

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address JAMES S. YAN, ESQ. (SB#157487) Law Offices of James S. Yan 980 S. Arroyo Parkway Suite 250 Pasadena, CA 91105 Telephone: (626) 405-0872 Facsimile: (626) 405-0970 Email: jsyan@msn.com</p> <p><input type="checkbox"/> Debtor(s) appearing without an attorney <input checked="" type="checkbox"/> Attorney for:</p>	<p>FOR COURT USE ONLY</p>
<p style="text-align: center;">UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION</p>	
<p>In re: YONG XIN INVESTMENT GROUP, LLC,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 2:17-bk-24288-RK CHAPTER: 11</p> <p style="text-align: center;">NOTICE OF OPPORTUNITY TO REQUEST A HEARING ON MOTION</p> <p style="text-align: center;">[LBR 9013-1(o)]</p> <p style="text-align: center;">[No hearing unless requested in writing]</p>

TO THE U.S. TRUSTEE AND ALL PARTIES ENTITLED TO NOTICE, PLEASE TAKE NOTICE THAT:

1. Movant(s) YONG XIN INVESTMENT GROUP, LLC, filed a motion or application (Motion) entitled MOTION FOR ORDER EXTENDING THE EXCLUSIVITY PERIOD UNDER 11 U.S.C. §1121(d) AND EXTENDING THE PERIOD FOR FILING A PLAN UNDER 11 U.S.C. §362(d)(3).
2. Movant(s) is requesting that the court grant the Motion without a hearing as provided for in LBR 9013-1(o), unless a party in interest timely files and serves a written opposition to the Motion and requests a hearing.
3. The Motion is based upon the legal and factual grounds set forth in the Motion. (Check appropriate box below):
 The full Motion is attached to this notice; or
 The full Motion was filed with the court as docket entry # _____, and a detailed description of the relief sought is attached to this notice.
4. **DEADLINE FOR FILING AND SERVING OPPOSITION PAPERS AND REQUEST FOR A HEARING:** Pursuant to LBR 9013-1(o), any party who opposes the Motion may request a hearing on the Motion. The deadline to file and serve a written opposition and request for a hearing is 14 days after the date of service of this notice, plus 3 additional days if you were served by mail or pursuant to F.R.Civ.P. 5(b)(2)(D) or (F).

This form is optional. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

- a. If you timely file and serve a written opposition and request for a hearing, movant will file and serve a notice of hearing at least 14 days in advance of the hearing. [LBR 9013-1(o)(4)]
- b. If you fail to comply with this deadline:
 - (1) Movant will file a declaration to indicate: (1) the Motion was properly served, (2) the response period elapsed, and (3) no party filed and served a written opposition and request for a hearing within 14 days after the date of service of the notice [LBR 9013-1(o)(3)];
 - (2) Movant will lodge an order that the court may use to grant the Motion; and
 - (3) The court may treat your failure as a waiver of your right to oppose the Motion and may grant the Motion without further hearing and notice. [LBR 9013-1(h)]

Respectfully submitted,

Date: 02/15/2018

/s/ James S. Yan
Signature of Movant or attorney for Movant

James S. Yan
Printed name of Movant or attorney for Movant

1 JAMES S. YAN, ESQ. (SB#157487)
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2 980 S. Arroyo Parkway
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5 Attorney for Debtor
6
7

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10
11 In re YONG XIN INVESTMENT
12 GROUP, LLC,

13
14 Debtor.

) Case No. 2:17-bk-24288-RK

) Chapter 11

) **MOTION FOR ORDER EXTENDING THE**
) **EXCLUSIVITY PERIOD UNDER 11 U.S.C.**
) **§1121(d) AND EXTENDING THE PERIOD**
) **FOR FILING A PLAN UNDER 11 U.S.C.**
) **§362(d)(3); MEMORANDUM OF POINTS**
) **AND AUTHORITIES; DECLARATIONS**
) **OF HOWARD SHIH AND JAMES YAN IN**
) **SUPPORT THEREOF**

) Hearing:

) Date: [No hearing unless requested in writing]

) Time:

) Ctrm: 1675

) Place: 255 E. Temple Street
) Los Angeles, CA 90012

1 TO THE HONORABLE ROBERT KWAN, THE CLERK OF THE U.S. BANKRUPTCY
2 COURT, THE UNITED STATES TRUSTEE, ALL CREDITORS, AND ALL INTERESTED PARTIES:

3 The Debtor and Debtor-in-Possession Yong Xin Investment Group, LLC hereby moves the Court
4 for an order extending the exclusivity period under 11 U.S.C. § 1121(d) and extending the period for
5 filing a plan under 11 U.S.C. § 363(d)(3) (“Motion”).

