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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

10 In re

11 PAC ANCHOR TRANSPORTATION, INC.,
12 CONSISTING OF THE MERGER OF PAC
13 ANCHOR TRANSPORTATION, INC. AND
14 GREEN ANCHOR LINES, INC.,

14 Debtor and Debtor-in-Possession.

Case No. 2:17-bk-18213-ER

Chapter 11

**MOTION OF DEBTOR AND DEBTOR-IN-
POSSESSION FOR ORDER APPROVING
USE OF CASH COLLATERAL;
MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATION OF
ALFREDO BARAJAS IN SUPPORT**

Hearing Date

Date: August 9, 2017

Time: 10:00 a.m.

Ctrm: 1568

255 E. Temple Street
Los Angeles, CA 90012

23 Pac Anchor Transportation, Inc., Consisting of the Merger of Pac Anchor Transportation, Inc.
24 and Green Anchor Lines, Inc., Debtor and Debtor-in-Possession herein (hereinafter referred to as
25 “Debtor”), hereby makes this motion seeking an order approving the use of cash collateral (the
26 “Motion”).

27 On July 6, 2017, Debtor filed a voluntary petition for relief under the Bankruptcy Code. Pursuant
28 to Sections 1107 and 1108 of the Bankruptcy Code, Debtor retained possession of its assets and is

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1 authorized to continue the operation and management of its business.

2 On or about July 10, 2017, Debtor and California United Bank ("Lender") entered into a
3 stipulation authorizing interim use of cash collateral (the "Stipulation"). Pursuant to the Stipulation,
4 Debtor and Lender stipulated to the use of cash collateral, and, specifically, to the use of income
5 generated by Debtor's business. Lender has a lien on all of Debtor's personal property and general
6 intangibles including Debtor's cash accounts receivable, and certain identified tractors. The Stipulation
7 was approved at the hearing on the Emergency Motion on July 13, 2017, authorizing the interim use of
8 cash collateral.


9 By this Motion, Debtor requests authorization to continue to use cash collateral to pay Debtor's
10 normal, regular, and reasonable expenses. The continued use of cash collateral is necessary for Debtor
11 to continue its operations. Further, Debtor has provided sufficient evidence in support of the continued
12 use of cash collateral, as required by the Court's order approving the Stipulation.

13 WHEREFORE, Debtor prays for an order of this Court authorizing Debtor use of cash collateral
14 on the terms set forth in the Motion, and for such other and further relief as the Court may deem just and
15 proper.

16 Respectfully submitted,

17 HABERBUSH & ASSOCIATES, LLP

18
19
20 Date: July 26 2017

21 By, 
22 LANE BOGARD, Proposed Attorneys for Debtor
23 and Debtor-In-Possession
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MEMORANDUM OF POINTS AND AUTHORITIES

By its Motion, Debtor seeks an order of this Court seeking an order authorizing Debtor use of cash collateral on the terms set forth herein.

I. FACTUAL BACKGROUND

On July 6, 2017, Debtor filed a voluntary petition for relief under the Bankruptcy Code (the “Petition Date”). Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, Debtor retained possession of its assets and is authorized to continue the operation and management of its business. (See Declaration of Alfredo Barajas at ¶3).

A. Debtor’s Business and Creditors

Debtor is a trucking company located in Wilmington, California, that provides trucking services throughout the western United States. (See Declaration of Alfredo Barajas at ¶4).

Debtor has six secured creditors. Five of Debtor’s secured creditors have liens on Debtor’s trucks and/or equipment. Therefore, Debtor does not have cash collateral in relation to these creditors liens. See 11 U.S.C. § 552. However, Debtor’s sixth secured creditor, California United Bank (“Lender”), has a lien on all of Debtor’s personal property and general intangibles including Debtor’s cash accounts receivable. (See Declaration of Alfredo Barajas at ¶ 5).

As of the Petition Date, Debtor had approximately \$1,500,000 in cash, approximately \$2,000,000 in accounts receivable, and vehicles having a combined value of approximately \$8,000,000. (See Declaration of Alfredo Barajas at ¶ 6).

By way of background, Debtor has filed this bankruptcy proceeding for the primary purpose of resolving its potential liability associated with its practice of compensating its drivers as 1099 independent contractors rather than as W-2 hourly employees. Due to the disputes related to its employment practices that are described below, prior to the bankruptcy filing, Debtor began converting its drivers from independent contractors to employees. Debtor did so not as an admission of having committed unfair labor practices, unfair competition, or any other action involving unlawful employment practices but to ensure that future lawsuits are cut off and so that it can effectively reorganize through this bankruptcy proceeding without risk of future litigation or potential liability. Debtor’s conversion of its drivers from independent contractors to hourly employees relates to how the drivers are

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1 compensated. Previously, Debtor's drivers were paid as 1099 independent contractors with no
2 withholdings taken for taxes. Now, those drivers that have been converted to the new employment
3 model are compensated by W-2 hourly wages and withholdings are taken from this compensation as
4 required by applicable law. This conversion process has not yet been completed, but Debtor has
5 converted approximately 40 of its 80 drivers to hourly employees to date. Debtor will continue to
6 convert its drivers to hourly employees during the bankruptcy process. (See Declaration of Alfredo
7 Barajas at ¶ 7).

8 Prior to the bankruptcy filing, on or about September 5, 2008, the Attorney General, on behalf
9 of the State of California, brought a lawsuit against Debtor, seeking, among other things a determination
10 of Debtor's liability for unpaid payroll taxes in favor of the State of California. This commenced the
11 case *People of the State of California, ex rel. Kamala D. Harris v. Pac Anchor Transportation, Inc., et*
12 *al.*, styled case number BC397600, before the Superior Court of California, County of Los Angeles (the
13 "Lawsuit"). The Lawsuit alleged that Debtor engaged in various violations of law due to its employment
14 practice related to its drivers. The operative complaint in the Lawsuit is the Complaint for Restitution,
15 Penalties, and Injunctive Relief filed on September 5, 2008 (the "Complaint") and the Supplemental
16 Complaint filed on February 18, 2016 (the "Supplemental Complaint"). A true and correct copy of the
17 Complaint is attached hereto and incorporated herein, by this reference, as Exhibit "1". A true and
18 correct copy of the Supplemental Complaint is attached hereto and incorporated herein, by this reference,
19 as Exhibit "2". Prior to the bankruptcy case, Debtor employed each of its drivers as an independent
20 contractor. As such, they were not paid W-2 wages and were instead paid 1099 compensation, and no
21 withholdings for taxes or other required withholdings were taken from their compensation. All of the
22 allegations in the Lawsuit relate to this employment practice of Debtor resulting in claims for taxes the
23 State alleges should have been withheld from the drivers' compensation already to be paid and that
24 which the State claims was underpaid. The Lawsuit was pending on the Petition Date and Debtor will
25 remove the Lawsuit to this Court for the reasons set forth below. (See Declaration of Alfredo Barajas
26 at ¶ 8).

