

B25B (Official Form 25B) (12/08)

**United States Bankruptcy Court Eastern District of California**

In re Vinh Phat Supermarket Inc.,

Case No. 16-24672

Debtor

Small Business Case under Chapter 11

**VINH PHAT SUPERMARKET INC.'S DISCLOSURE STATEMENT**  
**DATED DECEMBER 8, 2016****TABLE OF CONTENTS**

	<b>Page</b>
I. INTRODUCTION.....	1
A. Purpose of This Document.....	1
B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing .....	1
1. Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan.....	1
2. Deadline For Voting to Accept or Reject the Plan.....	2
3. Deadline For Objecting to the Adequacy of Disclosure and Confirmation of the Plan .....	2
4. Identity of Person to Contact for More Information .....	2
C. Disclaimer .....	2
II. BACKGROUND.....	2
A. Description and History of the Debtor's Business.....	2
B. Insiders of the Debtor.....	3
C. Management of the Debtor Before and During the Bankruptcy .....	3
D. Events Leading to Chapter 11 Filing.....	3
E. Significant Events During the Bankruptcy Case.....	4
F. Projected Recovery of Avoidable Transfers .....	4
G. Claims Objections .....	5
H. Current and Historical Financial Conditions.....	5
III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS .....	5
A. What is the Purpose of the Plan of Reorganization?.....	5
B. Unclassified Claims .....	5
1. Administrative Expenses.....	5

B25B (Official Form 25B) (12/08)

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
2. Priority Tax Claims .....	6
C. Classes of Claims and Equity Interests .....	7
1. Classes of Secured Claims .....	7
2. Classes of Priority Unsecured Claims .....	8
3. Classes of General Unsecured Claims .....	8
4. Class of Equity Interest Holders.....	12
D. Means of Implementing the Plan .....	12
1. Source of Payments.....	12
2. Post-confirmation Management .....	12
E. Risk Factors.....	13
F. Executory Contracts and Unexpired Leases.....	13
G. Tax Consequences of Plan .....	14
IV. CONFIRMATION REQUIREMENTS AND PROCEDURES .....	14
A. Who May Vote or Object.....	15
1. What Is an Allowed Claim or an Allowed Equity Interest?.....	15
2. What Is an Impaired Claim or Impaired Equity Interest? .....	15
3. Who is Not Entitled to Vote.....	16
4. Who Can Vote in More Than One Class.....	16
B. Votes Necessary to Confirm the Plan .....	16
1. Votes Necessary for a Class to Accept the Plan.....	16
2. Treatment of Nonaccepting Classes .....	16
C. Liquidation Analysis .....	17
D. Feasibility.....	17
1. Ability to Initially Fund Plan .....	17
2. Ability to Make Future Plan Payments And Operate Without Further Reorganization .....	17
V. EFFECT OF CONFIRMATION OF PLAN .....	17
A. NO DISCHARGE OF DEBTOR .....	17
B. Modification of Plan .....	18
C. Final Decree .....	18
VI. OTHER PLAN PROVISIONS.....	18
EXHIBIT A. Copy of Proposed Plan of Reorganization.....	19

B25B (Official Form 25B) (12/08)

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
EXHIBIT B. Identity and Value of Material Assets of Debtor .....	20
EXHIBIT C. Pre-Petition Financial Statements (to be taken from those filed with the court) .....	21
EXHIBIT D. Most Recently Filed Post-Petition Operating Report .....	22
EXHIBIT E. Liquidation Analysis Plan Proponent's Estimated Liquidation Value of Assets.....	23
EXHIBIT F. Cash on hand on the Effective Date of the Plan .....	24
EXHIBIT G. Projections of Cash Flow and Earnings for Post- Confirmation Period .....	25
EXHIBIT H. Insider Payroll.....	26

**I. INTRODUCTION**

This is the disclosure statement (the “Disclosure Statement”) in the small business chapter 11 case of Vinh Phat Supermarket, Inc. (the “Debtor”). This Disclosure Statement contains information about the Debtor and describes the Vinh Phat Supermarket, Inc. Plan of Reorganization Dated December 8, 2016 (the “Plan”) filed by the Debtor on December 8, 2016. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. ***Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

The proposed distributions under the Plan are discussed at pages 6-12 of this Disclosure Statement. General unsecured creditors (“Trade Debt”) are classified in Class 3-2, and will receive a distribution of up to 100 % of their allowed claims without interest and over time.

**A. Purpose of This Document**

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why the Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

**B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. *Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan*

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on \_\_\_\_\_, 2017, at \_\_\_\_\_. in Courtroom 35, at 501 I Street, 6th Floor, Sacramento, California, 95814.

2. *Deadline For Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the plan, please cast your vote on the enclosed ballot and return the ballot in the enclosed envelope to Downey Brand LLP, Attn: Jamie Dreher, 621 Capitol Mall, 18th Floor, Sacramento, California, 95814. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by \_\_\_\_\_ or it will not be counted.

3. *Deadline For Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon Downey Brand LLP, Attn: Jamie Dreher, 621 Capitol Mall, 18th Floor, Sacramento, California, 95814, and parties requesting special notice, by \_\_\_\_\_, 2017.

