

1 MARTIN J. BRILL (SBN 53220)
KRIKOR J. MESHEFEJIAN (SBN 255030)
2 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.
3 10250 Constellation Boulevard, Suite 1700
Los Angeles, California 90067
4 Telephone: (310) 229-1234
Facsimile: (310) 229-1244
5 Email: mjb@lnbyb.com; kjm@lnbyb.com

6 Attorneys for Chapter 11 Debtors and Debtors in Possession

7
8 **UNITED STATES BANKRUPTCY COURT**
CENTRAL DISTRICT OF CALIFORNIA
9 **NORTHERN DIVISION**

10 In re:

11 BIKRAM'S YOGA COLLEGE OF INDIA LP,
a limited partnership,
12
13 Debtor and Debtor in Possession.

14 In re:

15 BIKRAM CHOUDHURY YOGA INC., a
California corporation,
16
17 Debtor and Debtor in Possession.

18 In re:

19 BIKRAM INC., a Delaware corporation,
20
21 Debtor and Debtor in Possession.

22 In re:

23 YUZ INC., a California corporation,
24
25 Debtor and Debtor in Possession.

26 In re:

27 INTERNATIONAL TRADING
REPRESENTATIVE, LLC, a Delaware limited
liability company,
28
Debtor and Debtor in Possession.

Lead Case No.: 9:17-bk-12045-DS

Jointly administered with:
9:17-bk-12046-DS
(Bikram Choudhury Yoga Inc.),
9:17-bk-12047-DS
(Bikram Inc.),
9:17-bk-12048-DS
(Yuz Inc.),
9:17-bk-12049-DS
(International Trading Representative, LLC)

Chapter 11 Cases

**DEBTORS' MOTION FOR ENTRY OF
AN ORDER EXTENDING THE
EXCLUSIVITY PERIODS FOR THE
DEBTORS TO FILE A PLAN OF
REORGANIZATION AND OBTAIN
ACCEPTANCE THEREOF;
MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATION OF A.
JOHN A. BRYAN, JR. IN SUPPORT
THEREOF**

Date: March 8, 2018
Time: 11:30 a.m.
Place: Courtroom 201
United States Bankruptcy Court
1415 State Street
Santa Barbara, CA 93101

- 1 Affects all Debtors
- 2 Affects Bikram’s Yoga College of India LP, a
3 limited partnership only
- 4 Affects Bikram Choudhury Yoga Inc., a
5 California corporation only
- 6 Affects Bikram Inc., a Delaware corporation
7 only
- 8 Affects Yuz Inc., a California corporation
9 only
- 10 Affects International Trading Representative,
11 LLC, a Delaware limited liability company only
- 12

13

14 Bikram’s Yoga College of India, a California limited partnership (“Yoga College”),

15 Bikram Choudhury Yoga Inc., a California corporation (“BCY”), Bikram Inc., a Delaware

16 corporation (“Bikram Inc.”), Yuz Inc., a California corporation (“Yuz”), and International

17 Trading Representative, LLC, a Delaware limited liability company (“ITR”, and collectively with

18 Yoga College, BCY, Bikram Inc. and Yuz, the “Debtors”), the debtors and debtors in possession

19 in the above-captioned, jointly administered, Chapter 11 bankruptcy cases, hereby move (the

20 “Motion”) for entry of an order extending the exclusivity periods for the Debtors to file a plan of

21 reorganization and obtain acceptance thereof, respectively, to and including July 6, 2018, and to

22 and including September 4, 2018, respectively.¹

23 The Debtors believe that “cause” exists to extend their exclusivity periods to file a plan

24 and obtain acceptance thereof in these cases for the following reasons:

25 **First**, the Debtors’ goal since the filing of these cases has been to obtain requisite

26 financing, develop and implement a new business plan, restart operations, generate revenue,

27 _____

28 ¹ The requested extensions are for a period of approximately, but not exactly, one hundred
twenty days each.

