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9 Chapter 11 Trustee

10 **UNITED STATES BANKRUPTCY COURT**  
11 **EASTERN DISTRICT OF CALIFORNIA**  
12 **FRESNO DIVISION**

13 In the Matter of ) Case No. 15-12827-A-11  
14 BLUEGREENPISTA ) Chapter 11  
15 ENTERPRISES, INC., ) DC#: TGM-33  
16 Debtor(s). ) Date: March 8, 2018  
17 ) Time: 1:30 p.m.  
18 ) Dept.: A, Courtroom 11,  
19 ) Fresno  
20 ) Honorable Fredrick E. Clement

21 **CHAPTER 11 TRUSTEE'S DISCLOSURE STATEMENT**  
22 **JANUARY 25, 2018**  
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1       Randell Parker, Chapter 11 Trustee of the above-referenced  
2 Chapter 11 case ("Trustee" or "Proponent"), has filed a Chapter 11  
3 Liquidating Plan ("Plan") and submits this Disclosure Statement in  
4 support of the Plan.

5       All Creditors and other parties-in-interest should refer to the  
6 Disclosure Statement for a discussion of the Debtor's history,  
7 business, property, results of operations and events leading up to  
8 the proposed Plan, as well as and analysis of the Plan and related  
9 matters.

10       The definitions contained in the Bankruptcy Code are  
11 incorporated in the Disclosure State and definitions set forth in  
12 the Plan will apply to capitalize terms used in this Disclosure  
13 Statement not otherwise defined.

## 14                                   **ARTICLE I**

### 15                                   **INTRODUCTION**

#### 16           **1.1 Introduction**

17       At the time of the filing of the bankruptcy petition, Debtor  
18 owned and operated a 152 acre pistachio farm in Kern County,  
19 California.

20       Trustee's Chapter 11 Plan is a liquidating plan. This  
21 Disclosure Statement describes the Plan, which is being filed and  
22 served concurrently herewith, and provides other adequate  
23 information, including (without limitation) information on voting  
24 procedure and important disclosures.

25       The Plan proposes to pay all creditors with Allowed Claims in  
26 full within ninety (90) days of the Effective Date of the Plan from  
27 the 2015 and 2016 pistachio Crop Proceeds. Allowed general  
28 unsecured claims will receive a cash payment in full and will

1 receive interest at the federal judgment rate. The Plan also  
2 provides for payment of administrative claims (except for  
3 professional fees) and taxes in full on the Effective Date of the  
4 Plan. The Debtor will not receive a discharge. The Debtor's  
5 interests shall be extinguished by the Plan. At the time of the  
6 filing of this Disclosure Statement, there are no outstanding  
7 taxes; any taxes that become due and owing will be paid in full  
8 within ninety (90) days of the Effective Date.

9 There will be remaining funds after payment of all  
10 administrative claims, tax claims and general unsecured claims.  
11 There was a dispute as to ownership and lien interests in the Crop  
12 Proceeds between Chapter 11 Trustee, Randeep Kaur and Balraj Singh,  
13 Co-Executors of the Estate of Amerjeet Kaur ("Kaur") (Randeep  
14 Dhillon's deceased mother) and Joseph P. and Pamela D. Romance  
15 ("Romance"). This remaining balance will be distributed to Romance  
16 and Kaur to be deposited into the Walter Wilhelm Attorney Trust  
17 Account pursuant to a Bankruptcy Court approved settlement between  
18 the parties.

19 **1.2 Disclaimers**

20 FOR CONVENIENCE OF CREDITORS, THIS DISCLOSURE STATEMENT  
21 SUMMARIZES THE TERMS OF THE PLAN, BUT IF ANY INCONSISTENCY EXISTS  
22 BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE  
23 PLAN ARE CONTROLLING.

24 NO REPRESENTATIONS CONCERNING THE DEBTOR'S FINANCIAL CONDITION  
25 OR ANY ASPECT OF THE PLAN ARE AUTHORIZED BY THE BANKRUPTCY COURT,  
26 DEBTOR OR TRUSTEE OTHER THAN AS SET FORTH IN THIS DISCLOSURE  
27 STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR  
28 ACCEPTANCE THAT ARE OTHER THAN AS CONTAINED IN OR INCLUDED WITH THIS

1 DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT  
2 YOUR DECISION.

3 THIS DISCLOSURE STATEMENT IS CURRENT AS OF THE DATE SET FORTH  
4 IN ITS TITLE. THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT,  
5 UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION  
6 IN THIS DISCLOSURE STATEMENT IS CORRECT AS OF ANY TIME AFTER THE  
7 DATE IN ITS TITLE, OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS  
8 OF THE DEBTOR AS OF SUCH LATER DATE.

9 ALL PROFESSIONALS FOR THE TRUSTEE HAVE RELIED UPON INFORMATION  
10 PROVIDED BY THE DEBTOR IN CONNECTION WITH THE PREPARATION OF THIS  
11 DISCLOSURE STATEMENT. ALTHOUGH PROFESSIONALS FOR THE TRUSTEE HAVE  
12 PERFORMED CERTAIN LIMITED DUE DILIGENCE IN CONNECTION WITH THE  
13 PREPARATION OF THIS DISCLOSURE STATEMENT, THE PROFESSIONALS HAVE NOT  
14 INDEPENDENTLY VERIFIED ALL OF THE INFORMATION CONTAINED IN OR  
15 ATTACHED TO THIS DISCLOSURE STATEMENT.

16 THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE  
17 CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. CREDITORS SHOULD  
18 CONSULT THEIR OWN LEGAL COUNSEL AND ACCOUNTANTS AS TO THE LEGAL, TAX  
19 AND OTHER MATTERS CONCERNING THE PLAN.

20 This Disclosure Statement may not be relied on for any purpose  
21 other than to determine whether to accept or reject the Plan, and  
22 nothing stated therein will constitute an admission of any fact or  
23 liability of any party, or be admissible in any proceeding involving  
24 the Trustee or any other party, or be deemed conclusive evidence of  
25 the tax or other legal effects of the Plan on the Debtor or  
26 Creditors.

27 Summaries of certain provisions of agreements referenced in  
28 this Disclosure Statement do not purport to be complete and are

1 subject to, and are qualified in their entirety by reference to the  
 2 full text of applicable agreement, including the definitions of  
 3 terms contained I the agreement.

4 **1.3 Overview of the Chapter 11 Plan**

5 The following Chart describes that treatment of Claims under  
 6 the Plan:

7	CLASS NO.	DESCRIPTION	ESTIMATED AMOUNT OR VALUE OF ALLOWED CLAIMS	ESTIMATED/PROJECTED PAYMENT/TREATMENT
10	CLASS 1	CLAIM OF STATE BANK OF INDIA, (CALIFORNIA)	-0-	UNIMPAIRED, NOT ENTITLED TO VOTE
12	CLASS 2	CAL PURE	-0-	UNIMPAIRED, NOT ENTITLED TO VOTE
14	CLASS 3	KERN COUNTY TREASURER TAX COLLECTOR	-0-	UNIMPAIRED, NOT ENTITLED TO VOTE. Paid in full through foreclosure of real property.
16	CLASS 4	ROMANCE*	Unknown	IMPAIRED, ENTITLED TO VOTE. To be paid as set forth in Bankruptcy Court approved compromise
19	CLASS 5	KAUR*	Unknown	IMPAIRED, ENTITLED TO VOTE. To be paid as set forth in Bankruptcy Court approved compromise
21	CLASS 6	PRIORITY TAX CLAIMS	-0-	UNIMPAIRED, NOT ENTITLED TO VOTE. Paid as required by law. No unpaid tax claims as of the date of this Disclosure Statement.
24	CLASS 7	PRIORITY NON TAX CLAIMS	-0-	UNIMPAIRED, NOT ENTITLED TO VOTE
26	CLASS 8	GENERAL UNSECURED	\$23,237.87	IMPAIRED, ENTITLED TO VOTE. These claims will be paid in full with interest at the federal judgment rate.

28 \*The Court approved settlement between Romance, Kaur and Trustee,



1 provides that these parties will receive a cash payment of all funds  
2 remaining in the estate after payment of all administrative,  
3 priority and general unsecured Allowed Claims. These funds shall be  
4 deposited into the attorney client trust account of Walter Wilhelm  
5 who will distribute these proceeds pursuant to stipulation, without  
6 further order of the Court.

7 This is a summary of treatment of the listed claims. The Plan  
8 should be reviewed to determine the exact treatment of such claims.  
9 The aggregate figures provided herein are estimates only and subject  
10 to all qualifications and disclaimers described above.

#### 11 **1.4 Voting Instructions**

12 The Disclosure Statement Order will set forth deadlines for  
13 voting to accept or reject the Plan and for filing objections to  
14 Confirmation of the Plan.

##### 15 **1.4.1 Claims for Plan Voting Purposes.**

16 For Plan voting purposes, any claim not disputed by Trustee or  
17 not disputed in the bankruptcy schedules or to which the Trustee or  
18 another party in interest has filed an objection to the Proof of  
19 Claim which has been sustained, will be allowed in the amount  
20 included in the Proof of Claim or Schedules. However, nothing  
21 contained in the Disclosure statement will be deemed a determination  
22 of the amount or allowance of any claim.