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact Eric Vong, Responsible Individual, c/o Downey Brand LLP, Attn: Jamie Dreher, 621 Capitol Mall, 18th Floor, Sacramento, California, 95814, (916-444-1000).

C. **Disclaimer**

*The Court has conditionally approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court's approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan. Objections to the adequacy of this Disclosure Statement may be filed until \_\_\_\_\_.*

II. **BACKGROUND**

A. **Description and History of the Debtor's Business**

Vinh Phat is owned by shareholders Sau Vong, Suing Plaskett, Cham Ly, and Muoi Lam, as trustee. At the corporate level, the President of the corporation is Suing Plaskett, and the Board members are Eric Vong, Sau Vong, Ms. Plaskett, and Mr. Ly. Vinh Phat owns and operates an Asian supermarket located at 6105 Stockton Boulevard, Sacramento, California, where it has operated since approximately 1992 (a previous form had operated at a different location). Vinh Phat also uses warehouse space for storage and its operations on adjacent property. There does not appear to be a written agreement regarding the use of the warehouse. Title to the warehouse property is held by the four (4) Vinh Phat shareholders as tenants-in-common; Vinh Phat pays the expenses associated with that property, such as the

property taxes, utilities, and upkeep, and it paid the mortgage. The supermarket itself is operated pursuant to a lease with three of the four shareholders which expires in the Fall of 2018. Vinh Phat has been a cultural and business institution in the South Sacramento Asian community since its opening. It not only provides cultural and ethnically-specific goods and foodstuffs to customers, but also serves as a community meeting place and is an important institution for first and second generation Asian immigrants, as well as to the community at large. Vinh Phat has suffered under the cost and expenses of a long-term shareholder dispute with Ms. Lam. Margins in the grocery industry generally, and at Vinh Phat, are thin and the cost and disruption caused by the litigation has interfered with Vinh Phat's ability to meet its obligations on an ongoing basis and resulted in the filing of this chapter 11 case.

**B. Insiders of the Debtor**

"Insiders" is a term defined by §101(31) of the United States Bankruptcy Code (the "Code"). A list of insiders, their relationship to the Debtor's owners or managers, and all compensation paid them by the Debtor in the two years prior to the commencement of this bankruptcy case, as well as compensation paid during the pendency of this bankruptcy case, is attached hereto as Exhibit H.

**C. Management of the Debtor Before and During the Bankruptcy**

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the "Managers") were Sau Vong, Suying Plaskett, Cham Ly, and Eric Vong.

The Managers of the Debtor during the Debtor's chapter 11 case have been: Sau Vong, Suying Plaskett, Cham Ly, and Eric Vong. Eric Vong has been the Responsible Individual.

After the Effective Date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will be: Sau Vong, Suying Plaskett, Cham Ly, and Eric Vong as the Responsible Individual. The responsibilities and compensation of these Post Confirmation Managers are described in section III.D. of this Disclosure Statement.

**D. Events Leading to Chapter 11 Filing**

For several years pre-petition, and continuing for the duration of this chapter 11 case, the Debtor has suffered under the cost of ongoing shareholder litigation, which has hindered the Debtor's ability to meet its obligations on an ongoing and timely basis. That litigation began with claims by former employees and relatives of one of the shareholders, but was followed immediately by wage and hour litigation and claims for breach of fiduciary duty filed by that shareholder. In sum, all of the Debtor's net profits for the past few years have been spent on professional fees incurred related to the litigation thereby causing the Debtor's cash flow to be insufficient to meet ongoing ordinary course of business obligations.

**E. Significant Events During the Bankruptcy Case**

Since this case was filed, the Debtor has sought, and obtained, approval to employ the Downey Brand LLP law firm as general bankruptcy counsel, the Hunt Griffin & Jeppson law firm as counsel to investigate and potentially pursue claims the Debtor may have against each of its shareholders, the Gonzales & Sisto accounting firm to handle the Debtor's accounting and reporting functions; the Debtor is currently seeking authority to employ the Murphy Business and Financial firm as its business brokers. Concurrently with pursuing final approval of this Disclosure Statement and confirmation of the Debtor's Plan, the Debtor is seeking approval to sell its assets to fund payments under its Plan and to repay creditors. The purchaser is an entity owned by insiders, but the sale is subject to overbid and marketing of the assets. The net sale proceeds and related debt assumption will be sufficient to fund the payments required by the Plan.

There are currently three (3) pending adversary proceedings, all related to the shareholder litigation described above. The Debtor will be objecting to allowance of Ms. Lam's claims and will be seeking estimation of certain claims under 11 U.S.C. Section 502(c) prior to or in connection with the hearing set on confirmation of the Plan. The Debtor obtained a preliminary injunction precluding the pre-petition shareholder litigation from continuing, and the litigation as of the filing of this Disclosure Statement is in effect stayed pending a settlement conference, but the litigation, with the exception of any litigation which the Court ultimately determines is not derivative and is comprised of the personal and direct claims Ms. Lam has against the other shareholders, will continue after confirmation if the litigation cannot be resolved. Specifically, derivative claims, which means claims the company may have against shareholders, are being investigated and will be pursued or settled by a Liquidating Trustee, unless such claims are settled at the settlement conference scheduled in this case for December 13, 2016. If there is a settlement at the settlement conference of derivative claims, that settlement will be brought before the court on a Bankruptcy Rule 9019 motion.