1 negotiate with creditors, and develop and implement an appropriate exit strategy. The Debtors
2 have been in active discussions with potential lenders, and have made substantial progress in
3 obtaining financing commitments. The Debtors expect to be able to present a proposed financing
4 arrangement within the next few weeks. However, at this time, there are simply too many
5 contingencies and “moving pieces” for the Debtors to be able to propose, or proceed with, a plan
6 of reorganization, since the actual terms of any plan will in substantial part depend on what type
7 of financing the Debtors are able to obtain, and the outcome of the Debtors’ negotiations with
8 creditors and other parties in interest.

9 Given these cases realities, the Debtors respectfully submit that the more prudent approach
10 would be to obtain the necessary financial and other commitments, prior to filing and attempting
11 to obtain approval of a plan of reorganization.

12 **Second**, despite substantial operational and financial challenges, the Debtors have
13 properly administered their cases and the Debtors are generally compliant with the requirements
14 and obligations of chapter 11 debtors in possession. The Debtors have attended their initial
15 debtor interviews and section 341(a) meetings of creditors. The Debtors have timely filed their
16 Schedules of Assets and Liabilities and Statements of Financial Affairs. The Debtors are
17 requesting an extension of their respective exclusivity periods in good faith for the purpose of
18 designing an appropriate exit strategy once the pending case contingencies are resolved. The
19 Debtors are not seeking an extension of exclusivity in order to exert undue influence in their
20 negotiations with creditors.

21 **WHEREFORE**, the Debtors respectfully request that this Court enter an order:

- 22 (a) granting this Motion;
- 23 (b) affirming the adequacy of the notice given;
- 24 (c) extending the exclusivity period for each of the Debtors to file a plan of
25 reorganization to and including July 6, 2018;
- 26 (d) extending the exclusivity period for each of the Debtors to obtain acceptance of a
27 plan of reorganization, to and including September 4, 2018; and
- 28 (e) granting such other and further relief as the Court deems just and proper.

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

Dated: February 15, 2018

BIKRAM'S YOGA COLLEGE OF INDIA, LP, *et al.*

By: /s/ Martin J. Brill
MARTIN J. BRILL
KRIKOR J. MESHEFEJIAN
LEVENE, NEALE, BENDER, YOO
& BRILL L.L.P.
Attorneys for Chapter 11 Debtors and Debtors in
Possession

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. CASE INFORMATION**

3 **A. Brief Description Of The Debtors And Their Businesses.**

4 On November 9, 2017 (“Petition Date”), the Debtors each filed a Voluntary Petition for
5 relief under Chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtors have
6 operated their businesses and managed their affairs as debtors in possession pursuant to Sections
7 1107 and 1108 of the Bankruptcy Code. On November 17, 2017, the Court entered an order
8 directing the joint-administration of these cases.

9 Yoga College, BCY and Bikram Inc. were all created and are owned by Bikram
10 Choudhury, the creator of the “Bikram Yoga” business. Bikram Yoga is a system of yoga that Mr.
11 Choudhury has taught and popularized since the 1970’s. Bikram Yoga classes include twenty six
12 poses repeated twice over ninety minutes and two breathing exercises. The students practice in a
13 room heated to approximately 95 to 108 degrees Fahrenheit with a humidity of 40%. All official
14 Bikram Yoga classes are taught by Bikram-certified teachers, who have completed nine weeks of
15 teacher training developed by Mr. Choudhury. There are currently approximately 2,000 affiliate
16 studios worldwide that teach Bikram Yoga.

17 Over the past twenty years, Yoga College has been a party to a number of affiliation
18 and/or licensing and/or other international agreements pursuant to which affiliates pay, or are
19 supposed to pay, affiliation fees or other consideration to Yoga College. Yoga College also
20 provides training and re-certification to yoga teachers.

21 BCY made one or more investments into medical devices, was a party to litigation, and is
22 a judgment debtor with respect to various judgments.

23 Over the past twenty years, Bikram Inc. was also a party to a number of affiliation and/or
24 licensing and/or other international agreements pursuant to which Bikram Inc. was supposed to
25 receive fees and compensation.

26 Yuz and ITR are owned by Mr. Choudhury’s two children. Yuz is a party to a
27 nonresidential real property lease of a facility located at 9930 South Santa Monica Boulevard,
28 Beverly Hills, CA 90212 where the Debtors were in the process of building out a teaching facility

1 for Bikram Yoga. Due to a number of problems, the completion and usage of that facility has
2 been delayed. ITR owns intellectual property rights associated with Bikram Yoga.