##### 23 **1.4.2 How to Vote**

24 A ballot is enclosed herewith for Creditors to use in voting on  
25 the Plan. To vote for the Plan, indicate on the enclosed ballot  
26 that you accept or reject the Plan, provide the requested  
27 information, sign your name, and mail the ballot in the envelope  
28 provided for that purpose.

1 In order to be counted, ballots must be completed, signed and  
2 returned so that they are actually received no later than 5:00 p.m.  
3 prevailing Pacific Time on the date set forth in the Disclosure  
4 Statement Order by counsel for the Chapter 11 Trustee at the  
5 following address:

6 Trudi G. Manfredo  
7 Law Office of Trudi G. Manfredo  
8 377 W. Fallbrook Avenue, Suite 102  
9 Fresno, California 93711  
Telephone: (559)242-5577  
Facsimile: (559)513-8148

10 To be counted for purposes of voting on the Plan, all of the  
11 information requested on the ballot must be provided. If your  
12 ballot is not properly completed, signed and returned as described  
13 by the voting deadlines, it will not be counted. If your ballot is  
14 damaged or lost, you may request a replacement by sending a written  
15 request to the same address.

#### 16 **1.4.3 Voting Procedures**

17 All votes to accept or reject the Plan must be cast by using  
18 the ballot. Votes that are cast in any other manner will not be  
19 counted. Ballots must be received no later than 5:00 p.m. Pacific  
20 Time on the date set forth in the Disclosure Statement Order.

21 Parties who elect to vote on the Plan should complete and sign  
22 the ballot in accordance with the instructions thereon, being sure  
23 to check the appropriate box entitled "Accept the Plan" or "Reject  
24 the Plan." Parties should carefully review the voting procedures  
25 set forth here and in the ballot.

#### 26 **1.4.4 Withdrawal of Vote on the Plan**

27 A properly submitted ballot may be withdrawn by delivering a  
28 written notice of withdrawal to Trustee's Bankruptcy Counsel at the

1 address set forth on the ballot at any time prior to the voting  
2 deadline. Thereafter, withdrawal may be effected only with the  
3 approval of the Bankruptcy Court, under Bankruptcy Rule 3018(a).

4 To be valid, a notice of withdrawal must (a) specify the name  
5 of the holder who submitted the vote on the Plan to be withdrawn,  
6 (b) contain the description of the Claim to which it relates and the  
7 amount of such Claim, and (c) be signed by the holder in the same  
8 manner as on the ballot. The Trustee reserves the right to contest  
9 the timeliness or validity of any such withdrawals of votes in the  
10 Plan.

11 In addition to the withdrawal as specified above, any holder  
12 who has previously submitted a properly completed ballot prior to  
13 the voting deadline may revoke and change such vote by submitting to  
14 the Trustee's counsel prior to the voting deadline a subsequent  
15 properly completed ballot for acceptance or rejection of the Plan.  
16 In the case where more than one timely, properly completed ballot is  
17 received, only the ballot that bears the latest date will be counted  
18 for purposes of determining whether acceptance sufficient to seek  
19 confirmation of the Plan has been received.

20 **1.4.5 Balloting Agent, Questions and Requests for Ballots**

21 Trustee's Counsel, Trudi G. Manfredo, shall serve as balloting  
22 agent for the Plan. Questions, requests for assistance, and  
23 requests for additional copies of this Disclosure Statement or  
24 ballots should be directed to Trustee's Counsel at the address set  
25 forth on the ballots (which is the same address as set forth herein  
26 above.

27 ///

28 ///

1           **1.5 Confirmation**

2           Plan Confirmation is the technical term for the Bankruptcy  
3 Court's approval of the Chapter 11 Plan. At the Confirmation  
4 Hearing, in order to confirm the Plan, the Trustee must demonstrate  
5 that it has met the requirements of 11 U.S.C. § 1129 of the  
6 Bankruptcy Code. If the Bankruptcy Court determines that all of the  
7 requirements have been satisfied, the Court will enter an order  
8 confirming the Plan. Trustee believes that the Plan satisfies all  
9 the statutory requirements of Chapter 11 of the Bankruptcy Code.

10           Your vote on the Plan is important. As of the date of the  
11 filing of this bankruptcy case, Debtor was a farmer. For this  
12 reason, the case cannot be converted to a case under Chapter 7  
13 unless Debtor consents. The only other alternative would be  
14 dismissal which would create uncertainty not evident under the Plan.  
15 Therefore the Trustee urges you to accept the Plan by completing and  
16 returning the enclosed ballot.

17           Voting is tabulated by Class. Each creditor who holds a Claim  
18 which is included in an "Impaired Class" as that term is defined in  
19 11 U.S.C. § 1124 is entitled to vote for or against the Plan. An  
20 "Impaired Class" under the Code generally means a class of Claimants  
21 whose claims or interests, under a plan, will be modified in terms  
22 of principal, interest, length of time for payment, or a combination  
23 of the above.

24           Under 11 U.S.C. § 1126(f) unimpaired classes are deemed to have  
25 accepted the Plan. Accordingly, Trustee is not required to solicit  
26 votes from such unimpaired classes with respect to the acceptance or  
27 rejection of the Plan.

28           If a Class of Claims entitled to vote on the Plan rejects

1 the Plan, Trustee reserves the right to amend the Plan or request  
2 Confirmation of the Plan under 11 U.S.C. §1129(b) or both. Section  
3 1129(b) permits confirmation of a plan notwithstanding the  
4 nonacceptance of the plan by one or more impaired classes of claims  
5 or equity interests. Under the statute, a plan may be confirmed by  
6 a Bankruptcy Court if it does not "discriminate unfairly" and is  
7 "fair and equitable" with respect to each non accepting class. The  
8 Court may confirm the Plan if it finds the Plan affords fair and  
9 equitable treatment to the class rejecting it, if the requisite  
10 acceptances are not obtained.

11 At the hearing on Plan confirmation which will be set by the  
12 Bankruptcy Court, the Court will determine whether the Plan has been  
13 accepted by the requisite number of Creditors and whether the other  
14 requirements for Confirmation of the Plan have been satisfied. The  
15 Confirmation Hearing may be continued from time to time and day to  
16 day without further notice. If the Bankruptcy Court confirms the  
17 Plan, it will enter the Confirmation Order. Any objections to  
18 Confirmation of the Plan must be in writing and must be filed with  
19 the Clerk of the Bankruptcy Court and served on counsel for the  
20 Trustee and the Office of the United States Trustee on or before the  
21 date set forth in the notice of the Confirmation Hearing sent to you  
22 with this Disclosure Statement and the Plan. Bankruptcy Rule 3007  
23 and Local Bankruptcy Rule 3018-1 govern the form of any objection.

24 The parties on whom objections must be served are:

25 Counsel for Chapter 11 Trustee  
26 Trudi G. Manfredo  
27 Law Office of Trudi G. Manfredo  
377 W. Fallbrook, Suite 102  
Fresno, California 93711  
Telephone: (559) 242-5577  
28 Facsimile: (559) 513-8148

1           Office of the United States Trustee:  
Office of the United States Trustee  
2           Attn: Gregory Powell, Esq.  
2500 Tulare Street, Suite 1401  
3           Fresno, California 93721  
Telephone: (559) 487-5002  
4           Facsimile: (559) 487-5030

5           **1.5.1 Votes Considered in Determining Acceptance of Plan**

6           When acceptance of the Plan is determined by the Bankruptcy  
7 Court under 11 U.S.C. § 1126 and Rule 3018 of the Federal Rules of  
8 Bankruptcy Procedure, votes of Creditors will only be counted if  
9 submitted by Creditors with Allowed Claims who are members of  
10 impaired classes. However, in determining whether an impaired class  
11 has accepted the Plan, votes of insiders are not considered pursuant  
12 to 11 U.S.C. § 1129(a)(10) for purposes of confirmation.

13           If you are in any way uncertain if or how your Claim has been  
14 scheduled, you should review the Debtor's schedules and any  
15 amendments thereto which are on file with the Clerk's Office of the  
16 United States Bankruptcy Court, 2500 Tulare Street, Suite 2501,  
17 Fresno, California 93721.

18           The Bankruptcy Court set a claims bar date for governmental  
19 units of January 14, 2016 and for all other claims (except for  
20 holders of Claims that appear in the Schedules and are **not** scheduled  
21 as disputed, contingent or unliquidated) of November 25, 2015. The  
22 date fixed for filing administrative claims other than Professional  
23 Fees was October 19, 2016.

24           Pursuant to Rule 3018 of the Federal Rules of Bankruptcy  
25 Procedure, an equity security holder or creditor whose claim is  
26 based on a security of record shall not be entitled to accept or  
27 reject a plan unless the equity security holder or creditor is the  
28 holder of record of the security on the date the order approving the

1 disclosure statement is entered or on another date fixed by the  
2 court, for cause, after notice and a hearing.