Based on recent sales and the Debtor's Monthly Operating Reports, the Debtor's sales have remained consistent, and, absent administrative costs, the Debtor is breaking even. The Debtor has been operating on a "COD" basis with most suppliers.

**F. Projected Recovery of Avoidable Transfers**

The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions against trade creditors, as the assets of the Debtor are being sold under this plan, and it is essential that any purchaser be able to continue doing business with the trade creditors. Thus, as part of the Asset Purchase Agreement, the purchaser is purchasing the avoidance actions against trade creditors.

The Debtor's investigation with regard to the derivative claims and pre-petition transactions with respect to insiders is ongoing. Any litigation claims, including avoidance actions, against insiders that are not settled at the settlement conference, will be transferred by this plan to the Vinh Phat Litigation Trust and investigated or pursued for the benefit of creditors ("Insider Litigation"). The Vinh Phat Litigation Trust will be established on the confirmation date and will be funded by the payment of \$75,000 from the Debtor's cash on



hand. The Debtor cannot estimate at this time whether any of the Insider Litigation will result in recovery for creditors.

**G. Claims Objections**

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

**H. Current and Historical Financial Conditions**

The identity and fair market value of the estate's assets are listed in Exhibit B, which is a copy of the Debtor's bankruptcy Schedules A and B, as of the petition date of July 18, 2016.

The Debtor's most recent financial statements if any issued before bankruptcy, each of which was filed with the Court, are set forth in Exhibit C.

The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case is set forth in Exhibit D (without bank account and reconciliation exhibits, which will be provided at request). A summary of the Debtor's periodic operating reports filed since the commencement of the Debtor's bankruptcy case is set forth in Exhibit D at p. 1 (column headed "Cumulative (Case to Date)").

**III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

**A. What is the Purpose of the Plan of Reorganization?**

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

**B. Unclassified Claims**

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

**1. *Administrative Expenses***

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative



expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$25,000	Paid in full on the Effective Date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0 [Previously Paid With Court Approval]	Paid in full on the Effective Date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	\$225,000 [Following payment of interim fee award]	Paid in full on the Effective Date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the Effective Date of the Plan
Clerk's Office Fees	\$0	Paid in full on the Effective Date of the Plan
Other administrative expenses	\$0	Paid in full on the Effective Date of the Plan or according to separate written
Office of the U.S. Trustee Fees	\$0 [Current Ongoing]	Paid in full on the Effective Date of the Plan
<b>TOTAL</b>	<b>\$250,000</b>	

## 2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart lists the Debtor's estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
Sales Tax	\$15,000	Ongoing	Paid in Full [Ongoing]

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
Internal Revenue Service (FICA)	\$19,554.09	Unassessed 6/30/2016 And 9/30/2016 Pending Returns	Paid in full within 60 days of assessment
State Board of Equalization (Hazardous Substance Taxes)	\$309.00	Unassessed Pending Return	Paid in full within 60 days of assessment

**C. Classes of Claims and Equity Interests**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

**1. *Classes of Secured Claims***

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following chart lists all classes containing Debtor's secured Pre-Petition claims and their proposed treatment under the Plan:

Class #	Description	Insider? (Yes or No)	Impairment	Treatment
1-1	<b><i>Secured claim of:</i></b> Ascentium Capital <b><i>Collateral description</i></b> Security System <b><i>Allowed Secured Amount</i></b> \$14,563.49 <b><i>Priority of lien</i></b> First <b><i>Principal owed</i></b> \$14,563.49 <b><i>Pre-pet. arrearage</i></b> \$0 <b><i>Total claim</i></b> \$14,563.49	No	Impaired	Payments to Ascentium Capital will be reamortized and extended for one year.

### 2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the Effective Date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The following chart lists all classes containing claims under §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code and their proposed treatment under the Plan:

Class #	Description	Impairment	Treatment
[None]	[Pre-Petition Wages Paid With Court Approval]		

### 3. *Classes of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

In connection with the confirmation hearing, the Debtor will ask the Court to estimate the claims of Ms. Lam. Once Ms. Lam's claims have been estimated, the percentage amount to be paid to general unsecured creditors and Ms. Lam will be determined based on the amount available to the estate after the payment of all of the payments required under the plan. The Debtor hopes to be able to pay unsecured creditors a 100% of their claims.

The following chart identifies the Plan's proposed treatment of Classes 3-1 through 3-6, which contain general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
3-1	1122(b) Convenience Class (All creditors holding claims of \$13,500.00 or less) <sup>1</sup>	Impaired	Paid in full in cash in equal monthly installments over a period of 90 days after the Effective Date
3-2	General Unsecured Class [Trade Debt]: Claims of Vendors, Suppliers, Non-Insider	Impaired	<p><b>Monthly Payment =</b> N/A [Quarterly Payments]</p> <p><b>Pmts Begin =</b> General unsecured creditors will be paid a percentage of their claims over time. The percentage will be determined based on the amount available after all other plan payments are made and after Ms. Lam's claims are estimated. Beginning at the end of the first quarter following the</p>

<sup>1</sup> Any creditor which has filed a proof of claim for an amount in excess of \$13,500.00 may elect to reduce its claim and be included as part of the convenience class. Convenience class claims are estimated to be \$228,510.43.