3 The Debtors believe that there may be as much as \$1.25 million of accounts receivable
4 owed to one or more of the Debtors. The CEO is currently evaluating the amount that is
5 collectible. Third parties have estimated that the gross amount collectible before collection fees
6 and costs may be as high as \$500,000 - \$750,000 over time.

7 Pre-petition, most or all of the Debtors were parties to, or were otherwise involved in, a
8 number of lawsuits which resulted in the entry of numerous judgments against some or all of the
9 Debtors, restraining orders against some or all of the Debtors and their principals, judgment liens
10 against the assets of some or all of the Debtors, a paralysis of business operations as a result of
11 such litigation, the loss of revenue and assets as a result of such litigation, and a management
12 void. The total amount of judgments asserted against the Debtors exceeds \$16 million.
13 Additionally, there is more than approximately \$3,000,000 of additional unsecured debt that is not
14 based on litigation claims. Irrespective of whether the Debtors agree with the judgments, the
15 Debtors acknowledge that the judgments exist and must be addressed in order for the Debtors to
16 be able to function and survive. In turn, in order for judgment creditors with allowed claims to
17 ultimately realize any recovery on their claims, it is critical that the Debtors be able to reorganize.

18 **B. The Debtors' Financing Efforts.**

19 The Debtors' goal since the filing of these cases has been to obtain requisite financing,
20 develop and implement a new business plan, restart operations, generate revenue, negotiate with
21 creditors, and develop and implement an appropriate exit strategy. The Debtors have been in
22 active discussions with potential lenders, and have made substantial progress in obtaining
23 financing commitments. The Debtors expect to be able to present a proposed financing
24 arrangement within the next few weeks. However, at this time, there are simply too many
25 contingencies and "moving pieces" for the Debtors to be able to propose, or proceed with, a plan
26 of reorganization, since the actual terms of any plan will in substantial part depend on what type
27 of financing the Debtors are able to obtain, and the outcome of the Debtors' negotiations with
28 creditors and other parties in interest.

1 101 B.R. 405, 409 (E.D.N.Y. 1989). The “cause” standard referred to in Section 1121 has been
2 referred to as a general standard that allows the bankruptcy court “maximum flexibility to suit
3 various types of reorganization proceedings.” *In re Public Service Company of New Hampshire*,
4 88 B.R. 521, 534 (Bankr. D.N.H. 1988).

5 The Code does not define “cause” or establish formal criteria for an extension of the
6 exclusivity periods, but legislative history indicates that the term “cause” is to be viewed flexibly
7 “in order to allow the debtor to reach an agreement [with its creditors].” H.R. Rep. No. 95-595,
8 95th Cong., 1st Sess. 220, 231 (1977), U.S. Code Cong. & Admin. News 1978, pp. 5963, 6190
9 [hereinafter “House Report”]; *In Re McLean Industries, Inc.*, 87 B.R. 830, 833 (Bankr. S.D.N.Y.
10 1987); *In re Express One International, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996).
11 Consistent with a balanced, integrated approach to reorganizations under Chapter 11, Congress
12 contemplated that Bankruptcy Courts would apply the exclusivity provisions flexibly so as to
13 promote the orderly, consensual and successful reorganization of a debtor's affairs. *See* House
14 Report, *supra*, at 232.

15 Among the factors to be considered in finding “cause” to extend the exclusivity periods
16 are: (i) the size and complexity of the case (*Grand Traverse Devel. Co. Ltd. Partnership*, 147
17 B.R. 418, 420 (Bankr. W.D. Mich. 1992)); (ii) whether a debtor is attempting in good faith to
18 formulate a viable plan and the degree of progress that has been achieved by the debtor in the
19 Chapter 11 process (*In re Jasick*, 727 F.2d 1379 (5th Cir. 1984), *reh’g denied*, 731 F.2d 888 (5th
20 Cir.)); and (iii) a debtor’s satisfaction of its post-petition obligations as they come due (*In re*
21 *McLean Indus., Inc.*, 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987)). While the foregoing are some
22 of the most common factors, a court has discretion to consider others. *See, e.g., Express One*,
23 194 B.R. at 100. For example, the diligence of management and proper administration of the
24 case is a factor that weighs in favor of an extension of the plan exclusivity periods. *See, In re*
25 *United Press International*, 60 B.R. 265 (Bankr. D.D.C. 1986); *In re Trainer’s, Inc.*, 17 B.R. 246,
26 247 (Bankr. E.D. Pa. 1982).