3

4

## ARTICLE II

5

### **BACKGROUND AND EVENTS PRECEDING THE CHAPTER 11 CASE**

6

7

8

The following is an overview of the historical business of  
Debtor, and events leading up to the filing of the Chapter 11 Case  
on July 28, 2015.

9

#### **2.1 Background**

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##### **A. Creation**

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At the time of the filing of the bankruptcy case, Debtor was an  
active, closely held California Corporation in good standing with  
the California Secretary of State which was formed on August 28,  
2009.

15

##### **B. General Description of Business Operations**

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The main asset of this estate was approximately 152 acres of  
pistachios located at 8027 Martin Avenue, Bakersfield, CA  
(Assessor's Parcel Nos: 104-030-10 and 104-030-10-11, also known as  
7<sup>th</sup> Standard and Martin) ("Pistachio Farm"), more particularly  
described on **Exhibit 1** attached hereto and incorporated herein by  
reference which Debtor farmed.

22

##### **C. Equity Structure**

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According to the List of Equity Security Holders filed as Doc.  
15 on August 1, 2015, and Debtor's Statement of Affairs, Pinder  
Singh owns 100% of the stock of the Debtor. The shares were  
previously owned by Randeep Dhillon and his spouse Kamalpreet K.  
Sidhu ("Dhillon"). Dhillon purportedly transferred the shares to  
Pinder Singh on April 14, 2012.

1 On February 8, 2017, Trustee received a wire transfer from Cal  
2 Pure, in the amount of \$559,937.98 representing a growers bonus for  
3 the 2015 crop year.

4 Shortly thereafter, Randeep Kaur and Balraj Singh, Co-Executors  
5 of the Estate of Amerjeet Kaur ("Kaur") (The estate of Randeep  
6 Dhillon's deceased mother) asserted that it, rather than Pinder  
7 Singh, owned 100% of the shares of the Debtor. On May 9, 2017,  
8 Pinder Singh signed a declaration which was filed with the  
9 Bankruptcy Court as Docket No. 595 on May 10, 2017 declaring that  
10 his stock purchase agreement with Dhillon was null and void, and  
11 supporting Kaur's claim that the stock belonged to it. Kaur also  
12 claimed a lien interest in the proceeds held by the Chapter 7  
13 Trustee. Trustee settled the ownership and lien issue with Kaur and  
14 an order authorizing this compromise was approved by the Court on  
15 January 12, 2018. Docket No. 772.

16 **D. Executive Officers**

17 As of the petition date, according to Debtor's Schedules and  
18 Statement of Affairs, Pinder Singh is the President, Vice President  
19 and Secretary of the Debtor.

20 **E. Source of Crop Financing**

21 For the crop years 2014 and 2015, Debtor obtained crop  
22 financing through CalPure Produce, Inc., fka CalPure Pistachios,  
23 Inc., fka Paramount Farms ("Cal Pure").

24 **F. Secured Creditors**

25 Debtor's primary secured creditors on the Petition Date were as  
26 discussed below.

27 **G. Priority Claims**

28 There are no wage claims listed on Debtor's schedules.



1 Franchise Tax Board has filed a Claim No. 1 for \$822.02. This claim  
2 has been paid in full.

3 **H. Unsecured Claims.**

4 Allowed unsecured claims consist of Claim No. 9, filed by Farm  
5 Pump and Irrigation Co. Inc. in the amount of \$2,542.30, and Claim  
6 No. 10 filed by Thomas Ferrari, dba Pollen Bank, in the amount of  
7 \$20,695.57. All other unsecured claims have been paid in full, are  
8 listed as disputed, or the Chapter 11 Trustee has filed an objection  
9 and his objection has been sustained.

10 **2.2 Events Preceding the Bankruptcy Filing**

11 On October 13, 2006, Dhillon purchased the Pistachio Farm from  
12 R&M Kent Family Ltd. Partnership, a Texas limited partnership  
13 ("Kent").

14 Financing for the purchase of the Pistachio Farm by Dhillon was  
15 provided by a note secured by a first deed of trust in favor of  
16 California State Bank of India ("SBOI") and a second deed of trust  
17 in favor of the Kents.

18 On November 28, 2007, Dhillon refinanced with Bank of India.  
19 This refinanced note paid the note secured by a first deed of trust  
20 to Bank of India in full, and a portion of the note secured by the  
21 second deed of trust by the Kents was paid. No subordination of the  
22 Kent note to the refinanced note of Bank of India was recorded.

23 On May 26, 2011, Dhillon transferred the Pistachio Farm to the  
24 Debtor.

25 On August 12, 2008, Dhillon received a second loan from SBOI  
26 for \$1,000,000 secured by a fourth deed of trust on the Pistachio  
27 Farm. The proceeds of this note were used by one of Dhillon's  
28 Entities.

1 On July 5, 2011, Dhillon and his spouse Kamalpreet Sidhu filed  
2 for relief under Chapter 11 of the Bankruptcy Code, Case No. 11-  
3 17650 (not the present case). They listed 45% ownership of the  
4 Debtor. Bluegreenpista Enterprises, Inc. was listed as a dba of  
5 Dhillon, but the property was not listed as an asset. This case was  
6 dismissed on May 4, 2012, with a one year bar to further filings.

7 On April 14, 2012, Dhillon and his spouse transferred their 500  
8 shares in the Debtor to Pinder Singh. On August 31, 2017, 450 more  
9 shares were transferred.

10 On April 18, 2014, Joseph P. Romance and Pamela D. Romance  
11 ("Romance") purchased the Kent notes.

12 In 2014, state court litigation commenced between Bank of India  
13 and Romance to determine which creditor was in first position with  
14 regard to the Pistachio Farm.

15 Dhillon defaulted on the Bank of India and Kent notes, and a  
16 sale date for the Farm Property was scheduled. Dhillon commenced  
17 litigation in an attempt to stop the foreclosure. This attempt  
18 failed, and this Chapter 11 case was filed on July 18, 2015 to stop  
19 the sale of the Farm Property.

20 Debtor encountered stiff opposition from the secured creditors  
21 and the United States Trustee, and Debtor eventually stipulated with  
22 the U.S. Trustee for the appointment of a Chapter 11 Trustee.

23 On December 29, 2015, by order of this Court, Randell Parker  
24 was appointed Chapter 11 Trustee, and he has been overseeing the  
25 continuing operations of the Debtor.

26 ///

27 ///

28 ///

1        **2.3 Debtor's Assets**

2        The Debtor scheduled the following described assets with the  
 3 below values:

<u>REAL PROPERTY</u>	<u>LIENS</u>	<u>VALUE</u>
Pistachio Farm	\$7,400,000	\$8,000,000
<u>PERSONAL PROPERTY</u>		<u>VALUE</u>
Bank Account		\$ 41,246
PG&E security deposit		\$ 9,800
Rain & Hail Insurance claim 2014 crop		\$ 500,000
Lawsuit vs. State Bank of India		Unliquidated
2015 crop on trees		\$1,800,000
Ag chemicals		\$ 2,200
NH Tractor, Case Tractor, shredder, mower blower, quad, water filtration system, misc. small items		\$ 60,000
	TOTAL:	\$10,413,246

12        Changes in Assets Since Commencement of Case

13        Real property

14        Romance purchased the note secured by a first deed of trust  
 15 from SBOI and foreclosed on the real property. After the  
 16 foreclosure, there was a deficiency.

17        Personal Property

18        1. Bank Account

19        Dhillon or his entities received these funds without benefit of  
 20 a court order. The bank statements provided by the Debtor to the  
 21 U.S. Trustee and attached to monthly operating reports did not match  
 22 the statements that the Trustee received directly from Debtor's  
 23 bank. Upon appointment of the Chapter 11 Trustee, he closed the  
 24 Debtor in Possession account and transferred the balance of the  
 25 funds to a Chapter 11 estate account.

26        2. PG&E Deposit

27        Prior to the appointment of a trustee, Debtor did not remain  
 28 current on his PG&E obligation. PG&E applied this deposit to the

1 outstanding obligation.

2 3. Rain & Hail 2014 Crop Insurance

3 Trustee's investigations revealed that the insurance premium  
4 had not been paid, so there was no crop insurance.

5 4. 2015 Crop Proceeds

6 This asset was overvalued. Trustee initially received a  
7 portion of the 2015 crop proceeds and used these proceeds to pay  
8 administrative claims and adequate protection payments pursuant to  
9 a court order. Trustee is currently holding \$555,056.17 of the 2015  
10 crop proceeds.

11 5. Dhillon's Lawsuit vs. State Bank of India and Romance

12 Trustee determined that this lawsuit had no merit.

13 6. Ag Chemicals

14 By the time the Trustee was appointed, there were no  
15 agricultural chemicals.

16 7. NH Tractor, Case Tractor, shredder, mower blower, quad,  
17 water filtration system, misc. small items

18 The value of these assets was inflated, and the existence of  
19 most of these assets could never be confirmed. Romance foreclosed  
20 on this personal property.

21 **2.4 Debtor's Liabilities**

22 The majority of liabilities scheduled by this Debtor were  
23 either listed as disputed, or Trustee has objected to these  
24 scheduled claims and his objections have been sustained.