Class #	Description	Impairment	Treatment
			<p>Effective Date, a minimum of 25% of the amount general unsecured claims will be paid quarterly over four quarters in equal installments; the remaining percentage will be paid over no longer than a period of three years in equal quarterly installments directly from the payments to be received by the Debtor from the promissory note from the purchaser.</p> <p><b>[Balloon Pmt] =</b> N/A</p> <p><b>Interest rate % from [date] =</b> 0%</p> <p><b>Estimated percent of claim paid =</b> Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>
3-3	Disputed Wage Claim of Muoi Lam, Claim is [Insider]	Impaired (Claim will be objected to and estimated pursuant to Bankruptcy Code)	<p><b>Monthly Payment =</b> N/A</p> <p><b>Pmts Begin =</b> Ms. Lam will be paid the same percentage of her estimated wage claim against the Debtor as general unsecured creditors receive; however, Ms. Lam will be paid first out the proceeds of the Liquidating Trust. Pending liquidation of the assets of the Liquidating Trust, the Debtor will create a reserve which it will fund as follows: Beginning at the end of first quarter following Effective Date, a minimum of 25% of the percentage amount Ms. Lam is to receive will be reserved quarterly over four quarters in equal installments; the remaining percentage will be reserved over no longer than a period of three years in equal quarterly installments directly from the payments to be received by the Debtor from the promissory note from purchaser.</p> <p><b>Pmts End =</b> Upon final liquidation of the Liquidating Trust and payment to Ms. Lam of the Liquidating Trust proceeds, such amount as is necessary to pay Ms. Lam the same percentage of her</p>



Class #	Description	Impairment	Treatment
			<p>estimated claim as general unsecured creditors receive will be paid to her out of the reserve.</p> <p><b>[Balloon Pmt]</b> = N/A</p> <p><b>Interest rate % from [date]</b> = 0%</p> <p><b>Estimated percent of claim paid</b> = Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>
3-4	Disputed Indemnity Claim of Muoi Lam, Claim is [Insider]	Impaired (To be estimated pursuant to Bankruptcy Code)	<p><b>Monthly Payment</b> = N/A</p> <p><b>Pmts Begin</b> = Ms. Lam will be paid the same percentage of her estimated indemnity claim against the Debtor as general unsecured creditors receive; however, Ms. Lam will be paid first out the proceeds of the Liquidating Trust. Pending liquidation of the assets of the Liquidating Trust, the Debtor will create a reserve which it will fund as follows: Beginning at the end of first quarter following the Effective Date, a minimum of 25% of the percentage amount Ms. Lam is to receive will be reserved quarterly over four quarters in equal installments; the remaining percentage will be reserved over a period of no longer than three years in equal quarterly installments directly from the payments to be received by the Debtor from the promissory note from purchaser.</p> <p><b>Pmts End</b> = Upon final liquidation of the Liquidating Trust and payment to Ms. Lam of the Liquidating Trust proceeds, such amount as is necessary to pay Ms. Lam the same percentage of her estimated claim as general unsecured creditors receive will be paid to her out of the reserve.</p> <p><b>[Balloon Pmt]</b> = N/A</p> <p><b>Interest rate % from [date]</b> =</p>

Class #	Description	Impairment	Treatment
			<p>0%</p> <p><b>Estimated percent of claim paid =</b> Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>
3-5	Disputed Unsecured Note, Claim No. 14 [Insider]	Impaired (To be estimated pursuant to Bankruptcy Code)	<p><b>Monthly Payment =</b> N/A</p> <p><b>Pmts Begin</b> Ms. Lam will be paid the same percentage of her note claim against the Debtor as general unsecured creditors receive; however, Ms. Lam will be paid on that claim first out the proceeds of the Liquidating Trust. Pending liquidation of the assets of the Liquidating Trust, the Debtor will create a reserve which it will fund as follows: Beginning at the end of first quarter following the Effective Date, a minimum of 25% of the percentage amount Ms. Lam is to receive will be reserved quarterly over four quarters in equal installments; the remaining percentage will be reserved over a period of no longer than three years in equal quarterly installments directly from the payments to be received by the Debtor from the promissory note from purchaser.</p> <p><b>Pmts End =</b> Upon final liquidation of the Liquidating Trust and payment to Ms. Lam of the Liquidating Trust proceeds, such amount as is necessary to pay Ms. Lam the same percentage of her estimated claim as general unsecured creditors receive will be paid to her out of the reserve.</p> <p><b>[Balloon Pmt] =</b> N/A</p> <p><b>Interest rate % from [date] =</b> 0%</p> <p><b>Estimated percent of claim paid =</b> Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>



Class #	Description	Impairment	Treatment
3-6	Landlord Claim [Insider]	Impaired [Assumed and Assigned]	Unpaid Pre-Petition rent amount will be paid in four equal quarterly installments beginning at the end of the first quarter following Effective Date.