1 **B. Good Cause Exists To Grant the Debtors' Request To Extend the Exclusivity**
2 **Periods For the Debtors To File A Plan of Reorganization and Obtain Acceptance**
3 **Thereof.**

4 1. **The Debtors' cases present complexities which warrant an extension of the**
5 **exclusivity periods.**

6 There are five separate Debtors with complex operational and financial difficulties which
7 the Debtors are attempting to address as efficiently as possible. The Debtors' goal since the filing
8 of these cases has been to obtain requisite financing, develop and implement a new business plan,
9 restart operations, generate revenue, negotiate with creditors, and develop and implement an
10 appropriate exit strategy. The Debtors have been in active discussions with potential lenders, and
11 have made substantial progress in obtaining financing commitments. The Debtors expect to be
12 able to present a proposed financing arrangement within the next few weeks. However, at this
13 time, there are simply too many contingencies and "moving pieces" for the Debtors to be able to
14 propose, or proceed with, a plan of reorganization, since the actual terms of any plan will in
15 substantial part depend on what type of financing the Debtors are able to obtain, and the outcome
16 of the Debtors' negotiations with creditors and other parties in interest.

17 2. **The Debtors are attempting in good faith to resolve their disputes and**
18 **formulate a plan of reorganization.**

19 The Debtors believe that proposing a plan and filing a disclosure statement now, without
20 more certainty with respect to the future of the Debtors' operations and financing, would not be
21 beneficial to the Debtors' bankruptcy estates. Moreover, the Debtors are making efforts to
22 negotiate with creditors. Finally, the Debtors' goal since the filing of these cases has been to
23 develop an appropriate exit strategy for the benefit of the Debtors' creditors.

24 The Debtors believe that during the next approximate 120 days, the Debtors will have: (1)
25 obtained financing; (2) finalized and commenced the implementation of a strategic business plan
26 to restart business operations and generate revenue; (3) an opportunity to negotiate with judgment
27 and lien creditors. However, there are simply too many contingencies and "moving pieces" for
28 the Debtors to be able to propose, or proceed with, a plan of reorganization at this time, since the

1 actual terms of any plan will in substantial part depend on what type of transaction the Debtors
2 are able to negotiate and under what terms. The Debtors submit that these contingencies warrant
3 an extension of the exclusivity periods. *See In re Express One Intern., Inc.*, 194 B.R. 98, 100
4 (Bank. E.D. Tex. 1996) (existing contingency is a factor to consider when determining whether
5 to grant exclusivity).

6 The fact that the Debtors are engaged in the aforementioned considerations, analysis, and
7 efforts, demonstrates that the Debtors are engaged in taking steps towards the formulation of a
8 viable plan. The Debtors believe it would be premature to file a plan now, but believe that the
9 Debtors should be afforded the opportunity to have the “first-shot” at presenting a plan, as
10 debtors in possession and fiduciaries of these estates. As a result, this factor weighs in favor of
11 extending the Debtors’ plan exclusivity periods.

12 **3. The Debtors will be able to get current with their post-petition obligations.**

13 The Debtors have properly administered their cases, and are compliant with all
14 requirements and obligations of chapter 11 debtors in possession. The Debtors will be able to get
15 current with any outstanding post-petition financial obligations once they obtain financing. The
16 Debtors are requesting an extension in good faith for the purpose of designating an appropriate
17 exit strategy once an accurate purview of these cases as a whole is established.

18 **4. The Debtors have properly administered their complex bankruptcy cases.**

19 As discussed above, the Debtors have properly administered their Chapter 11 cases in that
20 the Debtors have complied with all of the material requirements of the Bankruptcy Code, the
21 Federal Rules of Bankruptcy Procedure, and the Office of the United States Trustee. Under these
22 circumstances, an extension of the exclusivity periods for filing and obtaining confirmation of a
23 plan of reorganization can be granted with the confidence that the Debtors are in full compliance
24 with the requirements that are conditions to the Debtors maintaining their exclusive rights to file
25 a plan of reorganization and gain acceptance thereof. As a result, this factor weighs in favor of
26 extending the Debtors’ plan exclusivity periods.