25 **2.4.1 Administrative Expenses**

26 With the exception of professional fees, all administrative  
27 expenses were paid during the pendency of the Chapter 11 case. The  
28 Plan provides that fees and expenses of Professionals retained by

1 Trustee and the Chapter 11 Trustee for services rendered and costs  
2 incurred after the Petition Date and prior to the date each final  
3 fee application is filed will be paid following approval by the  
4 Bankruptcy Court after notice and a hearing.

5 Trustee estimates that the unpaid Administrative Claims against  
6 the Estate will total \$120,000 as of the date of the filing of the  
7 final fee applications, primarily for payment of the Chapter 11  
8 Trustee, his counsel and his accountant.

9 Allowed Administrative Claims will be paid from the 2015 and  
10 2016 Crop Proceeds.

#### 11 **2.4.2 State Bank of India**

12 On the Petition Date, State Bank of India held notes secured by  
13 a first and fourth deed of trust on the Pistachio Farm. The  
14 individual who entered into these obligations was Randeep Dhillon,  
15 not the Debtor. During the pendency of the Chapter 11, State Bank  
16 of India obtained relief from stay and sold its note secured by a  
17 First Deed of Trust to Romance. Romance then foreclosed and there  
18 was a deficiency balance secured by personal property. State Bank  
19 of India has withdrawn its filed Proof of Claim representing the  
20 note secured by a third deed of trust, as it was not satisfied  
21 through the foreclosure, and the individual liable for this claim  
22 was Randeep Dhillon, not the Debtor. For this reason, State Bank of  
23 India is not owed an obligation by this Debtor.

#### 24 **2.4.3 Joseph and Pamela Romance**

25 On the petition date, Romance held a note secured by a second  
26 deed of Trust on the Pistachio Farm. Although this claim was  
27 secured by the Debtor's real property, the individual who signed the  
28 note and deed of trust was Dhillon, not the Debtor. Romance

1 purchased the SBOI and Kent notes secured by deeds of trust on the  
2 Pistachio Farm and foreclosed. There was a deficiency balance  
3 following foreclosure, secured by personal property. Romance had  
4 asserted a lien interest in the 2015 and 2016 Crop Proceeds  
5 currently held by the Trustee. Trustee settled with Romance, and  
6 the Bankruptcy Court approved the settlement on January 12, 2018.  
7 Under the terms of the Plan, Romance will receive a portion of the  
8 funds remaining in the estate after payment of all other allowed  
9 claims to be divided with Kaur.

10 **2.4.4 Kaur**

11 On the petition date, Kaur was listed as a disputed secured  
12 debt. During the pendency of the Chapter 11, Kaur asserted a lien  
13 interest in the 2015 and 2016 Crop Proceeds currently held by the  
14 Chapter 11 Trustee, and also claimed that it was the sole  
15 shareholder of the Debtor. Trustee settled with Kaur, and the  
16 Bankruptcy Court authorized this settlement on January 12, 2018.  
17 Under the terms of the Plan, Kaur will receive a portion of the  
18 funds remaining in the estate after payment of all other allowed  
19 claims to be divided with Romance.

20 **2.4.5 Paramount Farms/Cal Pure**

21 Paramount Farms/Cal Pure was scheduled as a secured creditor in  
22 the amount of \$1,100,000.00. Paramount Farms/CalPure provided crop  
23 financing for the Debtor in 2014 and 2015, and to the Trustee for  
24 2016. It also filed a Proof of Claim. It was paid in full during  
25 the pendency of the Chapter 11 case, and filed a statement that it's  
26 Proof of Claim had been satisfied.

27 **2.4.6 Kern County Treasurer Tax Collector**

28 Although this creditor was not scheduled, it did file a claim

1 in the bankruptcy case in the amount of \$35,170.64. This claim was  
2 secured by the Pistachio Farm. The property was foreclosed, and  
3 this creditor was paid in full by Romance.

4 **2.4.7 Other Alleged Secured Claims**

5 Other Scheduled Claims were listed as disputed, or the Trustee  
6 has objected to those claims and those claims have been disallowed.  
7 Among those disputed secured claims was a number of taxing agencies.  
8 Trustee's investigation revealed that the Debtor was not liable for  
9 those debts; rather the debts were owed by Randeep Dhillon, his  
10 wife, or one of their entities other than the Debtor. The Farm  
11 Property was foreclosed on, and to the extent that these creditors  
12 had a lien interest in the real property, they are sold out junior  
13 lien holders. Other than the settlement with Kaur and Romance  
14 regarding their alleged liens, Trustee does not believe there are  
15 any Other Secured Claims on the Effective Date. In the event that  
16 any disputed secured claim, in fact, has a perfected security  
17 interest in the 2015 and 2016 crop proceeds, that lien would remain  
18 in full force and effect.

19 **2.4.8 Priority Tax Claims**

20 Debtor did not list any Priority Tax Claims. Franchise Tax  
21 Board filed a Proof of Claim in the amount of \$822.02 for a  
22 corporate fee. No other Proofs of Claim have been filed by taxing  
23 agencies. The claim of Franchise Tax Board has been paid.

24 **2.4.9 Priority Non-Tax Claims**

25 Debtor did not schedule any Priority Non-Tax Claims, and  
26 Trustee does not believe any will exist on the Effective Date.

27 **2.4.10 General Unsecured Claims**

28 Debtor had scheduled \$227,592.49 on its Schedule F. However,

1 these claims were either listed as disputed or Trustee objected to  
2 the claims and his objections were sustained.

3 Debtor listed PG&E as an unsecured claim in the amount of  
4 \$33,217.23. This claim was paid in full during the Chapter 11  
5 Proceeding through a Court Order.

6 Trustee has filed objections to all undisputed scheduled claims  
7 and Proofs of Claims he disputed, and all of his objections have  
8 been sustained.

9 The total Allowed Unsecured Claims are as follows:

10	Claim No. 9 Farm Pump and Irrigation Co.	\$2,542.30
11	Claim No. 10 Thomas Ferrari dba Pollen Bank	\$20,695.57
12	Total:	\$23,237.87

### 13 **ARTICLE III**

#### 14 **SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE**

15 Since the Petition Date, significant events in the Chapter 11  
16 case have included the following filings and entered orders. Copies  
17 of all relevant court documents are on file with the Bankruptcy  
18 Court.

#### 19 **3.1 Commencement of the Chapter 11 Case**

20 The Chapter 11 Petition was filed on July 18, 2015. Assets  
21 scheduled as of the petition date were \$10,374,000.00. Secured  
22 debts were scheduled at \$7,244,086.58, and unsecured debt were  
23 scheduled at \$227,592.49. Schedules B, D, E and F were amended on  
24 September 9, 2015. In this amendment, secured debt totaled  
25 \$8,411,551.39 and unsecured debt was unchanged. Asset value was  
26 scheduled at \$10,415,246.00. Trustee believes the asset values were  
27 greatly inflated, and other than the secured creditors, the  
28 creditors listed on the bankruptcy schedules were disputed, or



1 Trustee has objected to those scheduled claims, and they have been  
2 disallowed. The Trustee believes the Debtor was insolvent for  
3 months, and more likely for years, prior to the Petition Date.

4 **3.2 Court Appointed Professionals**

5 A. TRUSTEE

6 Randell Parker was appointed the Chapter 11 Trustee on December  
7 29, 2015.

8  
9 B. CREDITOR'S COMMITTEE

10 There is no creditor's committee.

11 C. Court Appointed Professionals

12 During the pendency of the Chapter 11 case, the Bankruptcy  
13 Court authorized the employment of the following professionals:

- 14 a. David R. Jenkins, P.C., Attorney for Debtor by court order  
15 dated October 15, 2015. Debtor's counsel subsequently  
16 obtained an order authorizing him to withdraw, and Debtor  
17 is currently unrepresented. Doc. No. 71.
- 18 b. Trudi G. Manfredo, Attorney for Chapter 11 Trustee, by  
19 court order dated January 6, 2016. Doc. No. 127.
- 20 c. James E. Salven, Accountant for Chapter 11 Trustee, by  
21 court order dated January 6, 2016. Doc. No. 128.
- 22 d. Wegis & Young Property Management, LLC, Farm Mangers for  
23 the Pistachio Farm by court order dated April 15, 2016.  
24 Doc. No. 248.
- 25 e. Pearson Realty, Inc. Real Estate Broker for Chapter 11  
26 Trustee by Court order dated May 26, 2016. Doc. No. 286.
- 27 f. Merriman, Hurst & Associates, Inc., Appraiser for Chapter  
28 11 Trustee, by court order dated June 4, 2016. Doc. 290.

1 g. T. Scott Belden and Belden Blain Raytis, LLP, Special  
2 Counsel to Trustee by court order dated September 12,  
3 2016. Doc. No. 358.