4. *Class of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company (“LLC”), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

The following chart sets forth the Plan's proposed treatment of the class[es] of equity interest holders:

Class #	Description	Impairment	Treatment
4-1	Equity Interest Holders	Impaired	No Distribution unless the claims of Ms. Lam are less than the monies being held in reserve at the time the Liquidating Trust terminates. Any excess proceeds after a 100% payment to creditors shall be distributed to equity in the same percentage as equity's ownership interest.

**D. Means of Implementing the Plan**

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following:

The Plan will be funded from cash on hand and by the sale of the business. The current offer for the Debtor's assets is cash of \$425,782, issuance of a promissory note amortized over and fully due and payable in three years for \$692,711.25, and quarterly payments over one year of \$586,823.30 for inventory sold by the purchaser, for total consideration of \$1,705,316.50.

2. *Post-confirmation Management*

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations	Insider? (Yes or No)	Position	Compensation
Eric Vong	Board Member	Yes	Responsible Individual (Board Member)	None

**E. Risk Factors**

The proposed Plan has the following risks:

There are several risk factors that creditors should take into consideration in voting on the Debtor's Plan. First, a substantial portion of the plan payments to creditors will be made from payments received on the promissory note to be provided by the purchasers. If the business is not successful going forward, then the promissory note could go into default. Second, it is possible that the sale may not close because the purchaser backs out of the purchase or is unable to close. If that happens there will not be sufficient funds to make the proposed plan payments. Third, with respect to the portion of trade debt that will be paid directly by the Debtor post-confirmation from the payments it is receiving under the promissory note, if the disputed claims are estimated in the full amount that they are asserted, the pro rata distributions to creditors will be much less than anticipated. Fourth, because the litigation, administrative costs could increase between now and confirmation, this would, in turn, decrease payments to creditors under the plan from the cash on hand. Finally there can be no assurance that the Debtor will be able to confirm the Plan. Third parties may also seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Debtor to propose and confirm one or more plans of reorganization, or to convert to Chapter 7.

**F. Executory Contracts and Unexpired Leases**

The Plan, at Article 6.01, lists all executory contracts and unexpired leases that the Debtor will assume and assign to the Buyer under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. Article 6.01 also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

If you object to the assumption and assignment of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Article 6.01 will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

***The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract is 30 days from assumption or rejection.*** Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

**G. Tax Consequences of Plan**

***Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, and/or Advisors.***

The following are the anticipated tax consequences of the Plan:

The Debtor's plan proposes to sell assets, and as such, may realize a gain or have tax consequences resulting from income on the sale. The Debtor believes it has operating losses to offset potential income tax, but it is not certain the losses can be taken. Additionally, creditors who are receiving payments under the proposed plan may have to pay income or other tax on those payments, which should be taken into consideration.

Implementation of the Plan may have federal, state, and local tax consequences to the Debtor and to the holders of Allowed Claims and Equity Security Interests. This Disclosure Statement does not purport to cover any aspects of federal income taxation of the Plan that may apply to the Debtor, the Creditors, Equity Security Holders or to any other persons, and in particular does not deal with issues that may be material to one or more of those persons based upon their particular circumstances or tax status. Moreover, this Disclosure Statement does not address the federal income tax consequences to certain types of Creditors (including, but not limited to, brokers, dealers, traders of certain securities, life insurance companies, tax-exempt organizations, and foreign individuals and entities) having a tax status with respect to which special rules may apply or to Equity Securities Holders in their capacity as such.

**NO TAX OPINION HAS BEEN SOUGHT OR WILL BE OBTAINED WITH RESPECT TO ANY CONSEQUENCES OF THE PLAN. HOLDERS OF ALLOWED CLAIMS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES (INCLUDING FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES) TO THEM AND/OR TO DEBTORS ARISING FROM THE TRANSACTIONS CONTEMPLATED BY THE PLAN. THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED ON THE PARTICULAR CIRCUMSTANCES OF EACH CREDITOR AND EQUITY SECURITY HOLDER, OR ANY OTHER PERSON THAT MAY BE AFFECTED BY THE PLAN.**

**IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least

one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in §1129, and they are not the only requirements for confirmation.

**A. Who May Vote or Object**

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes 1-1, 3-1, 3-2, 3-3, 3-4, 3-5, 3-6 and 4-1 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes NA are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

**1. *What Is an Allowed Claim or an Allowed Equity Interest?***

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

***The deadline for filing a proof of claim in this case was November 16, 2016.***

**2. *What Is an Impaired Claim or Impaired Equity Interest?***

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

### 3. *Who is Not Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been objected to and/or disallowed by an order of the Court;
- holders of other claims or equity interests that are not “allowed claims” or “allowed equity interests” (as discussed above), unless they have been “allowed” for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

***Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.***

### 4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

## **B. Votes Necessary to Confirm the Plan**

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in Section B.2.

### 1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

### 2. *Treatment of Nonaccepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b)



of the Code. A plan that binds nonaccepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not "discriminate unfairly," and is "fair and equitable" toward each impaired class that has not voted to accept the Plan.

