>58,150.52</b>	<b>60,744.65</b>	<b>82,377.57</b>	<b>66,846.13</b>	<b>92,357.73</b>
<b>Total Expense</b>	<b>58,150.52</b>	<b>60,744.65</b>	<b>82,377.57</b>	<b>66,846.13</b>	<b>92,357.73</b>
<b>Net Ordinary Income</b>	<b>-27,974.16</b>	<b>104,555.33</b>	<b>131,384.57</b>	<b>267,156.87</b>	<b>-231,424.08</b>
<b>Other Income/Expense</b>					
Other Expense					
70500 · Other Expense					
70530 · Federal Income Tax Expense	-164.26	0.00	0.00	0.00	0.00
70540 · State & Local Tax Expense	-51.00	821.55	2,127.74	640.85	652.48
70560 · U.S. Trustee Fees	0.00	0.00	4,875.00	0.00	0.00
<b>Total 70500 · Other Expense</b>	<b>-215.26</b>	<b>821.55</b>	<b>7,002.74</b>	<b>640.85</b>	<b>652.48</b>
<b>Total Other Expense</b>	<b>-215.26</b>	<b>821.55</b>	<b>7,002.74</b>	<b>640.85</b>	<b>652.48</b>
<b>Net Other Income</b>	<b>215.26</b>	<b>-821.55</b>	<b>-7,002.74</b>	<b>-640.85</b>	<b>-652.48</b>
<b>Net Income</b>	<b>-27,758.90</b>	<b>103,733.78</b>	<b>124,381.83</b>	<b>266,516.02</b>	<b>-232,076.56</b>

## EXHIBIT 3

JULY 2017

	BUDGET JULY 2017	ACTUAL JULY 2017	Variance
Beginning Cash	\$807,826	\$868,317	7%
<b>Cash Receipts</b>			
Collected A/R - Cost Estimating	\$25,000	\$14,665	-70%
Collected A/R - Facility Support	\$399,127	\$400,941	0%
<b>Total Cash Receipts</b>	<b>\$1,231,953</b>	<b>\$1,283,923</b>	
<b>Disbursements</b>			
Direct Personnel Labor	\$221,000	\$215,663	-2%
Consultants - Direct	\$70,000	\$70,969	1%
Indirect Personnel Labor	\$25,000	\$23,605	-6%
<b>Insurance</b>			
Dental Insurance	\$912	\$1,084	16%
Professional Liability (E&O)	\$897	\$897	0%
Health Insurance	\$7,450	\$8,907	16%
Life Insurance	\$217	\$223	3%
General Liability & Workers Comp	\$2,074	\$2,304	10%
Disability Benefits Insurance	\$0	\$0	#DIV/0!
<b>Total Insurance</b>	<b>\$11,550</b>	<b>\$13,415</b>	
Payroll Taxes	\$21,525	\$18,871	-14%
Payroll Processing & Fees	\$650	\$709	8%
Training	\$0	\$0	#DIV/0!
<b>Office Expenses</b>			
Bank Service Charges	\$0	\$0	#DIV/0!
Computer Expenses	\$2,000	\$593	-237%
Dues and Subscriptions	\$500	\$165	-203%
Interest Expense	\$0	\$0	#DIV/0!
Office Expense - Other	\$100	\$0	#DIV/0!
Office Supplies	\$200	\$213	6%
Postage, Shipping	\$100	\$7	-1417%
<b>Total Office Expenses</b>	<b>\$2,900</b>	<b>\$978</b>	
Telephone	\$650	\$676	4%
<b>Marketing &amp; Business Development</b>			
Contributions	\$100	\$0	#DIV/0!
Conferences & Tradeshows	\$500	\$0	#DIV/0!
<b>Total Marketing &amp; Business Dev.</b>	<b>\$600</b>	<b>\$0</b>	
<b>Professional &amp; Outside Services</b>			
Accounting & Finance	\$10,000	\$338	-2863%
Consultants	\$0	\$722	100%
Legal Fees	\$15,000	\$0	#DIV/0!
IT & Technology	\$1,500	\$670	-124%
<b>Total Professional &amp; Outside Services</b>	<b>\$26,500</b>	<b>\$1,730</b>	
<b>Travel &amp; Entertainment</b>			
Airfare	\$3,500	\$900	-289%
Ground Transportation	\$1,500	\$211	-610%
Fuel	\$200	\$16	-1144%
Lodging	\$3,000	\$324	-825%
Meals and Entertainment	\$2,500	\$405	-517%
Mileage Reimbursement	\$500	\$572	13%
Parking & Tolls	\$300	\$46	-558%
Travel & Entertainment Other	\$0	\$0	#DIV/0!
<b>Total Travel &amp; Entertainment</b>	<b>\$11,500</b>	<b>\$2,474</b>	
<b>Other Expense</b>			
Secured Debt - Cumming	\$10,000	\$10,000	0%
US Trustee Qtrly Fees	\$6,500	\$6,500	0%
Federal Income Tax Expense	\$10,000	\$0	#DIV/0!
State & Local Tax Expense	\$2,200	\$1,721	-28%
<b>Total Other Expense</b>	<b>\$28,700</b>	<b>\$18,221</b>	
<b>Total Disbursements</b>	<b>\$419,975</b>	<b>\$367,309</b>	
<b>Ending Cash</b>	<b>\$811,978</b>	<b>\$916,614</b>	