4 **3.3 Administrative and Operational Motions**

5 **3.3.1 Crop Loan/Use of Cash Collateral**

6 On April 11, 2016, Trustee obtained an initial order to use on  
7 hand cash collateral. Doc. No. 239. On May 2, 2016, Trustee  
8 obtained a final order authorizing the use of cash collateral, and  
9 obtained an order authorizing crop financing in the amount of  
10 \$500,000.00 for the 2016 crop year with CalPure. Docket No. 267.  
11 As part of these Orders, Trustee obtained an order authorizing him  
12 to settle with Cal Pure for post petition funds taken by CalPure in  
13 violation of the automatic stay. Docket No. 266.

14 **3.3.2 Leases and Executory Contracts**

15 On April 7, 2016, an order authorizing Trustee to reject the  
16 purported executory contract with Sainand Medical, Inc. was filed.  
17 Doc. No. 236.

18 By order of this Court on May 2, 2016, Trustee assumed the  
19 executory contract with Paramount/CalPure for the purchase of the  
20 2016 crop. Doc. No. 268.

21 Any other executory contracts, if discovered, will be rejected  
22 upon Confirmation.

23 **3.3.3 Sales and Disposition of Assets**

24 Initially Trustee and secured creditors agreed that Trustee  
25 would market and sale the Pistachio Farm following the harvest of  
26 the 2016 crop. The parties agreed that a better price for the  
27 Pistachio Farm would be obtained from marketing rather than  
28 foreclosure.

1 In October, 2016, the 2016 pistachio crop was harvested and  
2 crop proceeds estimates were received from Cal Pure. The crop  
3 proceeds were much less than expected, but the yield was high enough  
4 so that the crop insurance did not come into play. At this point it  
5 appeared that the bankruptcy estate became insolvent.

6 On November 23, 2016, by agreement with Trustee and SBOI, an  
7 order authorizing relief from stay for Bank of India to foreclose on  
8 the land was filed, as well as an order authorizing the Trustee to  
9 abandon the farm land. Doc. No. 456. As part of this stipulation,  
10 Trustee was authorized to abandon the farmland (Doc. No. 458) and  
11 the crop proceeds then on hand could be used to pay professional  
12 fees, administrative expenses and adequate protection payments to  
13 SBOI. Doc. 457.

14 Fee orders for professionals were obtained, and on January 19,  
15 2017, the court authorized the surcharge of the crop proceeds. Doc.  
16 No. 531.

17 On December 29, 2016, State Bank of India transferred the note  
18 secured by a first deed of trust and all documents evidencing and  
19 securing the loan underlying the note including the Deed of Trust  
20 and Security Agreement to Romance, the holder of the second deed of  
21 trust encumbering the farmland.

22 On January 17, 2017 an order authorizing a surcharge of 2016  
23 crop proceeds held by the Trustee was authorized whereby Trustee and  
24 his professionals were paid and Bank of India adequate protection  
25 payments were made. Doc. No. 531.

26 On February 6, 2017, Romance completed the foreclosure on this  
27 deed of trust through a credit bid. The SBOI Note was not paid in  
28 full.

1 On February 3, 2017, Debtor filed a motion to dismiss the  
2 Chapter 11 case which was denied. Doc. No. 573.

3 On February 8, 2017, Trustee received a wire transfer from Cal  
4 Pure, in the amount of \$559,937.98 representing a growers bonus for  
5 the 2015 crop year. On January 8, 2018, Trustee received  
6 \$256,301.88 representing a growers bonus for the 2016 crop year.

7 Romance and Kaur, Randeep Dhillon's deceased mother, claimed an  
8 interest in the 2015 and 2016 crop proceeds currently held by the  
9 Chapter 11 Trustee.

10 Romance and Kaur reached a compromise with the Chapter 11  
11 Trustee as to these disputed interest and as to the distribution of  
12 these proceeds. This motion to compromise was heard and approved on  
13 January 8, 2018. The compromise allows for payment in full of  
14 administrative fees and costs and payment in full with interest at  
15 the Federal Judgment Rate to unsecured creditors with allowed  
16 claims.

#### 17 **3.3.4 Relief From Stay**

18 Shortly after the filing of the Bankruptcy Petition, SBOI filed  
19 a motion for relief from stay regarding the Pistachio Farm, which  
20 was denied. Doc. No. 57.

21 Randeep Dhillon filed a motion for relief from stay to pursue  
22 state court litigation wherein he alleged that the deed transferring  
23 the Pistachio Farm to him in 2007 was forged. This motion was  
24 denied. Doc. No. 407.

#### 25 **3.3.5 Other Motions**

26 On October 14, 2016, Trustee obtained an order fixing deadlines  
27 for requests for payment of administrative claims. Doc. No. 400.

28 Trustee filed objections to claims and obtained orders

1 sustaining these objections. Doc. 718 through 725.

2 **3.3.6 Significant Litigation and Collection Matters**

3 Trustee's initial investigation determined that Randeep  
4 Dhillon, his spouse, and his various Dhillon entities received  
5 substantial funds from the Debtor within the statutory times either  
6 as a fraudulent conveyance or a preference or they received post  
7 petition bankruptcy estate funds not authorized by Court Order.  
8 Since the funds on hand will provide for payment in full of  
9 administrative fees and costs and unsecured creditors, and the  
10 ability to collect on any judgment is doubtful, this litigation will  
11 not be pursued.

12 **3.3.7 Monthly Operating Reports**

13 Trustee is current on the filing of its Monthly Operating  
14 Reports as required by 11 U.S.C. § 2015 and Local Rule 2015-1.

15 **3.3.8 Claims Bar Dates**

16 On July 22, 2015, the Bankruptcy Court issued a *Notice of*  
17 *Chapter 11 Bankruptcy Case* in the above referenced Chapter 11 Case  
18 (Docket No. 6) which established November 25, 2015 as the general  
19 Bar Date in Debtor's Chapter 11 Case and January 14, 2016 as the Bar  
20 Date for governmental units in the Chapter 11 Case.

21 The claims bar date for administrative claimants to file a  
22 request for payments of administrative claims with the exception of  
23 Trustee and Professional claimants is October 16, 2016. Docket No.  
24 400.

25 **ARTICLE IV**

26 **DESCRIPTION OF THE PLAN**

27 A discussion of the principal provisions of the Plan as they  
28 relate to the treatment of Classes of Allowed Claims and Interests

1 is set forth below. The discussion of the Plan that follows  
 2 constitutes a summary only and should not be relied upon for voting  
 3 purposed. You are urged to read the Plan in full in evaluating  
 4 whether to accept or reject the Plan proposed by the Trustee. If  
 5 any inconsistency exists between this summary and the Plan, the  
 6 terms of the Plan will control.

7 In accordance with 11 U.S.C. § 1123(a)(1) of the Bankruptcy  
 8 Code, all Claims of Creditors (except those Claims receiving  
 9 treatment as set forth in Article 2 of the Plan) are placed in the  
 10 Classes described below for all purposes, including voting on,  
 11 Confirmation of and Distributions under, the Plan.

12 **4.1 Classification of Claims and Interests**

<u>Class</u>	<u>DESCRIPTION</u>	<u>VOTING</u>
CLASS 1	CLAIM OF STATE BANK OF INDIA, (CALIFORNIA)	UNIMPAIRED, NOT ENTITLED TO VOTE.
CLASS 2	CAL PURE SECURED CLAIMS	UNIMPAIRED, NOT ENTITLED TO VOTE
CLASS 3	KERN COUNTY TREASURER TAX COLLECTOR	UNIMPAIRED, NOT ENTITLED TO VOTE
CLASS 4	CLAIM OF ROMANCE	IMPAIRED, ENTITLED TO VOTE
CLASS 5	CLAIM OF KAUR	IMPAIRED, ENTITLED TO VOTE
CLASS 6	PRIORITY TAX CLAIMS	UNIMPAIRED, NOT ENTITLED TO VOTE
CLASS 7	PRIORITY NON TAX CLAIMS	UNIMPAIRED, NOT ENTITLED TO VOTE
CLASS 8	GENERAL UNSECURED CLAIMS	IMPAIRED, ENTITLED TO VOTE

26 ///  
 27 ///  
 28 ///

1 **ARTICLE V**

2 **TREATMENT OF ADMINISTRATIVE EXPENSES,**

3 **U.S. TRUSTEE FEES AND PRIORITY TAX CLAIMS**

4 **5.1 Unclassified Claims** Pursuant to 11 U.S.C. §1123(a)(1),  
5 administrative expense claims, and priority tax claims are not in  
6 classes.

7 **5.2 Priority Tax Claims** Each holder of a priority tax claim  
8 will be paid in full. As of the date this Disclosure Statement is  
9 filed, there are no priority tax claims.

10 **5.3 United States Trustee Fees** All fees required to be paid  
11 by 28 U.S.C. Section 1930(a)(6) (U.S. Trustee Fees) will accrue and  
12 be timely paid until the case is closed, dismissed, or converted to  
13 another chapter of the Code. Any U.S. Trustee Fees owed on or  
14 before the Effective Date of this Plan will be paid on the Effective  
15 Date. Debtor anticipates that all distributions will be made under  
16 the Plan within 90 days of the Effective Date, and that U.S. Trustee  
17 Fees will cease accruing at that time.