*You should consult your own attorney if a "cramdown" confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.*

### **C. Liquidation Analysis**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit E.

### **D. Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

#### **1. *Ability to Initially Fund Plan***

The Plan Proponent believes that the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the Effective Date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit F.

#### **2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization***

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments. As set forth on Exhibit G, it is anticipated that the Debtor will be able to make the payments which are due on the Effective Date (Exhibit G), as well as payments due in the future from payments made on the promissory note.

*You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.*

## **V. EFFECT OF CONFIRMATION OF PLAN**

### **A. NO DISCHARGE OF DEBTOR.**

No Discharge. In accordance with § 1141(d)(3) of the Code, the Debtor will not receive any discharge of debt in this bankruptcy case.



**B. Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

**C. Final Decree**

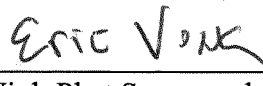
Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

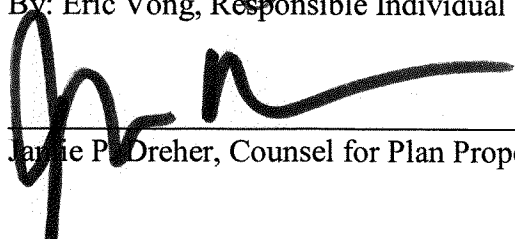
**VI. OTHER PLAN PROVISIONS**

(1) It is important to note for suppliers and vendors of the Debtor's supermarket that the Debtor hopes to pay 100% of the amounts owed to them over time.

(2) The sale of assets will be to the highest bidder and the Debtor is seeking approval for the sale at the same time as confirmation of its plan. The current offer for the Debtor's assets is cash of \$425,782, issuance of a promissory note for \$692,711.25, and quarterly payments for inventory over one year of \$586,823.30, for total consideration of \$1,705,316.50.

(3) The Debtor's claims against insiders and non-trade debt avoidance actions will be transferred to the Vinh Phat Litigation Trust to be established on the Effective Date. The Liquidating Trust will be filed as part of the Debtor's plan supplement at least ten days before the confirmation hearing. The Liquidating Trust will provide that the Liquidating Trustee will determine whether any such claims or litigation are viable or advisable, and the Trustee will have the sole authority to bring claims, settle claims, or dismiss or not bring claims.

  
\_\_\_\_\_  
Vinh Phat Supermarket, Plan Proponent  
By: Eric Vong, Responsible Individual

  
\_\_\_\_\_  
Jamie P. Dreher, Counsel for Plan Proponent

**EXHIBIT A. Copy of Proposed Plan of Reorganization**

## United States Bankruptcy Court Eastern District of California

In re Vinh Phat Supermarket, Inc.  
Debtor

Case No. 16-24672

Small Business Case under Chapter 11

### VINH PHAT SUPERMARKET, INC.'S PLAN OF REORGANIZATION, DATED DECEMBER 8, 2016

#### ARTICLE I SUMMARY

This Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Vinh Phat Supermarket, Inc. (the "Debtor") from the sale of its assets, cash on hand and cash generated from operations prior to the close of the sale of its assets.

This Plan provides for one (1) class of secured claims; six (6) classes of unsecured claims; and one (1) class of equity security holders. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan hopes will result in a 100% payout. This Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

#### ARTICLE II CLASSIFICATION OF CLAIMS AND INTERESTS

2.01 <u>Class 1.</u>	The secured claim of Ascentium Capital.
2.02 <u>Class 2</u>	All allowed claims entitled to priority under § 507 of the Code (except administrative expense claims under § 507(a)(2), and priority tax claims under § 507(a)(8)). The Debtor does not believe there are any such claims.
2.03 <u>Class 3-1.</u>	Administrative Convenience class (1122(b).) Unsecured claims of suppliers, vendors, and other general unsecured creditors arising out the ordinary course of the pre-petition operation of the Debtor's business, who have an Allowed Claim of less than \$13,500.00.
2.04 <u>Class 3-2.</u>	Unsecured claims of suppliers, vendors, and other general unsecured creditors not otherwise classified herein, and arising out the ordinary course of the pre-petition operation of the Debtor's business.
2.05 <u>Class 3-3.</u>	Unsecured claim of Muoi Lam, Claim No. 15 [Wage and hour claim].

2.06 <u>Class 3-4.</u>	Unsecured claim of Muoi Lam, Claim No. 13 [Indemnity claim.]
2.07 <u>Class 3-5.</u>	Unsecured claim of Muoi Lam, Claim No. 14 [Promissory note claim.]
2.08 <u>Class 3-6.</u>	Unsecured claim of Good Faith Building LLC [Rent claim.]
2.09 <u>Class 4</u>	Equity interests of the Debtor.

**ARTICLE III**  
**TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,**  
**U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid consistent with § 1129(a)(9)(C) of the Code, and in full as of the effective date of the claim.