27 ///

28 ///

1 **5. The Debtors have not made a prior request to extend their plan exclusivity**
2 **periods.**

3 This is the Debtors' first request to extend any of their plan exclusivity periods under 11
4 U.S.C. § 1121 and the requested extension is within the limits set forth in 11 U.S.C. § 1121(d)(2),
5 since this request is being made to the Court prior to the plan exclusivity periods' expiration.
6 Courts commonly grant multiple extensions of the exclusivity periods.² Therefore, this factor
7 weighs in favor of extending the Debtors' plan exclusivity periods.

8 **6. The Debtors request an extension for the purpose of conducting a thorough,**
9 **organized, and productive reorganization process.**

10 The Debtors' request herein is being made in good faith and not for the purpose of
11 pressuring creditors into acceding to certain plan terms. On the contrary, the Debtors make this
12 request based upon the complexities of their cases, and the need for additional time to address
13 these complexities in as efficient a manner as possible. A comprehensive, less-contentious plan
14 and disclosure statement are more likely to be produced after the Debtors have sufficient time to
15 implement a business plan with financing. The Debtors' goal is to maximize distributions to all
16 creditors pursuant to a plan but the Debtors do not believe that this goal will be attained if the
17 Debtors are required to file multiple plans without an accurate picture of the overall landscape of
18 these cases, or compete against other plans without first being afforded an opportunity to present
19 their plan exclusively. The Debtors are not aware of any creditor whose claim or interest would
20 be adversely affected or impaired by the granting of the relief requested herein. Therefore, this
21 factor weighs in favor of extending the Debtors' plan exclusivity periods.

22 Thus, based on all of the foregoing, the Debtors submit that good cause exists for granting
23 the relief requested in the Motion.

26 ² It is even common for courts to grant more than one extension of the exclusive periods to file
27 and gain acceptance of chapter 11 plans. *See, e.g., In re Express One Int'l, Inc.*, 194 B.R. 98
28 (Bankr. E.D. Tex. 1996) (granting multiple extensions); *In re Pine Run Trust, Inc.*, 67 B.R. 432
(Bankr. E.D. Pa. 1986) (granting second exclusivity).

1 **III. CONCLUSION**

2 **WHEREFORE**, the Debtors respectfully request that this Court enter an order:

3 (a) granting this Motion;

4 (b) affirming the adequacy of the notice given;

5 (c) extending the exclusivity period for each of the Debtors to file a plan of
6 reorganization to and including July 6, 2018;

7 (d) extending the exclusivity period for each of the Debtors to obtain acceptance of a
8 plan of reorganization, to and including September 4, 2018; and

9 (e) granting such other and further relief as the Court deems just and proper.

10
11 Dated: February 15, 2018

BIKRAM'S YOGA COLLEGE OF INDIA, LP, *et al.*

12 By: /s/ Martin J. Brill

13 MARTIN J. BRILL

14 KRIKOR J. MESHEFEJIAN

15 LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

16 Attorneys for Chapter 11 Debtors and Debtors in

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

1 **DECLARATION OF A. JOHN A. BRYAN, JR.**

2 I, A. John A. Bryan Jr., hereby declare as follows:

3 1. I have personal knowledge of the facts set forth below and, if called to testify,
4 would and could competently testify thereto. Capitalized terms not otherwise defined have the
5 same meaning ascribed to such terms in the Application above. This Declaration is based upon
6 my review of pertinent portions of the Debtors' books and records, and the information I have
7 obtained in my position as Chief Executive Officer and Chief Restructuring Officer of the
8 Debtors.

9 2. I am the principal and Chief Executive Officer of The Watley Group, LLC
10 ("Watley"). Watley is a management consulting firm that specializes in investment banking
11 services, restructuring public and private companies in Chapter 11, as well as providing crisis
12 management services and developing and implementing corporate strategy. Watley and I have
13 served as consultants/officers for restructurings and corporations in Chapter 11 on numerous prior
14 occasions.