18 **5.4 Claims for Professional Fees** Each Person seeking an award  
19 of Professional Fees and Trustee Fees; (a) must, within thirty (30)  
20 days of the Effective Date, file a final application for allowance  
21 of compensation for services rendered and reimbursement of expenses  
22 incurred through the date that each final fee application is filed;  
23 and (b) if the Bankruptcy Court grants such an award (whether the  
24 grant of such award was before or after confirmation for the Plan),  
25 must be paid in full in Cash in such amounts as are allowed by the  
26 Bankruptcy Court as soon thereafter as practicable. All final  
27 applications for allowance and disbursement of Professional Fees and  
28 Trustee Fees must be in compliance with all of the requirements of

1 the Bankruptcy Code, the Bankruptcy Rules and any applicable  
2 guidelines and with all of the terms and conditions set forth in any  
3 application order of the Bankruptcy Court, including, without  
4 limitation, the Confirmation order, and all other orders governing  
5 payment of Professional Fees. Trustee estimates that the total  
6 amount of administrative expenses that will be owing upon  
7 confirmation amount to be \$120,000.00.

## 8 **ARTICLE VI**

### 9 **TREATMENT OF CLAIMS AND INTERESTS**

#### 10 **6.1 Class 1 - State Bank of India (California)**

##### 11 **6.1.1 Impairment and Voting**

12 State Bank of India ("SBOI") is unimpaired under the Plan.  
13 SBOI is not entitled to vote on the Plan.

##### 14 **6.1.2 Treatment**

15 SBOI sold its note secured by a first deed of trust to Romance.  
16 It's third deed of trust was a sold out junior when Romance  
17 foreclosed on the Pistachio Farm. The obligor on the third deed of  
18 trust was not the Debtor, and SBOI withdrew this claim.

#### 19 **6.2 Class 2 - Claim of Cal Pure**

##### 20 **6.2.1 Impairment and Voting**

21 This claim having been fully satisfied is unimpaired and not  
22 entitled to vote on the Plan.

#### 23 **6.3 Class 3 - Claim of Kern County Treasurer Tax Collector**

##### 24 **6.3.1 Impairment and Voting**

25 Kern County Treasurer Tax Collector is unimpaired under the  
26 Plan. Kern County Treasurer is not entitled to vote on the Plan.

27 ///

28 ///



1           **6.4 Class 4 - Claim of Romance**

2                   **6.4.1 Impairment and Voting**

3           Romance had three claims. It's first claim was a deed of trust  
4 on the Pistachio Farm with disputed priority. This claim may have  
5 been a sold out junior at foreclosure, and the obligor on this claim  
6 was Randeep Dhillon, not the Debtor. Romance will withdraw this  
7 Proof of Claim. It's second claim arises out of the purchase of the  
8 SBOI note secured by a first deed of trust by Romance. Romance  
9 foreclosed on the note, and this claim was not paid in full. The  
10 obligor on this claim was not the debtor. This third claim was that  
11 as a result of the purchase of the note secured by a first deed of  
12 trust from SBOI, Romance claimed that there was also a security  
13 interest in the 2015 and 2016 Crop Proceeds currently by the Chapter  
14 11 Trustee. This issue was compromised with the Trustee, such  
15 compromise having been approved by the Bankruptcy Court. As to this  
16 claim, Romance is impaired and as to this claim is entitled to vote  
17 on the Plan.

18                   **6.4.2 Treatment**

19           Through the compromise reached with Kaur, Romance and the  
20 Trustee, the balance of the funds remaining on had after payment of  
21 all allowed claims - administrative, tax and unsecured claims - will  
22 be deposited into the attorney client trust account of Walter  
23 Wilhelm for the benefit of Romance and Kaur.

24           **6.5 Class 5 - Claim of Kaur**

25                   **6.5.1 Impairment and Voting**

26           Kaur claims both a lien interest in the Crop Proceeds and an  
27 ownership interest of the shares of the Debtor. This issue was  
28 compromised with the Trustee, such compromise having been approved

1 by the Bankruptcy Court. As to this claim, Kaur is impaired and is  
2 entitled to vote on the Plan.

3 **6.5.2 Treatment**

4 Through the compromise reached with Kaur, Romance and the  
5 Trustee, the balance funds remaining on had after payment of all  
6 allowed claims - administrative, tax and unsecured claims - will be  
7 deposited into the attorney client trust account of Walter Wilhelm  
8 for the benefit of Romance and Kaur who will distribute these  
9 proceeds pursuant to stipulation, without further order of the  
10 Court.

11 **6.6 Class 6 - Priority Tax Claims**

12 **6.6.1 Impairment and Voting**

13 Class 6 is unimpaired under the Plan. Holders of Allowed  
14 Priority Tax Claims are deemed to have accepted the Plan under 11  
15 U.S.C. § 1126(f) of the Bankruptcy Code and holders of Class 5  
16 Claims are not entitled to vote. Trustee believes that at the time  
17 of the filing of this Disclosure Statement, there are no Priority  
18 Tax Claims.

19 **6.6.2 Treatment**

20 If an Allowed Priority Tax Claim has not been paid prior to the  
21 Effective Date on, or as soon as reasonably practicable after, the  
22 later of (a) the Effective Date and (b) the date a Priority Tax  
23 Claim becomes Allowed, each holder of such Allowed Priority Tax  
24 Claim shall receive, in full and final satisfaction, settlement and  
25 release of and in exchange for such Allowed Priority Tax Claims (a)  
26 Cash equal to the unpaid portion of such Allowed Priority Tax Claim,  
27 or (b) such other treatment as to which such holder and Trustee  
28 shall have agreed upon in writing.

1           **6.7 Class 7 - Priority Non-Tax Claims**

2                   **6.7.1 Impairment and Voting**

3           Class 7 is unimpaired under the Plan. Holders of Allowed  
4 Priority Non-Tax Claims are deemed to accept the Plan under section  
5 1126(f) of the Bankruptcy Code and holders of Class 6 Claims are not  
6 entitled to vote. Trustee believes that at the time of the filing  
7 of this Disclosure Statement, there are no non-tax priority claims.

8                   **6.7.2 Treatment**

9           Provided that an Allowed Priority Non-Tax Claim has not been  
10 paid prior to the Effective Date, on, or as soon as reasonably  
11 practicable after, the later of (a) the Effective Date and (b) the  
12 date a Priority Non-Tax Claim becomes Allowed, each holder of such  
13 Allowed Priority Non-Tax Claim shall receive in full and final  
14 satisfaction settlement and release of an in exchange for such  
15 Allowed Non-Tax Priority Claim (a) Cash equal to the unpaid portion  
16 of such Allowed Non-Tax Priority Claim, or (b) such other treatment  
17 as to which the holder and Trustee shall have agreed upon in  
18 writing.

19           **6.8 Class 8 - General Unsecured Claims**

20                   **6.8.1 Impairment and Voting**

21           Class 8 shall consist of Allowed General Unsecured Claims and  
22 are not separately classified under the Plan. Holders of Allowed  
23 General Unsecured Claims are entitled to vote for the Plan. There  
24 are only two Allowed General Unsecured Claims: Thomas Ferrari, dba  
25 Pollen Bank and Farm Pump and Irrigation Co., Inc.

26                   **6.8.2 Treatment**

27           The holder of an Allowed General Unsecured Claim shall receive  
28 a Cash payment in the amount of holder's Allowed Claim, plus

1 interest at the federal judgment rate to the Effective Date of the  
2 Plan, in full and final satisfaction, settlement and release of and  
3 in exchange for such Allowed General Unsecured Claim. The Class 8  
4 Claims shall be paid in full from the Crop Proceeds being held or to  
5 be held by the Chapter 11 Trustee.

6 **6.9 Class 9 - Interests**

7 **6.9.1 Impairment and Voting**

8 Class 9 consists of Interests in Debtor. Class 9 is unimpaired  
9 under the Plan and shall not be entitled to vote on the Plan.

10 **6.9.2 Treatment**

11 The identity of the owner of the shares of the Debtor is murky  
12 at best. Originally Randeep Dhillon and his spouse owned the  
13 shares. Purportedly they transferred the shares to Pinder Singh  
14 prior to the filing of the bankruptcy case. Kaur has alleged that  
15 it currently owns the shares as well as having a lien on the Crop  
16 Proceeds held by the Chapter 7 Trustee. Pinder Singh signed a  
17 declaration allegedly agreeing with this position. Kaur's purported  
18 interest in the shares and lien interests were compromised with the  
19 Chapter 11 Trustee and the Court approved this compromise on January  
20 8, 2018, as set forth herein above. This is a liquidating Chapter  
21 11 Plan, once disbursements are made under the terms of the Plan,  
22 the Debtor will have no other assets. All class 9 equity interests  
23 will be extinguished. Kaur will be paid as set forth according to  
24 the terms of the compromise as set forth herein above, and Kaur has  
25 been listed as impaired under Class 4 and is entitled to vote under  
26 that classification. Class 9 Claims will receive no distribution  
27 under the terms of the Plan.