27 The Lawsuit seeks various relief pursuant to alleged violations of California Business and
28 Professions Code § 17200 (unfair competition). The Attorney General, on behalf of the State of

1 California, seeks a determination of Debtor's liability for unpaid payroll taxes in favor of *the State of*
2 *California* (page 2, line 10 of the Supplemental Complaint) calculated on the basis of alleged unpaid
3 compensation to its truck driver employees, determination and restitution of unpaid compensation on
4 behalf of present and former truck driver employees of Debtor, civil penalties, and injunctive relief.

5 In addition to the Lawsuit, Debtor has one additional action pending against it related to the way
6 in which it compensated its drivers. This action is entitled *Carlos Mosquera, and Juan Francisco*
7 *Rodriguez on behalf of themselves and all others similarly situated, v. Pac Anchor Transportation, Inc.*,
8 styled case number BC 664927 filed in the Superior Court of the State of California, County of Los
9 Angeles (the "Class Action"). A true and correct copy of the Class Action Complaint is attached hereto
10 and incorporated herein, by this reference, as Exhibit "3." The Complaint filed in relation to the Class
11 Action shall hereinafter be referred to as the "CAC." (See Declaration of Alfredo Barajas at ¶ 9).

12 The relief sought in the Attorney General's Supplemental Complaint and the CAC have common
13 allegations related to employment practices, including allegations of misclassification of claims
14 (Supplemental Complaint, page 2, lines 6-7 and page 6, lines 27-28; CAC page 2, lines 10-11 and page
15 12, lines 6-9), failure to reimburse employees (Supplemental Complaint, page 2, lines 8-9 and page 7,
16 lines 27-28; CAC page 7, lines 5-6), failure to pay minimum wage (Supplemental Complaint, page 2,
17 line 11 and page 8, lines 1-2; CAC page 2, lines 11-17, page 6, lines 7, page 7, line 4, page 14, lines 4-9,
18 page 15, lines 4-6, page 17, lines 18-28, page 19, lines 2-8, and page 21, lines 8-12), failure to provide
19 drivers with itemized statements (Supplemental Complaint, page 7, lines 24-25; CAC page 2, line 18,
20 page 20, line 7-13 and page 21, lines 8-12), that the drivers employed by Debtor do not own their own
21 trucks (Supplemental Complaint, page 2, line 24; CAC page 4, lines 21-22), that the drivers employed
22 by Debtor do not own their own tools and equipment (Supplemental Complaint, page 2, line 25; CAC
23 page 6, line 28-line 1, page 4, line 28 to page 5, line 2), that the drivers employed by Debtor do not own
24 a business or have any customers (Supplemental Complaint, page 2, line 26 and page 7, lines 1-2; CAC
25 page 5, line 16), that the drivers employed by Debtor do not have DOT operating authority
26 (Supplemental Complaint, page 3, lines 1-3; CAC page 5, line 17-19), that the drivers employed by
27 Debtor are not skilled workers (Supplemental Complaint page 3, line 4 and page 7, lines 3-4; CAC page
28 5, lines 11-12), that the drivers employed by Debtor take all direction from Debtor in the discharge of

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1 their employment responsibilities (Supplemental Complaint, page 3, lines 5-6 and page 7, lines 4-5;
2 CAC page 4, lines 23-24 and lines 26-27, and page 5, lines 13-14), that the drivers employed by Debtor
3 are an integrated part of Debtor's core business (Supplemental Complaint, page 3, line 7-8; CAC page
4 5, lines 5-6), and that the drivers employed by Debtor have no significant opportunity for profit or loss,
5 except to work longer hours (Supplemental Complaint, page 3, line 12 and page 7, line 7-8; CAC page
6 5, lines 9-10). With a few exceptions,¹ which are mere factors in support of the core claim of
7 misclassification of employees as independent contractors and not hourly employees, the bulk of the
8 substantial non-penalty related relief sought in both complaints is compensatory in nature: to recover
9 underpayment of alleged employee compensation and employment-related taxes on such compensation.
10 In the Supplemental Complaint, this relief is labeled restitution, whereas in the CAC it is labeled
11 damages.

12 In addition to the foregoing, the Supplemental Complaint seeks to establish liability for failure
13 to report, deduct and pay over to the State of California payroll taxes related to the alleged non-payment
14 of compensation to the present and former truck driver employees of Debtor. Nevertheless, all of the
15 non-penalty related relief sought in both actions will involve first a determination as to the employment
16 status of the drivers employed by Debtor and, second, if that employment status was misclassified by
17 Debtor as independent contractors, the determination of the underpayment of compensation, if any, to
18 such drivers. The claims for unpaid taxes related to such compensation is not determinable unless and
19 until both misclassification and underpayment of compensation have been litigated to an outcome
20 favorable to both plaintiffs. Moreover, the exact liability for unpaid payroll taxes arises only if
21 misclassification of the truck driver employees of Debtor as independent contractors is litigated and
22 determined. In that event, the liability for withholding taxes from the *compensation already paid* to the
23 truck drivers as independent contractors and liability for interest and penalties related thereto will arise
24 in favor of the State of California and against Debtor, all of which claims are strictly for the benefit of
25 the State of California, and no one else. Secondly, if the Court determines that misclassification of the
26

27 ¹ The Supplemental Complaint includes additional allegations of Debtor's failure to obtain
28 workers compensation insurance (page 2, lines 11-12 and page 7, lines 22-23), and Debtor's ability to
discharge drivers at any time without cause (page 3, line 12).