6 In support of this Motion, Debtor represents and alleges as follows:

7 1. The Debtor’s voluntary petition under chapter 11 of the Bankruptcy Code was filed on
8 November 20, 2017. Since that date the Debtor as Debtor-in-possession has continued in possession of
9 its estate and in the operation of its business.

10 2. The 120-day period during which only the Debtor can file a plan under 11 U.S.C. §
11 1121(d) will expire on March 20, 2018.

12 3. The 90-day period during which the Debtor must file a plan under 11 U.S.C. §
13 362(d)(3) will expire on February 18, 2018.

14 4. The Debtor is in the process of obtaining a final map for the development of Ocean View
15 Estate Project, a real estate project for building 17 single family homes in Los Angeles County.

16 5. The Debtor has commenced making adequate protection payments to the secured creditor
17 Ta Siu and Qin Chen on February 15, 2018.

18 6. The Court has set a deadline of April 2, 2018, as the bar date for filing claims, and May 1,
19 2018 as the deadline for filing objections to claims. In compliance with the Court’s ruling, the Debtor
20 has sent notices of bar date to all interested parties on January 31, 2018.

21 7. The Debtor believes that an extension of the deadline to July 1, 2018, should be sufficient
22 to resolve any claim objections, to apprise the Court of the status of the final map process, and to file a
23 disclosure statement and plan. The resolution of claims will affect the nature, classification and amount
24 of claims, which is necessary for the formulation of the plan of reorganization.

25 This Motion is based on this motion, the notice of this motion, the attached memorandum of
26 points and authorities, the attached declarations of Howard Shih and James Yan, the complete files and
27 records of this action, as well as any matter of which this Court may take judicial notice.

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Respectfully submitted:

Dated: February 15, 2018

/s/ James S. Yan
James S. Yan
Attorney for Debtor and
Debtor-in-Possession

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

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3 **I.**

4 **STATEMENT OF FACTS**

5 (i) Background of case.

6 The Debtor's voluntary petition under chapter 11 of the Bankruptcy Code was filed on November
7 20, 2017. Since that date the Debtor, as Debtor-in-possession, has continued in possession of his estate
8 and in the operation of his business.

9 The Debtor is a California limited liability company formed in 2013. The Debtor holds title to
10 39.14 acres of raw land in the County of Los Angeles, California, more specifically identified as APN
11 8289-019-006 (the "Property"). See Decl. Shih ¶ 3.

12 The Debtor was formed to develop a real estate project named Ocean View Estate Project
13 (hereinafter the "Project") (Attached hereto as Exhibit "A" is a copy of the brochure for the Project), a
14 gated community with 37 luxurious residences with each house situated on about one acre of land. The
15 Project is located between Hacienda Heights and Whittier, occupying 39.14 acres of land ("Vacant
16 Land") with an average elevation of 970 feet above sea level. The Project, situated on the top of a hill,
17 has a view overlooking East and Downtown Los Angeles, reaching as far as Catalina Island, and with the
18 beautiful night-lights in between. There is a national park, the Arroyo Pescadero Park, adjacent to the
19 Project. The temperature difference between the top of the hill and the bottom of the valley is 10
20 degrees Celsius. The school district for the Project is La Serna High School, which is one of the top 25
21 high schools in Southern California. See Decl. Shih ¶ 4.

22 When the Debtor was formed in 2013, its plan was to develop the Project in the following phases
23 (See Decl. Shih ¶ 5):

24 Phase One: Sell ownership shares to investors to cover Phases One to Three of the
25 Project. It was estimated that Phases One to Three of the Project would take approximately two years to
26 complete. The Debtor was successful in selling its shares in stages to cover Phases One to Three in
27 obtaining a total of about \$6 million investments from investors.