## EXHIBIT 4

## A/R Aging Summary

As of July 31, 2017

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
AECOM						
17-1033	0.00	0.00	13,980.00	0.00	0.00	13,980.00
Total AECOM	0.00	0.00	13,980.00	0.00	0.00	13,980.00
Capital Engineering						
16-1018	0.00	0.00	0.00	0.00	1,310.00	1,310.00
Total Capital Engineering	0.00	0.00	0.00	0.00	1,310.00	1,310.00
EwingCole, Inc.						
17-1030	0.00	0.00	0.00	6,040.00	0.00	6,040.00
Total EwingCole, Inc.	0.00	0.00	0.00	6,040.00	0.00	6,040.00
Ferreira Holding Group						
16-1025	0.00	0.00	0.00	0.00	11,880.00	11,880.00
17-1026	0.00	0.00	0.00	0.00	4,150.00	4,150.00
17-1027	0.00	0.00	0.00	0.00	9,670.00	9,670.00
17-1028	0.00	0.00	0.00	0.00	12,320.00	12,320.00
17-1029	0.00	0.00	0.00	0.00	7,770.00	7,770.00
17-1031	0.00	0.00	0.00	0.00	1,480.00	1,480.00
Total Ferreira Holding Group	0.00	0.00	0.00	0.00	47,270.00	47,270.00
HED						
16-1016	0.00	0.00	0.00	129.50	3,910.50	4,040.00
Total HED	0.00	0.00	0.00	129.50	3,910.50	4,040.00
Northeast Infrastructure, LLC						
17-1032	0.00	0.00	0.00	4,475.00	0.00	4,475.00
Total Northeast Infrastructure, LLC	0.00	0.00	0.00	4,475.00	0.00	4,475.00
The Out Fit						
DSS-0118-32	0.00	167,937.35	0.00	0.00	0.00	167,937.35
Total The Out Fit	0.00	167,937.35	0.00	0.00	0.00	167,937.35
ZGF/AEI/KPFF Joint Venture						
16-1005.2	0.00	0.00	0.00	7,964.85	0.00	7,964.85
Total ZGF/AEI/KPFF Joint Venture	0.00	0.00	0.00	7,964.85	0.00	7,964.85
<b>TOTAL</b>	<b>0.00</b>	<b>167,937.35</b>	<b>13,980.00</b>	<b>18,609.35</b>	<b>52,490.50</b>	<b>253,017.20</b>



## EXHIBIT 5

1 PAMELA J. ZYLSTRA – State Bar No. 147977  
PAMELA JAN ZYLSTRA  
2 A PROFESSIONAL CORPORATION  
18191 Von Karman Avenue, Suite 460  
3 Irvine, CA 92612-7114

4 Telephone:(949) 222-2000  
Facsimile: (949) 222-2022  
5 Email: zylstralaw@gmail.com

6  
7 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

**ORDER GRANTING DEBTOR'S  
MOTION FOR ORDER APPROVING  
FIRST STIPULATION WITH  
CUMMING CONSTRUCTION  
MANAGEMENT, INC., dba CUMMING  
CORPORATION FOR USE OF CASH  
COLLATERAL  
[ECF DOCKET NO. \_\_]**

DATE: September 27, 2017

TIME: 10:00 a.m.