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1 truck driver employees as independent contractors results in additional liability for unpaid compensation
2 to such employees, Debtor has no liability for taxes withheld from such compensation only if and until
3 Debtor pays such compensation to the truck driver employees. It is not until payment of the unpaid
4 wages occurs that the obligation to withhold taxes from such compensation arises. Therefore, the
5 ultimate liability for the withholding taxes does not now exist and will depend upon the actual
6 distribution to be made, if any, to the present and former truck driver employees of Debtor should this
7 Court determine such claims to have been misclassified. Consequently, unless and until distributions are
8 made in this case pursuant to a confirmed Chapter 11 plan of reorganization or a liquidation and
9 distribution under chapter 7 occurs does the obligation to report, withhold, and pay over withholding
10 taxes to the taxing authorities arise. The amount of the compensation to be paid and the taxes to be
11 withheld cannot be determined at this time. However, the determination of prepetition tax claims is a
12 core determination that can and should only be determined by this Court. 28 U.S.C. § 157(b)(2)(B).

13 Debtor concedes that certain of the claims for relief in the Supplemental Complaint are not
14 subject to the automatic stay of 11 U.S.C. § 362, by virtue of the exception set forth in 11 U.S.C. §
15 362(b)(4). Those include the requests for civil penalties and injunctive relief. However, all of the
16 penalties sought by the State of California are directly dependent upon a determination of the number
17 of employment law violations committed by Debtor. Thus, the penalties sought to be imposed against
18 Debtor depend upon the same factual determinations as are raised in both actions. Thus, the litigation
19 of the two actions will be duplicative in almost all respects. Further, the determination of the State's
20 claim for unpaid withholding taxes based on compensation already paid is inextricably bound with a
21 determination of whether the truck driver employees were underpaid. The determination of prepetition
22 tax liability, if any, will involve a determination of any tax liability to be incurred upon payment of
23 additional compensation to employees for prepetition debts because all of such liabilities depend upon
24 the State's ability to prove misclassification of the employment status of the truck driver employees.
25 Consequently, proceeding with any portion of the Supplemental Complaint will be a determination of
26 those matters that are strictly the advancement of the State's sole pecuniary interests based upon the
27 allegation of liability for withholding taxes that should have been reported and paid to the State for
28 compensation already paid to the truck driver employees. Additionally, because Debtor is well into

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1 shifting its employment model from independent contractors to hourly wage employees, subject to
2 certain limitations concerning the time during which Debtor shall have in which to convert all of its
3 drivers to hourly employees, Debtor will consent to an injunction requiring it to shift its employment
4 model to hourly wage employment model provided that such consent is not an admission of having
5 committed unfair labor practices, unfair competition, or any other action involving unlawful employment
6 practices.

7 If this Court determines that relief sought by the Supplemental Complaint, other than for
8 injunctive relief and civil penalties, is not stayed virtue of the exception set forth in 11 U.S.C. §362(b)(4)
9 and is not removable pursuant to 28 U.S.C. §1452(a), Debtor intends to seek injunctive relief from this
10 Court pursuant to its powers under 11 U.S.C. § 105 to prevent duplicative and repetitive litigation of the
11 same underlying facts in two separate forums with possibly two different outcomes and double
12 recoveries² because the underlying determinations of misclassification and underpayment of
13 compensation, if any, are identical in all respects and for the Court to determine. Both actions deal with
14 claims against the estate and, as such, should be adjudicated by this Court as part of this Court's core
15 bankruptcy jurisdiction. 28 U.S.C. § 157(b)(2)(B).

16 Additionally, if both the Attorney General and the plaintiffs in the Class Action file proofs of
17 claim in this bankruptcy case, Debtor will seek an order modifying the automatic stay to allow for
18 consolidation of the two proceedings because the underlying determinations of misclassification and
19 underpayment of compensation, if any, are identical in all respects and for this Court to adjudicate as
20 part of the claims process.

21 ///

22

23 ² The claims asserted in the Supplemental Complaint for restitution are the very same
24 claims as are asserted by the Plaintiffs in the Class Action and thus are duplicative. Pursuant to 11
25 U.S.C. § 502, a determination of the extent of the duplication of the claims will necessarily take place
26 before this Court and will involve the presentation of the same evidence as will be presented at the trial
27 of the Supplemental Complaint. Judicial economy and avoidance of conflicting and confusing results
28 is best served by imposing a stay while the underlying claims of the Class Action and the claim for
restitution in the Supplemental Complaint are litigated and the parties entitled, if any, to such restitution
are determined by this Court. Once that determination has been made, and if it is favorable to the
plaintiffs in both actions, the stay may terminate so that the Supplemental Complaint may proceed
forward with respect to the imposition of penalties based upon the unlawful labor practices having been
determined by this Court in a strictly civil context.

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1 **B. Terms of Security Agreement with Lender**

2 On or about January 10, 2017, Debtor and Lender entered into each of the following (collectively,
3 each as amended, modified, supplemented and restated, the "Loan Documents"):

4 1. A Business Loan Agreement (the "Revolving Loan Agreement") pursuant to which
5 Lender agreed to provide to Debtor, and Debtor agreed to pay to Lender, among other obligations, loans
6 and advances up to an aggregate principal amount of \$250,000.00 (Loan No. 10802223-1, and referred
7 to as the "Revolving LOC").

8 2. A Promissory Note evidencing the Revolving LOC.

9 3. A Commercial Security Agreement (the "Revolving LOC Security Agreement"). True
10 and correct copies of the Revolving Loan Agreement, the Promissory Note evidencing the Revolving
11 LOC, the Revolving LOC Security Agreement, and all related documents in Debtor's possession are
12 attached to the Declaration of Alfredo Barajas as Exhibit "4."

13 4. A Promissory Note evidencing a loan in the original principal amount of \$910,170.00 to
14 be paid over a number of months (Loan No. 10802223-5, and referred to as the "Term Loan").

15 5. A Commercial Security Agreement (the "Term Loan Security Agreement"). True and
16 correct copies of the Promissory Note, the Term Loan Security Agreement, and all related documents
17 in Debtor's possession are attached attached to the Declaration of Alfredo Barajas as Exhibit "5."

18 (See Declaration of Alfredo Barajas at ¶ 10).

19 Pursuant to the Revolving LOC Security Agreement, Debtor granted in favor of Lender a security
20 interest in and lien on all of Debtor's assets, including equipment, inventory, accounts and general
21 intangibles. Pursuant to the Term Loan Security Agreement, Debtor granted in favor of Lender a
22 security interest in and lien on certain identified tractors, as well as all attachments, products and related
23 accounts and general intangibles. (See Declaration of Alfredo Barajas at ¶ 11).