1 Phase Two: Purchase the Vacant Land at installments to allow time for the development
2 of the Project. The Debtor was successful in the purchase of the Vacant Land with an owner/seller loan
3 carryback. Escrow was closed on September 30, 2013, on the following terms: (a) the purchase price of
4 the Vacant Land is \$6.5 million, (b) The Debtor's payment of \$1 million down payment at close of
5 escrow, and (c) Owner/seller's loan carryback of \$5.5 million with a promissory note showing the
6 following terms: (i) interest payment only at \$36,666,67 per month on the principal of \$5.5 million for
7 the 2-year period from 11/1/13 to 10/1/15, (ii) second down payment of \$1.5 million on 10/1/15, and (iii)
8 interest payment only at \$26,666,67 per month on the principal of \$4 million until "the entitlement is
9 obtained, the Buyer agrees to payoff the loan within 60 days of issuance of the Final Map."

10 Phase Three: The Debtor would retain the services of Architect Twen Ma and consultant
11 Frank Hill to obtain entitlement and a final map for the Project. Mr. Ma would also be responsible for
12 grading the land in accordance with the LA County's requirements.

13 Phase Four: Upon the issuance of the Final Map for the Project, the Debtor has two
14 options: (a) The Debtor can either sell the graded land with the Project final map to investors, in which
15 case the Debtor would make an estimated 100% return on its investments after paying off the seller's
16 loan; or (b) The Debtor can sell additional ownership shares to investors to cover Phases Four to Six of
17 the Project, i.e., to develop the Project by obtaining a construction loan from the bank, in which case the
18 Debtor would make an estimated 300% to 400% return on its investments.

19 Phase Five (optional): Obtain a construction loan from the bank to build the 37 residential
20 homes in the Project, which will take another two years to complete.

21 Phase Six (optional): Market the houses to consumers in two stages in accordance with
22 the construction progress, and distribute the profits to the Debtor's investors.

23 The Debtor was successful in completing Phases One and Two of its plan, as described above.
24 See Decl. Shih ¶ 6.

25 The Debtor has run into many problems with the County of Los Angeles Department of Regional
26 Planning (hereinafter "LADRP"). On October 4, 2013, Architect Ma submitted the initial package of the
27 Project to LADRP's One Stop Interdepartmental Land Development Counseling Team. In October and
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1 November 2013, Architect Ma ordered the following services to be done on the Vacant Land: survey,
2 soil report, geology report, grading and drainage, sewer study, etc. In addition, Architect Ma prepared the
3 Project land subdivision map and road map, as well as the site plan for each lot. See Decl. Shih ¶ 7.

4 On January 23, 2014, Architect Ma had a meeting with LADRP, in which LADRP made many
5 suggestions to the Project, including a reservation of a portion of the land for natural preservation.
6 Subsequently, the plan of building 37 homes on the Vacant Land was rejected by LADRP. See Decl.
7 Shih ¶ 8.

8 Architect Ma was unable to convince LADRP, and after many negotiations with LADRP and
9 discussions with the Debtor, in November 2015, the Debtor, through Architect Ma, submitted a revised
10 map showing only 28 houses to be built on the Vacant Land. In a meeting held on April 14, 2016,
11 LADRP rejected the Debtor's plan of building 28 homes on the Vacant Land. See Decl. Shih ¶ 9.

12 After additional negotiations with LADRP and discussions with the Debtor, in March 2017, the
13 Debtor, through Architect Ma, submitted another revised map showing only 17 homes to be built on the
14 Vacant Land, as suggested by LADRP. LADRP is currently considering acceptance of the March 2017
15 revised map. See Decl. Shih ¶ 10.

16 The Debtor will cooperate with LADRP to obtain the issuance of the final map for the Project as
17 soon as possible. See Decl. Shih ¶ 11.

18 The seller, who holds a deed of trust on the Property, has attempted to foreclose on the Vacant
19 Land. However, once the final map is issued, the value of the Vacant Land will double, and there will be
20 investors who will be interested in buying the Project with the seller's loan paid off. See Decl. Shih ¶
21 12.

22 The Debtor is currently negotiating with a few buyers to buy the Project "as is." The purchase
23 price is expected to exceed or equal to the Debtor's investments plus the remaining amount of the
24 seller's loan. See Decl. Shih ¶ 13.

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1 (ii) Procedural status of case.