CTRM: Courtroom 5B

411 W. Fourth Street

Santa Ana, California 92701

23 The hearing on the *DEBTOR'S MOTION FOR ORDER APPROVING FIRST STIPULATION*  
24 *WITH CUMMING CONSTRUCTION MANAGEMENT, INC., dba CUMMING CORPORATION*  
25 *FOR USE OF CASH COLLATERAL; MEMORANDUM OF POINTS AND AUTHORITIES AND*  
26 *DECLARATION OF CHRISTOPHER CLARKE IN SUPPORT THEREOF* [ECF DOCKET NO. \_\_\_\_]

27 (the "Motion") came on for hearing before the undersigned United States Bankruptcy Judge on  
28 September 27, 2017, at 10:00 a.m. Pamela J. Zylstra, Esq. of Pamela Jan Zylstra A Professional

1 Corporation appeared as counsel on behalf of CLARKE PROJECT SOLUTIONS, INC., a California  
2 corporation, fka CUMMING CLARKE, the Debtor and Debtor-in-Possession (the "Debtor"). Talin  
3 Keshishian, Esq. of Brutzkus Gubner Rozansky Seror Weber LLP appeared telephonically on behalf  
4 of Cumming Construction Management, Inc. ("Cumming").

5 Based on the Motion, the Declaration of Christopher Clarke in support thereof, the notice  
6 given of the hearing, and good cause appearing,

7 IT IS ORDERED:

- 8 1. The Motion is granted;
- 9 2. The Stipulation attached as Exhibit 1 to the Motion is approved;
- 10 3. The Debtor is authorized to use cash collateral through January 31, 2018, in the  
11 amounts set forth in the Cash Budget Thru January 2018 dated 8/29/17 (the "Budget") which is  
12 attached as Exhibit "1" to the Stipulation;
- 13 4. Granting a replacement lien to Cumming as adequate protection to the same validity,  
14 priority and extent as existed in its favor on the Petition Date; and
- 15 5. The parties will come back at or before January 31, 2018, with an additional  
16 stipulation or new motion regarding the continued use of cash collateral.

17  
18 ###  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**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 MOTION FOR ORDER APPROVING FIRST STIPULATION WITH CUMMING CONSTRUCTION MANAGEMENT, INC., dba CUMMING CORPORATION FOR USE OF CASH COLLATERAL; 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*) **September 6, 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:

- Richard Burstein [rburstein@brutzkusgubner.com](mailto:rburstein@brutzkusgubner.com), [ecf@brutzkusgubner.com](mailto:ecf@brutzkusgubner.com) Counsel for Cumming
- Steven T Gubner [sgubner@bglaw.com](mailto:sgubner@bglaw.com), [ecf@brutzkusgubner.com](mailto:ecf@brutzkusgubner.com) Counsel for Cumming
- Talin Keshishian [tkeshishian@brutzkusgubner.com](mailto:tkeshishian@brutzkusgubner.com), [ecf@brutzkusgubner.com](mailto:ecf@brutzkusgubner.com) Counsel for Cumming
- Queenie K Ng [queenie.k.ng@usdoj.gov](mailto:queenie.k.ng@usdoj.gov) US Trustee
- Dale K Quinlan [dkqlaw@gmail.com](mailto:dkqlaw@gmail.com) Special Litigation Counsel for Debtor
- United States Trustee (SA) [ustpregion16.sa.ecf@usdoj.gov](mailto:ustpregion16.sa.ecf@usdoj.gov) US Trustee
- Pamela Jan Zylstra [zylstralaw@gmail.com](mailto:zylstralaw@gmail.com) Counsel for Debtor

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) **September \_\_, 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*) **September 6, 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.

**VIA PERSONAL DELIVERY:**

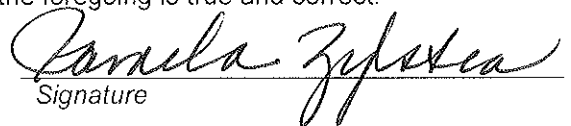
Hon. Theodor Albert, 411 West Fourth St. Suite 5085, Santa Ana, CA 92701-4593

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.

9/06/2017

Pamela Zylstra



Date

Printed Name

Signature