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

**ARTICLE IV**  
**TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.01 Claims and interests shall be treated as follows under this Plan:

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

The following chart lists all classes containing Debtor's secured Pre-Petition claims and their proposed treatment under the Plan:

Class #	Description	Insider? (Yes or No)	Impairment	Treatment
1-1	<b>Secured claim of:</b> Ascentium Capital <b>Collateral description</b> Security System <b>Allowed Secured Amount</b> \$14,563.49 <b>Priority of lien</b> First <b>Principal owed</b> \$14,563.49 <b>Pre-pet. arrearage</b> \$0 <b>Total claim</b> \$14,563.49	No	Impaired	Payments to Ascentium Capital will be reamortized and extended for one year.

### 2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the Effective Date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The following chart lists all classes containing claims under §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code and their proposed treatment under the Plan:

Class #	Description	Impairment	Treatment
[None]	[Pre-Petition Wages Paid With Court Approval]		

### 3. Classes of General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

In connection with the confirmation hearing, the Debtor will ask the Court to estimate the claims of Ms. Lam. Once Ms. Lam's claims have been estimated, the percentage amount to be paid to general unsecured creditors and Ms. Lam will be determined based on the amount available to the estate after the payment of all of the payments required under the plan. The Debtor hopes to be able to pay unsecured creditors a 100% of their claims.

The following chart identifies the Plan's proposed treatment of Classes 3-1 through 3-6, which contain general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
3-1	1122(b) Convenience Class (All creditors holding claims of \$13,500.00 or less) <sup>1</sup>	Impaired	Paid in full in cash in equal monthly installments over a period of 90 days after the Effective Date
3-2	General Unsecured Class [Trade Debt]: Claims of Vendors, Suppliers, Non-Insider	Impaired	<p><b>Monthly Payment =</b> N/A [Quarterly Payments]</p> <p><b>Pmts Begin =</b> General unsecured creditors will be paid a percentage of their claims over time. The percentage will be determined based on the amount available after all other plan payments are made and after Ms. Lam's claims are estimated. Beginning at the end of the first quarter following the Effective Date, a minimum of 25% of the amount general unsecured claims will be paid quarterly over four quarters in equal installments; the remaining percentage will be paid over no longer than a period of three years in equal quarterly installments directly from the payments to be received by the Debtor from the promissory note from the purchaser.</p> <p><b>[Balloon Pmt] =</b> N/A</p> <p><b>Interest rate % from [date] =</b> 0%</p> <p><b>Estimated percent of claim paid =</b> Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>
3-3	Disputed Wage Claim of Muoi Lam, Claim is [Insider]	Impaired (Claim will be objected to and estimated pursuant to Bankruptcy Code)	<p><b>Monthly Payment =</b> N/A</p> <p><b>Pmts Begin =</b> Ms. Lam will be paid the same percentage of her estimated wage claim against the Debtor as general unsecured creditors receive; however, Ms. Lam will be paid first out of the proceeds of the Liquidating Trust. Pending liquidation of the assets of the Liquidating Trust, the</p>

<sup>1</sup> Any creditor which has filed a proof of claim for an amount in excess of \$13,500.00 may elect to reduce its claim and be included as part of the convenience class. Convenience class claims are estimated to be \$228,510.43.



Class #	Description	Impairment	Treatment
			<p>Debtor will create a reserve which it will fund as follows: Beginning at the end of first quarter following Effective Date, a minimum of 25% of the percentage amount Ms. Lam is to receive will be reserved quarterly over four quarters in equal installments; the remaining percentage will be reserved over no longer than a period of three years in equal quarterly installments directly from the payments to be received by the Debtor from the promissory note from purchaser.</p> <p><b>Pmts End</b> = Upon final liquidation of the Liquidating Trust and payment to Ms. Lam of the Liquidating Trust proceeds, such amount as is necessary to pay Ms. Lam the same percentage of her estimated claim as general unsecured creditors receive will be paid to her out of the reserve.</p> <p><b>[Balloon Pmt]</b> = N/A</p> <p><b>Interest rate % from [date]</b> = 0%</p> <p><b>Estimated percent of claim paid</b> = Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>
3-4	Disputed Indemnity Claim of Muoi Lam, Claim is [Insider]	Impaired (To be estimated pursuant to Bankruptcy Code)	<p><b>Monthly Payment</b> = N/A</p> <p><b>Pmts Begin</b> = Ms. Lam will be paid the same percentage of her estimated indemnity claim against the Debtor as general unsecured creditors receive; however, Ms. Lam will be paid first out of the proceeds of the Liquidating Trust. Pending liquidation of the assets of the Liquidating Trust, the Debtor will create a reserve which it will fund as follows: Beginning at the end of first quarter following the Effective Date, a minimum of 25% of the percentage amount Ms. Lam is to receive will be reserved</p>