2 Since the entry of the order for relief in this case, the Debtor has promptly filed the 7-day
3 package with the United States Trustee, and provided additional information as requested by the Trustee.
4 Moreover, the Debtor has timely paid the U.S. Trustee's quarterly fees. The Debtor believes it is in
5 compliance with all of the Trustee's requirements.

6 At the status conference held on January 10, 2018, the Court set a deadline of April 2, 2018, as
7 the bar date for filing claims, and May 1, 2018 as the deadline for filing objections to claims.

8 In compliance with the Court's ruling, the Debtor has sent notices of bar date to all interested
9 parties on January 31, 2018.

10 The Debtor attended the creditors' meeting on February 1, 2018, in which the Debtor answered
11 questions regarding its financial affairs.

12 The Debtor has commenced making adequate protection payments to the secured creditor Ta Siu
13 and Qin Chen on February 15, 2018.

14 To date, no creditor has filed any motions, including any motion for relief from stay, or adversary
15 proceeding in this case.

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17 **II.**

18 **ARGUMENT**

19
20 **(A) The Court Should Extend the Exclusivity Period By Which The Debtor May File a**
21 **Plan of Reorganization.**

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23 11 U.S.C. §1121(d) provides that the Court may, for cause, extend the 120-day period for the
24 Debtor to file a reorganization plan and the 180-day period for acceptance of such a plan.

25 The 120-day period during which only the debtor may file a plan will expire on March 20, 2018.

26 While the statute does not explain what constitutes "cause" for purposes of extending the
27 exclusivity period, the legislative history states that "cause might include an unusually large or unusually
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1 small case, delay by the debtor, or recalcitrance among creditors.” See H.R. Rep. No. 95-595, 95th
2 Cong., 1st Sess. 406.

3 The Court may extend the exclusivity period if the cause for delay is attributable to disputes the
4 resolution of which may be necessary for the formulation of the plan, such as the successful conclusion
5 of a piece of litigation of which the debtor is a party. See In re Southwest oil Co., 84 B.R. 448 (Bankr.
6 W.D. Tex. 1987).

7 In the present case, the Debtor has promptly prosecuted this case by obtaining a claims bar date
8 and by serving the notice of claims bar date. After the creditors have timely filed their claims, the
9 resolution of claim disputes is crucial to the formulation of a plan of reorganization.

10 Moreover, the Debtor is in the process of obtaining a final map from the County of Los Angeles,
11 and granting an extension would allow sufficient time for the County to consider the Debtor’s proposal.
12 Whether or not the County would grant the final map as well as the details of the approved map would
13 affect the Debtor’s development plan, which is key to the success of the Debtor’s reorganization.

14 Furthermore, there is no alternative substantial plan which will be frustrated by an extension of
15 debtor exclusivity. See In re Public Service Company of New Hampshire, 88 B.R. 521 (D.N.H. 1988).

16 An approximate 90 days extension, i.e., to July 1, 2018, in this case is well within the limits of
17 reasonableness. The granting of an extension is in the best interests of the estate and the creditors.

18
19 **(B) The Court Should Extend the Deadline for Filing a Plan of Reorganization under**
20 **Section 362(d)(3).**

21
22 11 U.S.C. §362(d)(3) provides, in pertinent part, as follows:

23
24 “(d) On request of a party in interest and after notice and a hearing, the court shall grant
25 relief from the stay provided under subsection (a) of this section, such as by terminating,
annulling, modifying, or conditioning such stay-

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27 (3) with respect to a stay of an act against single asset real estate under subsection (a), by
28 a creditor whose claim is secured by an interest in such real estate, unless, not later than
the date that is 90 days after the entry of the order for relief (or such later date as the court

1 may determine for cause by order entered within that 90-day period) or 30 days after the
2 court determines that the debtor is subject to this paragraph, whichever is later-

3 (A) the debtor has filed a plan of reorganization that has a reasonable possibility
4 of being confirmed within a reasonable time; or

5 (B) the debtor has commenced monthly payments that- (i) may, in the debtor's
6 sole discretion, notwithstanding section 363(c)(2), be made from rents or other income
7 generated before, on, or after the date of the commencement of the case by or from the
8 property to each creditor whose claim is secured by such real estate (other than a claim
9 secured by a judgment lien or by an unmatured statutory lien); and

10 (ii) are in an amount equal to interest at the then applicable nondefault contract
11 rate of interest on the value of the creditor's interest in the real estate..."