15 **A. Case Information.**

16 3. On November 9, 2017 ("Petition Date"), the Debtors each filed a Voluntary
17 Petition for relief under Chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtors
18 have operated their businesses and managed their affairs as debtors in possession pursuant to
19 Sections 1107 and 1108 of the Bankruptcy Code. On November 17, 2017, the Court entered an
20 order directing the joint-administration of these cases.

21 4. Yoga College, BCY and Bikram Inc. were all created and are owned by Bikram
22 Choudhury, the creator of the "Bikram Yoga" business. Bikram Yoga is a system of yoga that Mr.
23 Choudhury has taught and popularized since the 1970's. Bikram Yoga classes include twenty six
24 poses repeated twice over ninety minutes and two breathing exercises. The students practice in a
25 room heated to approximately 95 to 108 degrees Fahrenheit with a humidity of 40%. All official
26 Bikram Yoga classes are taught by Bikram-certified teachers, who have completed nine weeks of
27 teacher training developed by Mr. Choudhury. There are currently approximately 2,000 affiliate
28 studios worldwide that teach Bikram Yoga.

1 5. Over the past twenty years, Yoga College has been a party to a number of
2 affiliation and/or licensing and/or other international agreements pursuant to which affiliates pay,
3 or are supposed to pay, affiliation fees or other consideration to Yoga College. Yoga College also
4 provides training and re-certification to yoga teachers.

5 6. BCY made one or more investments into medical devices, was a party to litigation,
6 and is a judgment debtor with respect to various judgments.

7 7. Over the past twenty years, Bikram Inc. was also a party to a number of affiliation
8 and/or licensing and/or other international agreements pursuant to which Bikram Inc. was
9 supposed to receive fees and compensation.

10 8. Yuz and ITR are owned by Mr. Choudhury's two children. Yuz is a party to a
11 nonresidential real property lease of a facility located at 9930 South Santa Monica Boulevard,
12 Beverly Hills, CA 90212 where the Debtors were in the process of building out a teaching facility
13 for Bikram Yoga. Due to a number of problems, the completion and usage of that facility has
14 been delayed. The ITR owns intellectual property rights associated with Bikram Yoga.

15 9. There may be as much as \$1.25 million of accounts receivable owed to one or
16 more of the Debtors. I am currently evaluating the amount that is collectible. Third parties have
17 estimated that the gross amount collectible before collection fees and costs may be as high as
18 \$500,000 - \$750,000 over time.

19 10. Pre-petition, most or all of the Debtors were parties to, or were otherwise involved
20 in, a number of lawsuits which resulted in the entry of numerous judgments against some or all of
21 the Debtors, restraining orders against some or all of the Debtors and their principals, judgment
22 liens against the assets of some or all of the Debtors, a paralysis of business operations as a result
23 of such litigation, the loss of revenue and assets as a result of such litigation, and a management
24 void. The total amount of judgments asserted against the Debtors exceeds \$16 million.
25 Additionally, there is more than approximately \$3,000,000 of additional unsecured debt that is not
26 based on litigation claims. Irrespective of whether the Debtors agree with the judgments, the
27 Debtors acknowledge that the judgments exist and must be addressed in order for the Debtors to
28

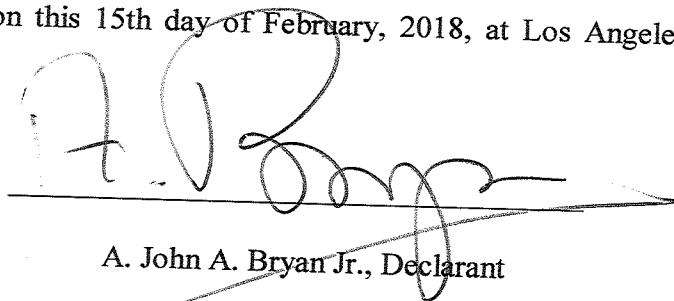
1 be able to function and survive. In turn, in order for judgment creditors with allowed claims to
2 ultimately realize any recovery on their claims, it is critical that the Debtors be able to reorganize.