24 Pursuant to the language of the Revolving LOC Security Agreement, and the language of the
25 Term Loan Security Agreement, the obligations of the Revolving LOC and the obligations of the Term
26 Loan are cross-collateralized. As a result the security interest granted as to the collateral assets set forth
27 in the Revolving LOC Security Agreement and the security interest granted as to the collateral assets
28 described in the Term Loan Security Agreement (collectively, the "Collateral Assets") secure the faithful

1 performance of Debtor's obligations under both the Revolving LOC and the Term Loan. (See Declaration
2 of Alfredo Barajas at ¶ 12).

3 The liens on the Collateral Assets, including the liens on any of the identified tractors in which
4 a lien is currently held by Lender, are perfected and senior in priority to all other liens, interests, claims
5 and encumbrances affecting the Collateral Assets pursuant to a UCC financing statement, filed with the
6 California Secretary of State, on January 19, 2017 as Instrument No. 177566981565, except only as to
7 those liens on specifically identified vehicles which were financed by other lenders and perfected under
8 applicable law. Debtor obtained a UCC-search to show the liens have been perfected and are senior in
9 priority to all other liens, interests, claims and encumbrances affecting the Collateral Assets. True and
10 correct copies of the UCC-search results and UCC-1 Financing Statements, showing the liens have been
11 perfected and are senior in priority to all other liens, interests, claims and encumbrances affecting the
12 Collateral Assets are attached to the Declaration of Alfredo Barajas as Exhibits "6," and "7,"
13 respectively. In addition, true and correct copies of the Certificates of Titles of the vehicles on which
14 Lender has a lien, are attached to the Declaration of Alfredo Barajas as Exhibit "8." (See Declaration
15 of Alfredo Barajas at ¶ 13).

16 After application of a payment of \$200,000 made shortly before the Petition Date, as of that date,
17 Debtor owes an indebtedness to Lender pursuant to the Loan Documents in the total sum of
18 approximately \$635,000 under the Term Loan, and such other allowed fees, costs and charges as defined
19 in the Loan Documents. As of the Petition Date, there was no unpaid advance under the Revolving
20 LOC. (See Declaration of Alfredo Barajas at ¶ 14).

21 **C. Cash Collateral**

22 Because the Loan Documents provide a security interest in Collateral Assets, including Debtor's
23 accounts receivable and funds on hand as of the Petition Date, Debtor filed an emergency motion (the
24 "Emergency Motion") seeking an order approving a stipulation between Debtor and Lender, authorizing
25 interim use of cash collateral (the "Stipulation"). A true and correct copy of the Stipulation is attached
26 to the Declaration of Alfredo Barajas as Exhibit "9." (See Declaration of Alfredo Barajas at ¶ 15).

27 As indicated in the Stipulation, Debtor and Lender stipulated to the use of cash collateral, and,
28 specifically, to the use of income generated by Debtor's business. The Stipulation was approved at the

1 hearing on the Emergency Motion on July 13, 2017, authorizing the interim use of cash collateral. The
2 Court entered an order granting the Emergency Motion on July 13, 2017 (the "Order"). A true and
3 correct copy of the Order is attached to the Declaration of Alfredo Barajas as Exhibit "10." (See
4 Declaration of Alfredo Barajas at ¶ 16).

5 Pursuant to the Order, Debtor files this Motion in support of its continued use of cash collateral.
6 Payments of the reasonable, necessary and ordinary monthly expenses must be made out of the accounts
7 receivable and cash on hand in order to increase the value to the estate and Lender by allowing Debtor
8 to continue its operations and continue to protect the viability of the business. Therefore, Debtor
9 requests authorization to continue to use cash collateral to pay Debtor's normal, regular, and reasonable
10 expenses. The continued use of cash collateral is necessary for Debtor to continue its operations. (See
11 Declaration of Alfredo Barajas at ¶ 17).

12 **II. AUTHORITY TO USE CASH COLLATERAL**

13 **A. Jurisdiction and Venue**

14 This Court has jurisdiction over the case at bar pursuant to 28 U.S.C. §§ 157 and 1334. This
15 matter is considered a core proceeding, pursuant to 28 U.S.C. §§ 157(b)(2)(A) and (M). The statutory
16 basis for the relief sought herein arises from 11 U.S.C. §§ 363(c)(2), as well as Federal Rule of
17 Bankruptcy Procedure 4001(b). Venue of Debtor's Chapter 11 proceedings in the Central District of
18 California is proper, pursuant to 28 U.S.C. §§ 1408 and 1409.

19 **B. Summary of Requested Relief**

20 By this Motion, the above-captioned Debtor respectfully seeks the issuance and entry of an order
21 for authority to, among other things, the continued use (subject to certain terms and conditions) of cash
22 collateral within the meaning of section 363(a) of the Bankruptcy Code in which Lender has claimed
23 security interests. Debtor seeks leave of Court for continued use cash collateral for a period until
24 December 31, 2017. Debtor anticipates filing a motion on regular notice for continued use of cash
25 collateral to be heard on or before December 31, 2017.

26 Payments of the reasonable, necessary and ordinary monthly expenses must be made out of the
27 accounts receivable and cash on hand in order to increase the value to the estate and Lender by allowing
28 Debtor to continue its operations and continue to protect the viability of the business. Therefore, the

1 continued use of cash collateral is necessary for Debtor to continue its operations. (See Declaration of
2 Alfredo Barajas at ¶ 17).

3 All funds and accounts receiveable collected in the operation Debtor's business that existed on
4 the Petition Date constitute cash collateral as defined by 11 U.S.C. § 363 (the "Cash Collateral").

5 Debtor has a need for continued use of cash collateral to avoid immediate and irreparable harm
6 to the bankruptcy estate. If such Cash Collateral is not immediately made available to Debtor, it cannot
7 operate its business and will cause an immediate diminution in the value of property of the bankruptcy
8 estate. Because the continued viability of Debtor's business is in the best interests of all creditors,
9 including Lender, Debtor requests that the Court authorize the continued use of the Cash Collateral for
10 the payment of expenses incurred in the ordinary course of operating Debtor's business.