12 In the present case, no creditor has filed any motion for relief from automatic stay pursuant to 11
13 U.S.C. §362(d)(3).

14 Moreover, no creditor has filed any motion designating this case as a single asset real estate case,
15 nor has the Court determined that the Debtor's case is a single asset real estate case, thereby triggering
16 the 30-day requirement under 11 U.S.C. §362(d)(3).

17 Furthermore, the Debtor has negotiated with counsel for the secured creditor Ta Siu and Qin
18 Chen regarding payment of adequate protection during the pendency of this case. Within 90 days after
19 the petition date, on February 15, 2018, the Debtor made the first monthly adequate protection payment
20 in the amount of \$20,800.00 to the secured creditor.¹ See Decl. Shih ¶ 14.

21 The Debtor believes that Section 362(d)(3) may not be applicable to this case since there has
22 been no determination that this case is subject to such section. However, in an abundance of caution, the
23 Debtor started making adequate protection payment to the secured creditor in an attempt to resolve all
24 disputes between the parties without wasting the Court's valuable time.

25 Assuming Section 362(d)(3) is applicable, the Debtor respectfully requests that the 90-period for
26 filing a plan be extended to July 1, 2018. In light of the peculiar circumstances in this case, i.e., the
27 complicated procedures involved in obtaining a final map from the County of Los Angeles, an extension

28 ¹ The adequate protection payment is computed by using the total amount of unpaid loan principal (\$4,000,000.00) plus 6
pre-petition arrearage of interest payments ($\$26,666.67 \times 6 = \$160,000.02$), multiplied by 6% interest rate per annum
($\$4,160,000.02 \times 0.06/12 = \$20,800.00$). The 6% interest rate was proposed by counsel for the secured creditor. See Decl.
Yan, ¶ 4 & Exh.B.

1 in this case is well within the limits of reasonableness.

2 Finally, the Debtor believes that the granting of an extension is in the best interests of the estate
3 and the creditors.

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5 **III.**
6 **CONCLUSION**

7 Based on the foregoing, Debtor respectfully requests that the Court enter an Order extending the
8 deadline for filing a plan to July 1, 2018, and that the Court grant such other and further relief as is
9 appropriate.

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11 Respectfully submitted:

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13 Dated: February 15, 2018

14 /s/ James S. Yan
15 James S. Yan
16 Attorney for Debtor and
17 Debtor-in-Possession

DECLARATION OF HOWARD SHIH

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3 I, Howard Shih, declare:

4 1. I am the Manager and CEO of Yong Xin Investment Group, LLC, the Debtor and Debtor-
5 in-Possession (“Debtor”) in this case. I am familiar with each of the facts set forth herein, and they are
6 stated on my own personal knowledge, and if called as witness I could and would testify competently
7 with respect to the matters set forth herein.

8 2. This declaration is made in support of the Debtor’s Motion for Order Extending Deadline
9 for Filing Plan (“Motion”).

10 3. The Debtor is a California limited liability company formed in 2013. The Debtor holds
11 title to 39.14 acres of raw land in the County of Los Angeles, California, more specifically identified as
12 APN 8289-019-006 (the “Property”).

13 4. The Debtor was formed to develop a real estate project named Ocean View Estate Project
14 (hereinafter the “Project”) (Attached hereto as Exhibit “A” is a copy of the brochure for the Project), a
15 gated community with 37 luxurious residences with each house situated on about one acre of land. The
16 Project is located between Hacienda Heights and Whittier, occupying 39.14 acres of land (“Vacant
17 Land”) with an average elevation of 970 feet above sea level. The Project, situated on the top of a hill,
18 has a view overlooking East and Downtown Los Angeles, reaching as far as Catalina Island, and with the
19 beautiful night-lights in between. There is a national park, the Arroyo Pescadero Park, adjacent to the
20 Project. The temperature difference between the top of the hill and the bottom of the valley is 10
21 degrees Celsius. The school district for the Project is La Serna High School, which is one of the top 25
22 high schools in Southern California.