3 **B. The Debtors' Financing Efforts.**

4 11. The Debtors' goal since the filing of these cases has been to obtain requisite
5 financing, develop and implement a new business plan, restart operations, generate revenue,
6 negotiate with creditors, and develop and implement an appropriate exit strategy.. The Debtors
7 have been in active discussions with potential lenders, and have made substantial progress in
8 obtaining financing commitments. The Debtors expect to be able to present a proposed financing
9 arrangement within the next few weeks. However, at this time, there are simply too many
10 contingencies and "moving pieces" for the Debtors to be able to propose, or proceed with, a plan
11 of reorganization, since the actual terms of any plan will in substantial part depend on what type
12 of financing the Debtors are able to obtain, and the outcome of the Debtors' negotiations with
13 creditors and other parties in interest.

14 12. Additionally, despite substantial operational and financial challenges, the Debtors
15 have properly administered their cases and the Debtors are compliant with the requirements and
16 obligations of chapter 11 debtors in possession. The Debtors have attended their initial debtor
17 interviews and section 341(a) meetings of creditors. The Debtors have timely filed their
18 Schedules of Assets and Liabilities and Statements of Financial Affairs. The Debtors are
19 requesting an extension of their respective exclusivity periods in good faith for the purpose of
20 designing an appropriate exit strategy once the pending case contingencies are resolved. The
21 Debtors are not seeking an extension of exclusivity in order to exert undue influence in their
22 negotiations with creditors.

23 I declare under penalty of perjury under the laws of the United States of America that the
24 foregoing is true and correct. Executed on this 15th day of February, 2018, at Los Angeles,
25 California.

26
27
28

A. John A. Bryan Jr., Declarant

PROOF OF SERVICE OF DOCUMENT

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

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled: **DEBTORS' MOTION FOR ENTRY OF AN ORDER EXTENDING THE EXCLUSIVITY PERIODS FOR THE DEBTORS TO FILE A PLAN OF REORGANIZATION AND OBTAIN ACCEPTANCE THEREOF; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF A. JOHN A. BRYAN, JR. 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 **February 15, 2018**, 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:

- Martin J Brill mjb@lnrb.com
- Larry Butler secured@becket-lee.com
- Brian D Fittipaldi brian.fittipaldi@usdoj.gov
- David S Kupetz dkupetz@sulmeyerlaw.com, dperez@sulmeyerlaw.com;dperez@ecf.inforuptcy.com;dkupetz@ecf.inforuptcy.com
- Krikor J Meshefejian kjm@lnrb.com
- Victor A Sahn vsahn@sulmeyerlaw.com, agonzalez@sulmeyerlaw.com,agonzalez@ecf.inforuptcy.com;asokolowski@sulmeyerlaw.com;vsahn@ecf.inforuptcy.com
- United States Trustee (ND) ustpreion16.nd.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL: On **February 15, 2018**, 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 **February 15, 2018**, 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.

Served via Overnight Mail

Hon. Peter H. Carroll
United States Bankruptcy Court
1415 State Street, Suite 230 / Courtroom 201
Santa Barbara, California 93101-2511

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

February 15, 2018	Stephanie Reichert	/s/ Stephanie Reichert
<i>Date</i>	<i>Type Name</i>	<i>Signature</i>

Label Matrix for local noticing
0973-9
Case 9:17-bk-12045-DS
Central District of California
Santa Barbara
Thu Feb 15 15:40:31 PST 2018

American Express Bank, FSB
c/o Becket and Lee LLP
PO Box 3001
Malvern, PA 19355-0701

Bikram's Yoga College of India LP, a li
2731 Erringer Road
Simi Valley, CA 93065-1100

AT&T Cellular
PO Box 537104
Atlanta, GA 30353-7104

American Express Bank, FSB
P.O. Box 30384
Salt Lake City, UT 84130-0384

Bank of America
Bank of America Business Card
P.O. Box 15710
Wilmington, DE 19850-5710

Blue Shield of California
50 Beale Street
San Francisco, CA 94105-1849

California State
Board of Equalization
P.O. Box 942879
Sacramento, CA 94279-7072

Charter/Spectrum
7815 Crescent Executive Drive
4th Floor
Charlotte, NC 28217-5500