11 **C. The Terms of the Use of Cash Collateral**

12 As discussed above, Debtor and Lender entered into a stipulation for interim use of the Cash
13 Collateral. The Stipulation is attached to the Declaration of Alfredo Barajas as Exhibit "9". Debtor now
14 seeks continued an order for continued use of cash collateral. The terms of the continued use of cash
15 collateral and substantially similar to the Stipulation. Debtor has provided mandatory Local Bankruptcy
16 Rule Form 4001-2 as required by the Local Rules. Further, attached as Exhibit "11", Debtor has
17 provided a copy of the proposed Order in relation to this Motion (the "Order"). In addition, consistent
18 with Federal Bankruptcy Rule 4001(b)(1)(B), Debtor hereby details the following relevant information:

19 Bankruptcy Rule 4001(b)(1)(B)(i): The name of each entity with an interest in the cash collateral:

20 The only entity with an interest in the cash collateral is Lender. The background facts of
21 Lender's interest in the cash collateral is described in the Order at page 2, line 9 to page 3, line 18 and
22 above.

23 Bankruptcy Rule 4001(b)(1)(B)(ii): The purposes for the use of the cash collateral:

24 The purposes for the use of cash collateral is to pay Debtor's necessary expenses related to
25 Debtor's continued operations. In support of the Emergency Motion, Debtor provided a proposed budget
26 for the month of July 2017. The proposed budget was approved by Lender. Debtor has proposed a
27 budget for the first six months of the bankruptcy case. The proposed budget, is attached to this Motion
28 as Exhibit "12". Debtor's need for cash collateral is also described in the Order at page 3, lines 27-28.

1 Bankruptcy Rule 4001(b)(1)(B)(iii): The material terms, including duration, of the use of the cash
2 collateral:

3 The full terms of the use the cash collateral are set forth in the Order. The material terms of the
4 cash collateral are that Debtor is authorized to continue to use the Cash Collateral in order to continue
5 its business operations in accordance with the Budget set forth in Exhibit "12", and Debtor will not to
6 exceed the amounts set forth in the Budget by more than ten percent both (i) on a line-item basis for each
7 expense category and (ii) in the aggregate.

8 The authorization to use Cash Collateral shall commence on August 9, 2017 and terminating on
9 the earlier of any of the following dates (the "Expiration Date"): (a) December 31, 2017, or such further
10 date as may be agreed to in writing, signed by an authorized agent of Lender, and (b) the first date on
11 which an event of default has occurred.

12 The full terms for use of the Cash Collateral are described in the Order at page 3, line 19 to page
13 11, line 3.

14 Bankruptcy Rule 4001(b)(1)(B)(iv): Any liens, cash payments, or other adequate protection that
15 will be provided to each entity with an interest in the cash collateral or, if no additional adequate
16 protection is proposed, an explanation of why each entity's interest is adequately protected:

17 As adequate protection of Lender's security interest, Lender shall have and is hereby granted by
18 Debtor, effective as of the Petition Date, a "replacement lien" pursuant to Bankruptcy Code sections 361
19 and 363(e) (a "Postpetition Lien") in all prepetition and postpetition assets in which and to the extent
20 Debtor holds an interest, whether tangible or intangible, whether by contract or operation of law, and
21 including all profits and proceeds thereof (collectively, the "Postpetition Collateral", and collectively
22 with the Prepetition Collateral, the "Collateral"), including claims or causes of action possessed by
23 Debtor's bankruptcy estate under sections 544, 545, 547, 548, 553(b), or 723(b), and all proceeds
24 therefrom, but only to the extent there is a diminution in value of the Prepetition Collateral, whether
25 from the use of Cash Collateral or otherwise. The Postpetition Lien in favor of Lender shall be senior
26 in priority to any and all prepetition and postpetition claims, rights, liens and interests, but subject only
27 to any lien or security interest that is valid, perfected and senior to the interest of Lender effective as of
28 the Petition Date and not otherwise avoided and preserved under section 551. This gives Lender the

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1 same secured position it would have outside of bankruptcy and protects Lender since its Cash Collateral
2 will be used to fund future operations.

3 Further, all Cash Collateral, now or hereafter in possession of Debtor shall be deposited by
4 Debtor in a segregated account (the "Designated Account") with Lender and shall be subject to Lender's
5 liens, including the Postpetition Lien (as defined herein).

6 As further adequate protection, Debtor shall further pay Lender adequate protection payments,
7 in cash, in the amount of \$18,555.74 each month, commencing on August 1, 2017, and on the first
8 business day of each month thereafter. This amount is equal to the amount owing under the Loan
9 Documents. Lender may, at its sole discretion, apply such adequate protection payments to any
10 obligations owed by Debtor to Lender under the Loan Documents. This further protects Lender and is
11 sufficient to show that Lender will be paid its secured claim.

12 Debtor shall timely provide Lender with (a) a monthly report comparing actual collections and
13 expenditures (by expense category) on a cash basis to those set forth in the Budget for each month (a
14 "Reconciliation Report") to be delivered to Lender not later than the 15th day of the month following
15 the month covered by the Reconciliation Report, (b) all reporting and other information as required
16 under the Loan Documents, (c) all documents and information submitted by Debtor to the United States
17 Trustee contemporaneous with such submission, and (d) upon the reasonable request of Lender, such
18 other information pertaining to Debtor's operations, financial affairs, and the Collateral, including bills,
19 invoices, bank statements, cancelled checks, and receipts. Upon the request of Lender, Debtor shall
20 permit Lender reasonable access to any premises occupied by Debtor for the purpose of enabling Lender
21 to inspect and audit the Collateral and Debtor's books and records. Debtor shall also maintain at all
22 times casualty and loss insurance coverage of the Collateral in compliance with the United States Trustee
23 Guidelines and in an amount acceptable to Lender to sufficiently cover Lender's interests in the
24 Collateral. Such insurance shall specifically include Lender as a loss payee and additional insured.
25 Debtor shall deliver proof of such insurance to Lender within 5 days of the entry of the Order. This will
26 allow Lender to ensure the Cash Collateral is protected and that Debtor complies with the terms of the
27 Order.