28 ///

1       **6.10 Nonconsensual Confirmation**

2       Trustee hereby requests Confirmation of the Plan pursuant to  
3 section 1129(b) of the Bankruptcy Code in the event that not all  
4 impaired classes of Claims vote to accept the Plan in accordance  
5 with 11 U.S.C. §1126 of the Bankruptcy Code.

6                               **ARTICLE VII**

7                               **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

8       During the pendency of the Chapter 11 Case, Trustee assumed the  
9 executory contract with CalPure to harvest the 2016 pistachio crop.  
10 The last distribution of Crop Proceeds for the 2016 crop year  
11 occurred on January 8, 2018. At that time the contract was  
12 completed. Other than this contract there are no contracts to be  
13 assumed. Any other executory contracts were previously rejected  
14 during the pendency of the Chapter 11 case.

15                               **ARTICLE VIII**

16                               **IMPLEMENTATION OF THE PLAN**

17       **8.1 Implementation**

18       This is a liquidating Chapter 11 Plan. As of January 8, 2018,  
19 all assets of the Debtor have been liquidated. Trustee will make  
20 the payments and distributions of the funds he holds effective  
21 according to the provisions in the Plan.

22       **8.2 Disbursements**

23       Trustee shall serve as the disbursing agent and shall make all  
24 disbursements required by the Plan.

25       **8.3 The Debtor After the Effective Date of the Plan**

26       Once the Trustee has made the disbursements under the Plan,  
27 there will be no assets to reconstitute.

28       ///

1           **8.4 Final Decree**

2           At any time following the final disbursement by Trustee of  
3 funds on hand, Trustee shall be authorized for the entry of a final  
4 decree closing the Chapter 11 Case pursuant to 11 U.S.C. § 350 of  
5 the Bankruptcy Code.

6                                   **Article IX**

7                                   **EFFECTS OF CONFIRMATION**

8           **9.1 Binding Effect**

9           The rights afforded under the Plan and the treatment of all  
10 Claims and Interests under the Plan shall be the sole and exclusive  
11 remedy on account of such Claims against, and Interests in the  
12 Debtor and the Estate Assets, including any interest accrued on such  
13 Claims from and after the Petition Date or interest which would have  
14 accrued but for the commencement of the Chapter 11 Case. The  
15 distribution made pursuant to the Plan shall be in full and final  
16 satisfaction, settlement, release and discharge of the Allowed  
17 Claims on account of which such Distributions are made.  
18 Confirmation of the Plan shall bind and govern the acts of the  
19 Trustee and Debtor, and all holders of Claims against, Interests in  
20 the Debtor, whether or not: (a) a Proof of Claim or Interest is  
21 allowed pursuant to 11 U.S.C. § 502, or (b) the holder of a Claim or  
22 Interest has accepted the Plan.

23           **9.2 Discharge**

24           Debtor shall not receive a discharge.

25           **9.3 Limitation of Liability**

26           The Trustee and Agents shall have all of the benefits and  
27 protections afforded under 11 U.S.C. § 1125(e) and applicable law.

28 ///

1           **9.4 Exculpation**

2           Except as otherwise provided in the Plan, the Trustee and the  
3 Estate and any of the foregoing parties' respective employees,  
4 advisors, attorneys, representatives, financial advisors, Agents or  
5 other Professionals, shall not have or incur any liability for any  
6 claim, action proceeding, cause of action, suit, account,  
7 controversy, agreement, promise, right to legal remedies, right to  
8 equitable remedies, right to payment or Claim, whether known,  
9 unknown, reduced to judgment, not reduced to judgment, liquidated,  
10 unliquidated, fixed, contingent, matured, unmatured, disputed,  
11 undisputed, secured, or unsecured and whether asserted or assertable  
12 directly or derivatively, in law, equity or otherwise to one another  
13 or to any Claim holder or Interest holder, or any other party in  
14 interest, or any of their respective Agents, employees,  
15 representatives, advisors, attorneys, or affiliates, or any of their  
16 successors or assigns, for any act or omission originating or  
17 occurring on or after the Petition Date through and including the  
18 Effective Date in connection with, relating to, or arising out of  
19 the Chapter 11 Case, the negotiation and filing of the Plan, the  
20 Disclosure Statement, or the pursuit of Confirmation of the Plan and  
21 all respects shall be entitled to rely reasonably upon the advice of  
22 counsel with respect to duties and responsibilities under the Plan,  
23 provided, however, that the foregoing provisions shall have no  
24 effect on the liabilities of any Person that resulted from any such  
25 act or omission that is determined in a Final Order of the  
26 Bankruptcy Court or other court of competent jurisdiction to have  
27 constituted gross negligence or wilful misconduct.

28 ///

1 **ARTICLE X**

2 **MISCELLANEOUS**

3 **10.1 Governing Law**

4 Except to the extent the Bankruptcy Code or other federal law  
5 is controlling, the right, duties and obligations of the Trustee and  
6 any other PERSON arising only under the Plan, the confirmation Order,  
7 or any Order interpreting, clarifying or modifying the Plan or  
8 Confirmation Order shall be governed by, and construed and enforced  
9 in accordance with the laws of the State of California, without  
10 giving effect to California's choice of law provisions.

11 **10.2 Provisions Enforceable**

12 The Confirmation Order shall constitute a judicial  
13 determination that the applicable terms of 11 U.S.C. § 1129 have  
14 been met.

15 **ARTICLE XI**

16 **RISK FACTORS**

17 Since this is a liquidating Plan and all administrative  
18 expenses, professional fees and costs, taxes and unsecured creditors  
19 with Allowed Claims will be paid in full, and the funds to make  
20 these payments are currently held by the Chapter 11 Trustee, there  
21 are minimal, if any risk factors.

22 **11.1 The Plan Projections Are Based on Estimates and Some**  
23 **Assumptions**

24 Underlying the projected payments under the Plan are a number  
25 of estimates and assumptions that, although developed and considered  
26 reasonable by the Trustee, are inherently subject to uncertainties  
27 and contingencies beyond the Trustee's control. To the extent the  
28 estimates and assumptions are inaccurate, the distributions under



1 the Plan to Kaur and Romance may be affected either in a positive or  
2 negative manner.

## 3 **ARTICLE XII**

### 4 **REQUIREMENTS FOR CONFIRMATION**

5 11 U.S.C. § 1129 sets forth the requirements that must be  
6 satisfied to confirm a plan. A number of the more significant  
7 Confirmation requirements are discussed in this section of this  
8 Disclosure Statement. Trustee believes he has complied or will  
9 comply with each of the requirements.

#### 10 **12.1 Good Faith Compliance with Law**

11 The Bankruptcy Code requires that a Plan be proposed in good  
12 faith and disclose certain relevant information regarding payments  
13 due and the nature of compensation to insiders. Trustee believes  
14 that he has satisfied these requirements and will seek a ruling to  
15 that effect from the Bankruptcy Court in connection with the  
16 Confirmation of the Plan.

#### 17 **12.2 Best Interests**

18 11 U.S.C. §1129(a)(7) requires that, with respect to each  
19 impaired Class, each member of such Class either (i) has accepted  
20 the Plan or (ii) will receive or retain under the Plan on account of  
21 its Claim or Interest property of a value as of the Effective Date,  
22 that is at least equal to the amount that such member of the Class  
23 would receive or retain if the Debtor was liquidated under Chapter  
24 7 of the Bankruptcy Code. Trustee believes the Plan meets this test  
25 and will seek appropriate findings from the Bankruptcy Code in  
26 connection with the Confirmation of the Plan.

#### 27 **12.3 Plan Acceptance**

28 The Bankruptcy Code requires, subject to an exception described

1 in the section below entitled "Confirmation of the Plan Without  
2 Acceptance by All Impaired Classes," that the Plan be accepted by  
3 all impaired Classes of Claims and Interests. Classes of Claims  
4 that are unimpaired under a plan are deemed to have accepted the  
5 plan and are not entitled to vote.

6 The Bankruptcy Code defines acceptance of a plan by a Class of  
7 Claims as acceptance by holders of at least two-thirds in dollar  
8 amount and more than one-half in number of Allowed claims in that  
9 class, but for this purpose counts only those Claims that have voted  
10 on the Plan. Holders of Claims who fail to vote or who abstain will  
11 not be counted to determine the acceptance or rejection of the Plan  
12 by any impaired Class of Claims. Additionally, the vote of any  
13 holder will not be counted if the holder is designated by the  
14 Bankruptcy Court based on its vote or its solicitation not being in  
15 good faith under 11 U.S.C. § 1126(e).

16 **12.4 Confirmation of the Plan Without Acceptance by All**  
17 **Impaired Classes**

18 The Bankruptcy Code Provides an exception to the requirement  
19 that every Class must accept a Plan. This exception is known as the  
20 "cram down" provision. This provisions allows for Plan confirmation  
21 notwithstanding rejection by any Class that votes on the Plan or is  
22 deemed to reject the Plan would be bound to the treatment afforded  
23 to that Class under the Plan.

24 To obtain Confirmation of the Plan using the "cram down"  
25 provision, Trustee must demonstrate to the Bankruptcy Court that, as  
26 to each Class that has rejected the Plan, the treatment afforded to  
27 such Class under the Plan "does not discriminate unfairly" and is  
28 "fair and equitable."