23 5. When the Debtor was formed in 2013, its plan was to develop the Project in the following
24 phases:

25 Phase One: Sell ownership shares to investors to cover Phases One to Three of the

26 Project. It was estimated that Phases One to Three of the Project would take

27 approximately two years to complete. The Debtor was successful in selling its shares in
28

1 stages to cover Phases One to Three in obtaining a total of about \$6 million investments
2 from investors.

3 Phase Two: Purchase the Vacant Land at installments to allow time for the development
4 of the Project. The Debtor was successful in the purchase of the Vacant Land with an
5 owner/seller loan carryback. Escrow was closed on September 30, 2013, on the following
6 terms: (a) the purchase price of the Vacant Land is \$6.5 million, (b) The Debtor's
7 payment of \$1 million down payment at close of escrow, and (c) Owner/seller's loan
8 carryback of \$5.5 million with a promissory note showing the following terms: (i) interest
9 payment only at \$36,666,67 per month on the principal of \$5.5 million for the 2-year
10 period from 11/1/13 to 10/1/15, (ii) second down payment of \$1.5 million on 10/1/15, and
11 (iii) interest payment only at \$26,666,67 per month on the principal of \$4 million until
12 "the entitlement is obtained, the Buyer agrees to payoff the loan within 60 days of
13 issuance of the Final Map."

14 Phase Three: The Debtor would retain the services of Architect Twen Ma and consultant
15 Frank Hill to obtain entitlement and a final map for the Project. Mr. Ma would also be
16 responsible for grading the land in accordance with the LA County's requirements.

17 Phase Four: Upon the issuance of the Final Map for the Project, the Debtor has two
18 options: (a) The Debtor can either sell the graded land with the Project final map to
19 investors, in which case the Debtor would make an estimated 100% return on its
20 investments after paying off the seller's loan; or (b) The Debtor can sell additional
21 ownership shares to investors to cover Phases Four to Six of the Project, i.e., to develop
22 the Project by obtaining a construction loan from the bank, in which case the Debtor
23 would make an estimated 300% to 400% return on its investments.

24 Phase Five (optional): Obtain a construction loan from the bank to build the 37 residential
25 homes in the Project, which will take another two years to complete.

26 Phase Six (optional): Market the houses to consumers in two stages in accordance with
27 the construction progress, and distribute the profits to the Debtor's investors.
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1 6. The Debtor was successful in completing Phases One and Two of its plan, as described
2 above.

3 7. The Debtor has run into many problems with the County of Los Angeles Department of
4 Regional Planning (hereinafter "LADRP"). On October 4, 2013, Architect Ma submitted the initial
5 package of the Project to LADRP's One Stop Interdepartmental Land Development Counseling Team.
6 In October and November 2013, Architect Ma ordered the following services to be done on the Vacant
7 Land: survey, soil report, geology report, grading and drainage, sewer study, etc. In addition, Architect
8 Ma prepared the Project land subdivision map and road map, as well as the site plan for each lot.

9 8. On January 23, 2014, Architect Ma had a meeting with LADRP, in which LADRP made
10 many suggestions to the Project, including a reservation of a portion of the land for natural preservation.
11 Subsequently, the plan of building 37 homes on the Vacant Land was rejected by LADRP.

12 9. Architect Ma was unable to convince LADRP, and after many negotiations with LADRP
13 and discussions with the Debtor, in November 2015, the Debtor, through Architect Ma, submitted a
14 revised map showing only 28 houses to be built on the Vacant Land. In a meeting held on April 14,
15 2016, LADRP rejected the Debtor's plan of building 28 homes on the Vacant Land.

16 10. After additional negotiations with LADRP and discussions with the Debtor, in March
17 2017, the Debtor, through Architect Ma, submitted another revised map showing only 17 homes to be
18 built on the Vacant Land, as suggested by LADRP. LADRP is currently considering acceptance of the
19 March 2017 revised map.

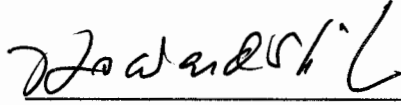
20 11. The Debtor will cooperate with LADRP to obtain the issuance of the final map for the
21 Project as soon as possible.

22 12. The seller, who holds a deed of trust on the Property, has attempted to foreclose on the
23 Vacant Land. However, once the final map is issued, the value of the Vacant Land will double, and
24 there will be investors who will be interested in buying the Project with the seller's loan paid off.