28 In the event of a default, Lender shall give written notice of default (a "Notice of Default") via

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1 email, facsimile or overnight mail to (a) Debtor and (b) counsel for Debtor. On and after the Expiration
2 Date, or upon delivery of a Notice of Default, Debtor shall be prohibited from any further use of Cash
3 Collateral without either (i) further written consent of Lender or (ii) order of the Court which order was
4 obtained after actual notice to Lender and its counsel. Even though Debtor cannot use Cash Collateral
5 after delivery of a Notice of Default, if Debtor cures such default in full on or before the fifth calendar
6 day after delivery of the Notice of Default, Debtor's ability to use Cash Collateral under the terms of this
7 Order is restored on the express terms of the Order. If Debtor fails to cure an Event of Default on or
8 before the 5th calendar day after delivery of the Notice of Default, Lender may (i) file a declaration
9 setting forth the evidence of the default to which the Notice of Default relates and (ii) lodge an order
10 granting Lender immediate relief from the automatic stay to exercise any and all rights and remedies
11 with respect to its Collateral. Debtor waives any objection to entry of the order, and the Court shall enter
12 the order without further notice or hearing. Additionally, any such order shall (A) include a waiver of
13 the 14-day stay described by Bankruptcy Rule 4001(a)(3) and (B) be binding and effective despite any
14 conversion of this Case to a case under any other chapter of the Bankruptcy Code. The automatic stay
15 provisions of section 362 and any other restriction or injunction imposed by an order of the Court or by
16 law are hereby modified and vacated without further notice, application, motion, hearing, or order of the
17 Court to the extent necessary to permit Lender to perform any act authorized or permitted under the
18 Order.

19 These terms are described in the Order at page 5, line 4 to page 9, line 21.

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1 **III. CONCLUSION**

2 In sum, because use of cash collateral is essential to Debtor's continued operations and viability,
3 Debtor requests that this Court grant the Motion and authorize Debtor to use the Cash Collateral on the
4 terms described herein and in the Order, attached as Exhibit "10" to this Motion.

5 Respectfully submitted,
6 HABERBUSH & ASSOCIATES, LLP

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10 Date: July 26, 2017

11 By, 
12 LANE BOGARD, Proposed Attorneys for Debtor and
13 Debtor-In-Possession

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DECLARATION OF ALFREDO BARAJAS

I, Alfredo Barajas, hereby declare and state:

1. I am an individual over the age of 18 years and have personal knowledge of the facts stated herein. If I were called as a witness, I would and could competently testify to the following facts, under penalty of perjury.

2. I am the owner and President of Pac Anchor Transportation, Inc., Consisting of the Merger of Pac Anchor Transportation, Inc. and Green Anchor Lines, Inc. ("Debtor"). I am actively involved in all of Debtor's operations. I personally participate in and have personal knowledge of all of Debtor's operations, finances, and activities. As President of the Debtor, I am one of the custodians of the books, records, and files of the Debtor that relate to the Loan Documents. I have personally reviewed those books, records, and files, and as to the following facts, I know them to be true of my own knowledge or I have gained knowledge of them from the business records of the Debtor on behalf of the Debtor, which were made at or about the time of the events recorded, and which are maintained in the ordinary course of the Debtor's business at or near the time of the acts, conditions, or events to which they relate. Any such document was prepared in the ordinary course of business of the Debtor by a person who had personal knowledge of the event being recorded and had, or has, a business duty to record accurately such event. The business records are available for inspection and copies can be submitted to the Court if required. I kept books and records in relation to the Debtor's business and operations prior to the filing of the bankruptcy. This declaration is given in support of Debtor's Motion for an order approving use of cash collateral (the "Motion").

3. On July 6, 2017, Debtor filed a voluntary petition for relief under the Bankruptcy Code (the "Petition Date"). Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, Debtor retained possession of its assets and is authorized to continue the operation and management of its business.

4. Debtor is a trucking company located in Wilmington, California, that provides trucking services throughout the western United States.

5. Debtor has six secured creditors. Five of Debtor's secured creditors have liens on Debtor's trucks and/or equipment. Therefore, Debtor does not have cash collateral in relation to these creditors liens. *See* 11 U.S.C. § 552. However, Debtor's sixth secured creditor, California United Bank

1 (“Lender”), has a lien on all of Debtor’s personal property and general intangibles including Debtor’s
2 cash accounts receivable.

3 6. As of Petition Date, Debtor had approximately \$1,500,000 in cash, approximately
4 \$2,000,000 in accounts receivable, and vehicles having a combined value of approximately \$8,000,000.

5 7. By way of background, Debtor has filed this bankruptcy proceeding for the primary
6 purpose of resolving its potential liability associated with its practice of compensating its drivers as 1099
7 independent contractors rather than as W-2 hourly employees. Due to the disputes related to its
8 employment practices that are described below, prior to the bankruptcy filing, Debtor began converting
9 its drivers from independent contractors to employees. Debtor did so not as an admission of having
10 committed unfair labor practices, unfair competition, or any other action involving unlawful employment
11 practices but to ensure that future lawsuits are cut off and so that it can effectively reorganize through
12 this bankruptcy proceeding without risk of future litigation or potential liability. Debtor’s conversion
13 of its drivers from independent contractors to hourly employees relates to how the drivers are
14 compensated. Previously, Debtor’s drivers were paid as 1099 independent contractors with no
15 withholdings taken for taxes. Now, those drivers that have been converted to the new employment
16 model are compensated by W-2 hourly wages and withholdings are taken from this compensation as
17 required by applicable law. This conversion process has not yet been completed, but Debtor has
18 converted approximately 40 of its 80 drivers to hourly employees to date. Debtor will continue to
19 convert its drivers to hourly employees during the bankruptcy process.