1 In general a Plan does not discriminate unfairly if it provides  
2 treatment to a class that is substantially equivalent to the  
3 treatment that is provided to other classes that have equal rank.  
4 In determining whether a plan discriminate unfairly, courts will  
5 take into account a number of factors.

6 11 U.S.C. § 1129(b) applies a different test to holders of  
7 secured claims, unsecured claims, and interests to determine whether  
8 the treatment proposed in a plan of reorganization is "fair and  
9 equitable." In general, a plan of reorganization is "fair and  
10 equitable" to a holder of -

11 (a) secured claim if the Plan provides that the holder (i) the  
12 lien or liens securing its claim and (ii) will receive cash  
13 payments, normally evidenced by a note that totals at least the  
14 amount of its claim, with such payments having a present value of at  
15 least equal to the value of the collateral securing the claim.

16 (b) unsecured claim if the plan provides that the holder (i)  
17 will retain property equal in amount of its claim or (ii) no holder  
18 of a claim or interest that is junior to the creditor receives any  
19 value under the plan of reorganization.

20 (c) equity interest if the plan provides that the holder (i)  
21 will retain property equal to the greatest of the allowed amount of  
22 any liquidation preference to which such holder is entitled, any  
23 redemption price to which such holder is entitled or the value of  
24 such interest or (ii) no holder of an interest that is junior to the  
25 holder will receive any value under the Plan.

26 As set forth above, the Plan may be confirmed if certain  
27 conditions are met even if the Plan is not accepted by each Class of  
28 Claims entitled to vote. The Trustee reserves the right to modify

1 the terms of the Plan as necessary for the Confirmation of the Plan  
2 without acceptance by any Impaired Classes. Such modification could  
3 result in a less favorable treatment to holders of certain Classes  
4 of Claims or Interests than the treatment currently provided in the  
5 Plan.

#### 6 **12.5 Feasibility**

7 The Bankruptcy Court must also determine that the Plan is  
8 feasible and is not likely to be followed by liquidation or further  
9 reorganization. Since this case is a liquidating Plan, feasibility  
10 should not be an issue.

### 11 **ARTICLE XIII**

#### 12 **LIQUIDATION ANALYSIS**

13 Under 11 U.S.C. § 1129(a)(7), unless there is unanimous  
14 acceptance of the Plan by an impaired Class, the Trustee must  
15 demonstrate, and the Bankruptcy Court must determine, that, with  
16 respect to such class, the holder of a Claim will receive or retain  
17 under the Plan not less than the holder would receive or retain on  
18 account of the Claim if the debtor liquidated under Chapter 7 of the  
19 Bankruptcy Code. This requirement is referred to as the "Best  
20 Interests Test."

21 There are three important aspects to the applying the "Best  
22 Interests Test." The first is that as of the date of the filing of  
23 the bankruptcy petition, Debtor was a farmer. The case can't be  
24 converted to a Chapter 7 case unless the Debtor consents. The  
25 second is that this is a Chapter 11 liquidating plan, so the  
26 differences between a Chapter 7 and a Chapter 11 are the increased  
27 costs of a Chapter 7 case, which would include, but are not limited  
28 to the Chapter 7 Trustee's commission and the Chapter 7 Trustee's

1 professionals' fees, and the delay in time that the administration  
2 of a Chapter 7 case would create. Delay would also be incurred  
3 because a new Claims Bar Date would be set, with the possibility of  
4 additional claims objections. In the Chapter 11 Case, Trustee has  
5 already objected to all claims. Finally, in the Chapter 11 Plan,  
6 unsecured creditors with Allowed Claims are being paid in full with  
7 interest at the federal judgment rate within ninety (90) days of the  
8 Effective Date of the Plan. This is the most they would be entitled  
9 to receive in a Chapter 7.

10 If the Plan is confirmed, distribution to unsecured creditors  
11 will occur on within 90 days of the Effective Date of the Plan. The  
12 Chapter 7 Trustee would have to obtain the authority of the  
13 Bankruptcy Court to retain the services of an accountant to prepare  
14 the estate tax returns, would probably have to retain the services  
15 of an attorney in the event there was opposition to any action taken  
16 by the trustee. Further, Romance and Kaur would probably object to  
17 the conversion of the case as neither the additional fees nor the  
18 delay that would be incurred by a Chapter 7 case were contemplated  
19 in making their compromise with the Chapter 11 Trustee. These  
20 creditors would receive less than expected due to these increased  
21 fees and costs. Once all issues were resolved the Trustee would  
22 submit Trustee's Final Report to the U.S. Trustee. The U.S. Trustee  
23 has 60 days to either approve it or to discuss issues with this  
24 final report with the Chapter 7 Trustee. If the U.S. Trustee  
25 approved the final report, then it would be set for hearing, giving  
26 28 days notice. If no one objected to the Final Report, the  
27 distribution could be made. After distribution, it would be  
28 approximately three months before the Chapter 7 case closed.

1        There is also the potential avoidance claims against Randeep  
2 Dhillon, his spouse and his various entities. There was no need for  
3 the Chapter 11 Trustee to pursue these claims for two reasons (1)  
4 under the Chapter 11 Plan, Trustee is paying general unsecured  
5 creditors in full with interest at the federal judgment rate; (2)  
6 Trustee believes that, even if he pursued these actions, it would be  
7 difficult if not impossible to collect on these claims. Neither  
8 Kaur nor Romance requested that this claim be assigned to them as  
9 part of the compromise. It is uncertain what the Chapter 7  
10 Trustee's position and that of Romance and Kaur would be in the  
11 event of conversion.

12        Romance and Kaur were each claiming a lien interest in the Crop  
13 Proceeds. These issues were resolved with the Chapter 11 Trustee,  
14 by the parties agreeing that from the Crop Proceeds, the Bankruptcy  
15 Estate would receive amount sufficient to pay administrative claims,  
16 taxes and Allowed Claims Unsecured Creditors. It is uncertain what  
17 the effect on this compromise would be in the event of a conversion  
18 to a Chapter 7 with the attendant Chapter 7 Trustee commission and  
19 Chapter 7 administrative expenses.

20        Trustee's commission is on a sliding scale, that is the  
21 percentage commission decrease the larger the amount liquidated. In  
22 this case the Chapter 7 Trustee's commission would be \$43,817.00.  
23 Because the Chapter 11 Trustee has already liquidated substantial  
24 assets in this case, his commission structure is lower, and his  
25 commission on the distribution of the remaining funds would be  
26 \$26,085.00.

27        Finally, the majority of the Chapter 11 professional unpaid  
28 fees have been incurred. The actions remaining in the Chapter 11

1 case are (1) if this Disclosure Statement is found to be adequate,  
 2 the hearing on Plan Confirmation will be held; (2) if confirmed, the  
 3 estate accountant will prepare the final tax return; professionals  
 4 will file their final fee applications, and once approved, (3)  
 5 distributions under the Plan will be made.

6 Trustee believes. based on the foregoing, that the Chapter 11  
 7 Plan meets the "Best Interests Test."

8 **ARTICLE XIV**

9 **CONCLUSION**

10 Trustee believes that the Plan is in the best interests of  
 11 Creditors and urges such parties to vote to accept the Plan.

12 Dated: 1-24-18

13 /s/ RANDELL PARKER  
 14 Randell Parker  
 Chapter 11 Trustee

15 Dated: 1-24-18

16 /s/ TRUDI G. MANFREDO  
 17 Trudi G. Manfredo  
 Attorney for Chapter 11 Trustee

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**OLD REPUBLIC TITLE COMPANY  
ORDER NO. 1411003778-KB  
AMENDED**

The form of policy of title insurance contemplated by this report is:

An ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee

Title to said estate or interest at the date hereof is vested in:

BlueGreenPista Enterprises, Inc.

The land referred to in this Report is situated in the unincorporated area of the County of Kern, State of California, and is described as follows:

The Northeast quarter of Section 3, Township 29 South, Range 25 East, Mount Diablo Meridian, in the unincorporated area of the County of Kern, State of California, according to the official plat thereof.

Except all of that portion of the Northeast quarter of Section 3, Township 29 South, Range 25 East, Mount Diablo Meridian, in the County of Kern, State of California, being a parcel of land described as follows:

Beginning at the intersection of the East line of the West 65 feet of the Northeast quarter of said Section 3 with the South line of the North 30 feet of said Section; thence (1) Westerly along last named South line to a point in the East line of the West 20 feet of said Northeast quarter; thence (2) Southerly along last named East line to a point in the South line of the North 100 feet of said Section; thence (3) Easterly along last named South line to a point in the East line of the West 30 feet of the Northeast quarter of said Section 3; thence (4) Northerly along last named East line to a point in the South line of the North 42 feet of said Section; thence (5) Northeasterly to the point of beginning.

Except all oil, naphtha, gas, petroleum and other mineral and kindred substances within and underlying said land as reserved of record.

APN: 104-030-10 & 104-030-11

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2015 - 2016, a lien, but not yet due or payable.