Chase Bank
Auto Finance
P.O. Box 901076
Fort Worth, TX 76101-2076

Citi Advantage
Citibank / Choice
P.O. Box 9001037
Louisville, KY 40290-1037

City National Bank
555 S Flower St
Los Angeles, CA 90071-2326

City of Los Angeles
P.O. Box 30420
Los Angeles, CA 90030-0420

Damon Ashcraft
One Arizona Center
400 East Van Buren Street STE 1900
Phoenix, AZ 85004-2509

David Schack
2029 Century Park East, Suite 300
Los Angeles, CA 90067-2904

Doe 1
c/o Mary Shea
1814 Franklin Street, Suite 800
Oakland, CA 94612-3462

Doe 2
c/o Mary Shea
1814 Franklin Street, Suite 800
Oakland, CA 94612-3462

Exxon Mobil
P.O. Box 78072
Phoenix, AZ 85062-8072

Ferrari Financial
PO Box 510
Williamsville, NY 14231-0510

Franchise Tax Board
Bankruptcy Section MS A340
PO BOX 2952
Sacramento CA 95812-2952

Internal Revenue Service
P O Box 7346
Philadelphia, PA 19101-7346

Jewish Education Movement
9930 South Santa Monica Blvd
Beverly Hills, CA 90212-1607

Jill Lawler
c/o Mary Shea
1814 Franklin Street, Suite 800
Oakland, CA 94612-3462

Los Angeles Dept.
of Water and Power
PO Box 30808
Los Angeles, CA 90030-0808

Mark Share
500 Ala Moana Blvd.
Suite 400
Honolulu, HI 96813-4920

McDonald & Carano
2300 W. Sahara Avenue
Suite 1200
Las Vegas, NV 89102-4395

Miki Jaffa Bodden
c/o Carla Minnard
4100 Redwood Rd Ste 145
Oakland, CA 94619-2363

NASA Services, Inc.
1100 South Maple Avenue
Montebello, CA 90640-6008

NAV-LVH, LLC
c/o Grenspoon Marder
3993 Howard Hughes Pkwy, #400
Las Vegas, NV 89169-5993

Nautilus Insurance
7233 E Butherus Dr.
Scottsdale, AZ 85260-2410

Petra Starke
c/o Bird Marella
1875 Century Park East, 23rd Floor
Los Angeles, CA 90067-2337

Pitney Bowes
P.O. Box 278
Orangeville, ON L9W2Z7

Robert Cohen
7 Waterfront Plaza
500 Ala Moana Blvd., Suite 400
Honolulu, HI 96813-4920

Sharon Clerkin
c/o Meghan Maher
Rise Law Firm
5900 Wilshire Blvd., Suite 2600
Los Angeles, CA 90036-5028

Snell & Wilmer L.L.P. c/o Eric S. Pezold
600 Anton Blvd., Suite 1400
Costa Mesa, CA 92626-7689

Spectrum Cable
Time Warner Cable
PO Box 60074
City of Industry, CA 91716-0074

State Farm Insurance
Insurance Support Center - East
P.O. Box 588002
North Metro, GA 30029-8002

State of California
Franchise Tax Board
PO BOX 942840
SACRAMENTO, CA 94240-0040

Susan Grueneberg
Two California Plaza
Los Angeles, CA 90071

(p)T MOBILE
C O AMERICAN INFOSOURCE LP
4515 N SANTA FE AVE
OKLAHOMA CITY OK 73118-7901

Time Warner Cable
PO Box 60074
City of Industry, CA 91716-0074

UPS
Lockbox 577
Carol Stream, IL 60132-0577

Union Bank
P.O. Box 513840
Los Angeles, CA 90051-3840

Union Bank of California
P.O. Box 513840
Los Angeles, CA 90051-3840

United States Trustee (ND)
915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017-3560

Vicki I. Podberesky
Andrues / Podberesky
818 West 7th Street, Suite 960
Los Angeles, CA 90017-3457

Victor Sherman P.L.C.
11400 West Olympic Blvd, Suite 1500
Los Angeles, CA 90064-1543

Jewish Educational Movement
Attn: HERTZEL ILLULIAN
9930 Santa Monica Blvd.
Beverly Hills, CA 90212