20 8. Prior to the bankruptcy filing, on or about September 5, 2008, the Attorney General, on
21 behalf of the State of California, brought a lawsuit against Debtor, seeking, among other things a
22 determination of Debtor’s liability for unpaid payroll taxes in favor of the State of California. This
23 commenced the case *People of the State of California, ex rel. Kamala D. Harris v. Pac Anchor*
24 *Transportation, Inc., et al.*, styled case number BC397600, before the Superior Court of California,
25 County of Los Angeles (the “Lawsuit”). The Lawsuit alleged that Debtor engaged in various violations
26 of law due to its employment practice related to its drivers. The operative complaint in the Lawsuit is
27 the Complaint for Restitution, Penalties, and Injunctive Relief filed on September 5, 2008 (the
28 “Complaint”) and the Supplemental Complaint filed on February 18, 2016 (the “Supplemental

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1 Complaint"). A true and correct copy of the Complaint is attached hereto and incorporated herein, by
2 this reference, as Exhibit "1". A true and correct copy of the Supplemental Complaint is attached hereto
3 and incorporated herein, by this reference, as Exhibit "2". Prior to the bankruptcy case, Debtor
4 employed each of its drivers as an independent contractor. As such, they were not paid W-2 wages and
5 were instead paid 1099 compensation, and no withholdings for taxes or other required withholdings were
6 taken from their compensation. All of the allegations in the Lawsuit relate to this employment practice
7 of Debtor resulting in claims for taxes the State alleges should have been withheld from the drivers'
8 compensation already to be paid and that which the State claims was underpaid. The Lawsuit was
9 pending on the Petition Date and Debtor will remove the Lawsuit to this Court for the reasons set forth
10 below.

11 9. In addition to the Lawsuit, Debtor has one additional action pending against it related to
12 the way in which it compensated its drivers. This action is entitled Carlos Mosquera, and Juan Francisco
13 Rodriguez on behalf of themselves and all others similarly situated, v. Pac Anchor Transportation, Inc.,
14 styled case number BC 664927 filed in the Superior Court of the State of California, County of Los
15 Angeles (the "Class Action"). A true and correct copy of the Class Action Complaint is attached hereto
16 and incorporated herein, by this reference, as Exhibit "3." The Complaint filed in relation to the Class
17 Action shall hereinafter be referred to as the "CAC."

18 10. On or about January 10, 2017, Debtor and Lender entered into each of the following
19 (collectively, each as amended, modified, supplemented and restated, the "Loan Documents"):

20 i. A Business Loan Agreement (the "Revolving Loan Agreement") pursuant to
21 which Lender agreed to provide to Debtor, and Debtor agreed to pay to Lender, among other obligations,
22 loans and advances up to an aggregate principal amount of \$250,000.00 (Loan No. 10802223-1, and
23 referred to as the "Revolving LOC").

24 ii. A Promissory Note evidencing the Revolving LOC.

25 iii. A Commercial Security Agreement (the "Revolving LOC Security Agreement").

26 True and correct copies of the Revolving Loan Agreement, the Promissory Note evidencing the
27 Revolving LOC, the Revolving LOC Security Agreement, and all related documents in Debtor's
28 possession are attached hereto and incorporated herein, by this reference, as Exhibit "4."

1 iv. A Promissory Note evidencing a loan in the original principal amount of
2 \$910,170.00 to be paid over a number of months (Loan No. 10802223-5, and referred to as the "Term
3 Loan").

4 v. A Commercial Security Agreement (the "Term Loan Security Agreement"). True
5 and correct copies of the Promissory Note, the Term Loan Security Agreement, and all related
6 documents in Debtor's possession are attached hereto and incorporated herein, by this reference, as
7 Exhibit "5."

8 11. Pursuant to the Revolving LOC Security Agreement, Debtor granted in favor of Lender
9 a security interest in and lien on all of Debtor's assets, including equipment, inventory, accounts and
10 general intangibles. Pursuant to the Term Loan Security Agreement, Debtor granted in favor of Lender
11 a security interest in and lien on certain identified tractors, as well as all attachments, products and
12 related accounts and general intangibles.

13 12. Pursuant to the language of the Revolving LOC Security Agreement, and the language
14 of the Term Loan Security Agreement, the obligations of the Revolving LOC and the obligations of the
15 Term Loan are cross-collateralized. As a result the security interest granted as to the collateral assets
16 set forth in the Revolving LOC Security Agreement and the security interest granted as to the collateral
17 assets described in the Term Loan Security Agreement (collectively, the "Collateral Assets") secure the
18 faithful performance of Debtor's obligations under both the Revolving LOC and the Term Loan.

19 13. I believe the liens on the Collateral Assets, including the liens on any of the identified
20 tractors in which a lien is currently held by Lender, are perfected and senior in priority to all other liens,
21 interests, claims and encumbrances affecting the Collateral Assets pursuant to a UCC financing
22 statement, filed with the California Secretary of State, on January 19, 2017 as Instrument No.
23 177566981565, except only as to those liens on specifically identified vehicles which were financed by
24 other lenders and perfected under applicable law. With the help of Debtor's attorneys, Debtor obtained
25 a UCC-search to show the liens have been perfected and are senior in priority to all other liens, interests,
26 claims and encumbrances affecting the Collateral Assets. True and correct copies of the UCC-search
27 results are attached hereto and incorporated herein, by this reference, as Exhibit "6." In addition, I
28 requested copies of the UCC-1 Financing Statements showing the liens have been perfected and are

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1 senior in priority to all other liens, interests, claims and encumbrances affecting the Collateral Assets.
2 True and correct copies of the UCC-1 Financing Statements are attached hereto and incorporated herein,
3 by this reference, as Exhibit "7." Finally, true and correct copies of the Certificates of Titles of the
4 vehicles on which Lender has a lien, are attached hereto and incorporated herein, by this reference, as
5 Exhibit "8."

6 14. After application of a payment of \$200,000 made shortly before the Petition Date, as of
7 that date, Debtor owes an indebtedness to Lender pursuant to the Loan Documents in the total sum of
8 approximately \$635,000 under the Term Loan, and such other allowed fees, costs and charges as defined
9 in the Loan Documents. As of the Petition Date, there was no unpaid advance under the Revolving
10 LOC.

11 15. Because the Loan Documents provide a security interest in Collateral Assets, including
12 Debtor's accounts receivable and funds on hand as of the Petition Date, Debtor filed an emergency
13 motion (the "Emergency Motion") seeking an order approving a stipulation between Debtor and Lender,
14 authorizing interim use of cash collateral (the "Stipulation"). A true and correct copy of the Stipulation
15 is attached hereto and incorporated herein, by this reference, as Exhibit "9."

16 16. Pursuant to the Stipulation, Debtor and Lender stipulated to the use of cash collateral,
17 and, specifically, to the use of income generated by Debtor's business. The Stipulation was approved
18 at the hearing on the Emergency Motion on July 13, 2017, authorizing the interim use of cash collateral.
19 The Court entered an order granting the Emergency Motion on July 13, 2017 (the "Order"). A true and
20 correct copy of the Order is attached hereto and incorporated herein, by this reference, as Exhibit "10."