25 13. The Debtor is currently negotiating with a few buyers to buy the Project "as is." The
26 purchase price is expected to exceed or equal to the Debtor's investments plus the remaining amount of
27 the seller's loan.

1 14. Finally, the Debtor has negotiated with counsel for the secured creditor Ta Siu and Qin
2 Chen regarding payment of adequate protection during the pendency of this case. Within 90 days after
3 the petition date, on February 15, 2018, the Debtor made the first monthly adequate protection payment
4 in the amount of \$20,800.00 to the secured creditor.¹

5 I declare under penalty of perjury under the laws of the United States of America that the
6 foregoing is true and correct, and that this declaration is executed this February 15, 2018, at Pasadena,
7 California.

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9 Howard Shih

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27 ¹ The adequate protection payment is computed by using the total amount of unpaid loan principal (\$4,000,000.00) plus 6
28 pre-petition arrearage of interest payments ($\$26,666.67 \times 6 = \$160,000.02$), multiplied by 6% interest rate per annum
($\$4,160,000.02 \times 0.06/12 = \$20,800.00$). The 6% interest rate was proposed by counsel for the secured creditor.

DECLARATION OF JAMES YAN

I, James Yan, declare:

1. I am the attorney for Yong Xin Investment Group, LLC, the Debtor and Debtor-in-Possession (“Debtor”) in this case. I am familiar with each of the facts set forth herein, and they are stated on my own personal knowledge, and if called as witness I could and would testify competently with respect to the matters set forth herein.

2. This declaration is made in support of the Debtor’s Motion for Order Extending Deadline for Filing Plan (“Motion”).

3. I have negotiated with Christopher Langley, Esq., counsel for secured creditor Ta Siu and Qin Chen, regarding the issue of adequate protection payment.

4. On January 10, 2018, I received an email from Mr. Langley, offering to accept 6% per year interest payments for purpose of adequate protection. Attached hereto as Exhibit “B” is a true copy of Mr. Langley’s email dated January 10, 2018.

5. Subsequently, Mr. Langley and I discussed the value of the Real Property for purpose of the secured portion of his clients’ claim which would be entitled to adequate protection. Mr. Langley and I were unable to reach an agreement as to the value of the Real Property.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this declaration is executed this February 15, 2018, at Pasadena, California.

/s/ James Yan
James Yan

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:
980 S. Arroyo Parkway, Suite 250, Pasadena, CA 91105

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF OPPORTUNITY TO REQUEST A HEARING ON MOTION AND MOTION FOR ORDER EXTENDING THE EXCLUSIVITY PERIOD UNDER 11 U.S.C. §1121(d) AND EXTENDING THE PERIOD FOR FILING A PLAN UNDER 11 U.S.C. §362(d)(3); MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF HOWARD SHIH AND JAMES YAN IN SUPPORT THEREOF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **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:

- Christopher J Langley chris@langleylegal.com, ecflf@gmail.com;omar@langleylegal.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- James S Yan jsyan@msn.com
- Hatty K Yip hatty.yip@usdoj.gov

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On (*date*) **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.

Hon. Robert N. Kwan
U.S. Bankruptcy Court
Roybal Federal Building
255 E. Temple Street, Suite 1682
Los Angeles, CA 90012

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **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.

NONE – N/A

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.

February 15, 2018
Date

Jean Chan
Printed Name

/s/ Jean Chan
Signature

PROOF OF SERVICE OF DOCUMENT (continued)

2. SERVED BY UNITED STATES MAIL:

All Secured Creditors:

Los Angeles County Tax Collector
PO Box 54110
Los Angeles, CA 90054-0110

Ta Siu and Qin Chen
c/o Heidi M. Cheng, Esq.
13200 Crossroads Pkwy N # 165
City of Industry, CA 91746

20 Largest Unsecured Creditors:

Xiao Ning Wu
8855 E Valley Blvd # 203
Rosemead, CA 91770

Haiyu Li
8855 E Valley Blvd # 203
Rosemead, CA 91770

Chang Yan
8855 E Valley Blvd # 203
Rosemead, CA 91770

Frank Hill and Company, LLC
8170 Cielo Vista
Whittier, CA 90605

FSN
250 Commerce # 250
Irvine, CA 92602