21 17. Pursuant to the Order, Debtor files this Motion in support of its continued use of cash
22 collateral. Payments of the reasonable, necessary and ordinary monthly expenses must be made out of
23 the accounts receivable and cash on hand in order to increase the value to the estate and Lender by
24 allowing Debtor to continue its operations and continue to protect the viability of the business.
25 Therefore, Debtor requests authorization to continue to use cash collateral to pay Debtor's normal,
26 regular, and reasonable expenses. The continued use of cash collateral is necessary for Debtor to
27 continue its operations.

28

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1 18. As discussed above, Debtor and Lender entered into the Stipulation for interim use of
2 the Cash Collateral. Debtor now seeks continued an order for continued use of cash collateral. The
3 terms of the continued use of cash collateral and substantially similar to the Stipulation. Further, Debtor
4 has provided a copy of the proposed Order in relation to this Motion (the “Order”). A true and correct
5 copy of the proposed Order is attached hereto and incorporated herein, by this reference, as Exhibit
6 “11.” The purposes for the use of cash collateral is to pay Debtor’s necessary expenses related to
7 Debtor’s continued operations. In support of the Emergency Motion, Debtor provided a proposed
8 budget for the month of July 2017. The proposed budget was approved by Lender. Debtor has now
9 proposed a budget for the first six months of the bankruptcy case. It is very similar to the previously
10 proposed budget for the month of July 2017. Debtor’s proposed six month budget, is attached hereto and
11 is incorporated herein, by this reference, as Exhibit “12”. The budget reflects the projected income and
12 expenses of Debtor based on Debtor’s historical operations. I believe they are accurate and Debtor will
13 not to exceed the amounts set forth in the budget by more than ten percent both (i) on a line-item basis
14 for each expense category and (ii) in the aggregate.

15 EXECUTED AT _____, CALIFORNIA, THIS 26th DAY OF JULY, 2017.

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

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18 _____

19 ALFREDO BARAJAS, Declarant

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

444 West Ocean Boulevard, Suite 1400, Long Beach, CA 90802

A true and correct copy of the foregoing document entitled (*specify*): **MOTION OF DEBTOR AND DEBTOR-IN-POSSESSION FOR ORDER APPROVING USE OF CASH COLLATERAL; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF ALFREDO BARAJAS IN SUPPORT** 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 **July 26, 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:

- **Megan M Adeyemo** madeyemo@gordonrees.com, kgatzemeyer@gordonrees.com
- **Lane K Bogard** lbogard@lbinsolvency.com, dhaberbush@lbinsolvency.com, ahaberbush@lbinsolvency.com, m,abostic@lbinsolvency.com, haberbush.assistant@gmail.com, vhaberbush@lbinsolvency.com, jscarborough@lbinsolvency.com, jborin@lbinsolvency.com
- **Deborah S Cochran** dcochran@wongfleming.com, sshalloo@wongfleming.com
- **David R Haberbush** dhaberbush@lbinsolvency.com, ahaberbush@lbinsolvency.com, abostic@lbinsolvency.com, vhaberbush@lbinsolvency.com, haberbush.assistant@gmail.com, jborin@lbinsolvency.com
- **Vanessa M Haberbush** vhaberbush@lbinsolvency.com, dhaberbush@lbinsolvency.com, ahaberbush@lbinsolvency.com, m,abostic@lbinsolvency.com, haberbush.assistant@gmail.com, jborin@lbinsolvency.com
- **Cheryl A Kenner** ck@kbklawyers.com
- **Byron B Mauss** efilings@amlegalgroup.com
- **Zev Shechtman** zshechtman@dgdk.com, danninggill@gmail.com; zshechtman@ecf.inforuptcy.com
- **Daniel H Slate** dslate@buchalter.com, smartin@buchalter.com; ifs_filing@buchalter.com
- **United States Trustee (LA)** ustpregion16.la.ecf@usdoj.gov
- **Michele L Wong** michele.wong@doj.ca.gov
- **Hatty K Yip** hatty.yip@usdoj.gov

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On **July 26, 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 _____, 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.

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.

July 26, 2017 Alexander S. Bostic
Date Printed Name


Signature

Ernest M. Robles
United States Bankruptcy Court
255 E. Temple Street,
Suite 1560 / Courtroom 1568
Los Angeles, CA 90012

California United Bank
Daniel Slate
Buchalter
A Professional Corporation
1000 Wilshire Boulevard, Suite 1500
Los Angeles, CA 90017-1730

BMO Harris Bank
300 E. John
Carpenter Freeway
Irving, TX 75062

BrockmanProperties
3720 E. Anaheim
Street, Suite 201
Long Beach, CA 90804

Carlos Mosquera
C/O Brian S. Kabaleck
644 S. Figueroa Street
Los Angeles, CA 90017

Direct Chassis Link
3525 Whitehall Park
Charlotte, NC 28273

Emodal (SSAT Pool)
700 Pier A Plaza
Long Beach, CA 90813

Flexi Van Leasing
P.O. Box 3228
Boston, MA 02241

Inland Kenworth (US) Inc.
1600 Washington Blvd
Montebello, CA 90640

Juan FranciscoRodriguez
C/O Brian S.Kabaleck
644 S. FigueroaStreet
Los Angeles, CA 90017

Kaiser Foundation Health Plan
P.O. Box 23250
San Diego, CA 92193-3250

Mack Financial Services
7025 Albert Pick Road, Suite 105
Greensboro, NC 27402

Maersk
9300 Aeeowpoint Blvd.
Charlotte, NC 28273-8136

NYK
1138 N. Germantown Pkwy.
Suite 101-311
Cordova, TN 38016

People of the State of California
Attn: Timothy J. Kolesnikow
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

Prologis
11099 S. La Cienega Blvd. Ste. 210
Los Angeles, CA 90045

SC Fuels
P.O. Box 14237
Orange, CA 92863-1237

Tec Equipment, Inc
P.O. Box 11272
Portland, OR 97211

Trapac International
750 College Road East
Princeton, NJ 08540

Wardini H A Company
2620 N Tustin Ave
Santa Ana, CA 92705

Westran Idealease (Westrux)
15555 Valley View Ave
Santa Fe Springs, CA 90670

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818 West Seventh St.
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