Class #	Description	Impairment	Treatment
			<p>quarterly over four quarters in equal installments; the remaining percentage will be reserved over a period of no longer than three years in equal quarterly installments directly from the payments to be received by the Debtor from the promissory note from purchaser.</p> <p><b><i>Pmts End</i></b> = Upon final liquidation of the Liquidating Trust and payment to Ms. Lam of the Liquidating Trust proceeds, such amount as is necessary to pay Ms. Lam the same percentage of her estimated claim as general unsecured creditors receive will be paid to her out of the reserve.</p> <p><b><i>[Balloon Pmt]</i></b> = N/A</p> <p><b><i>Interest rate % from [date]</i></b> = 0%</p> <p><b><i>Estimated percent of claim paid</i></b> = Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>
3-5	Disputed Unsecured Note, Claim No. 14 [Insider]	Impaired (To be estimated pursuant to Bankruptcy Code)	<p><b><i>Monthly Payment</i></b> = N/A</p> <p><b><i>Pmts Begin</i></b> Ms. Lam will be paid the same percentage of her note claim against the Debtor as general unsecured creditors receive; however, Ms. Lam will be paid on that claim first out of the proceeds of the Liquidating Trust. Pending liquidation of the assets of the Liquidating Trust, the Debtor will create a reserve which it will fund as follows: Beginning at the end of first quarter following the Effective Date, a minimum of 25% of the percentage amount Ms. Lam is to receive will be reserved quarterly over four quarters in equal installments; the remaining percentage will be reserved over a period of no longer than three years in equal quarterly installments directly from the payments to be received by the Debtor from the</p>

Class #	Description	Impairment	Treatment
			<p>promissory note from purchaser.</p> <p><b><i>Pmts End</i></b> = Upon final liquidation of the Liquidating Trust and payment to Ms. Lam of the Liquidating Trust proceeds, such amount as is necessary to pay Ms. Lam the same percentage of her estimated claim as general unsecured creditors receive will be paid to her out of the reserve.</p> <p><b><i>[Balloon Pmt]</i></b> = N/A</p> <p><b><i>Interest rate % from [date]</i></b> = 0%</p> <p><b><i>Estimated percent of claim paid</i></b> = Unknown at the current time. Percentage payout is dependent on the estimated value of Ms. Lam's claims.</p>
3-6	Landlord Claim [Insider]	Impaired [Assumed and Assigned]	Unpaid Pre-Petition rent amount will be paid in four equal quarterly installments beginning at the end of the first quarter following Effective Date.

#### 4. Class of Equity Interest Holders

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company ("LLC"), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

The following chart sets forth the Plan's proposed treatment of the class[es] of equity interest holders:

Class #	Description	Impairment	Treatment
4-1	Equity Interest Holders	Impaired	No Distribution unless the claims of Ms. Lam are less than the monies being held in reserve at the time the Liquidating Trust terminates. Any excess proceeds after a 100% payment to creditors shall be distributed to equity in the same percentage as equity's ownership interest.

**ARTICLE V**  
**ALLOWANCE AND DISALLOWANCE OF CLAIMS**

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed, disallowed, or estimated by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection or a motion to estimate claim; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.02 Delay of Distribution on a Disputed Claim. Except as otherwise provided in the Plan, no distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

**ARTICLE VI**  
**PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

6.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the date of the entry of the order confirming this Plan:

The Real property Lease for the business premises will be assumed and assigned to asset purchaser.

The Real property Lease/Use Agreement/Right to Use for the associated warehouse property will be assumed and assigned to asset purchaser.

(b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan, upon the effective date of this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than thirty (30) days after the date of the order confirming this Plan.

**ARTICLE VII**  
**MEANS FOR IMPLEMENTATION OF THE PLAN**

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following:

The Plan will be funded from cash on hand and by the sale of the business. The current offer for the Debtor's assets is cash of \$425,782, issuance of a promissory note amortized over and fully due and payable in three years for \$692,711.25, and quarterly payments over one year of \$586,823.30 for inventory sold by the purchaser, for total consideration of \$1,705,316.50.

2. *Post-confirmation Management*

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations	Insider? (Yes or No)	Position	Compensation
Eric Vong	Board Member	Yes	Responsible Individual (Board Member)	None

The Debtor will serve as its own disbursing agent under the Plan.

3. *Creation of a Liquidating Trust*

The Debtor's investigation with regard to the derivative claims and pre-petition transactions with respect to insiders is ongoing. Any litigation claims, including avoidance actions, against insiders that are not settled at the settlement conference, will be transferred by this plan to the Vinh Phat Litigation Trust and investigated or pursued for the benefit of creditors ("Insider Litigation"). The Vinh Phat Litigation Trust will be established on the confirmation date and will be funded by the payment of \$75,000 from the Debtor's cash on hand.

**ARTICLE VIII**  
**GENERAL PROVISIONS**

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

8.01(a) "Administrative Claim" means any Claim entitled to treatment as a Priority Claim under section 507(a)(2) of the Code.

8.01(b) "Allowed Administrative Claim" means all or any portion of an Administrative Claim that has either been (i) allowed by a Final Order or (ii) has not been objected to within the time period established by the Plan or by an order of the Bankruptcy Court.

8.01(c) "Allowed Claim" means a Claim, other than an Administrative Claim, as to which:



(i) A proof of the claim or interest was timely filed, or is deemed filed under applicable law or by reason of an order of the Bankruptcy Court; and

(ii) Such Claim is not a Disputed Claim, or, if a Disputed Claim, such Claim has been allowed in whole or in part by a Final Order, provided that any such Claim shall be an Allowed Claim only to the extent stated in any such Final Order. Unless otherwise provided in the Plan or ordered by the Bankruptcy Court, no distributions shall be made under the Plan in respect of the disputed portion of any Disputed Claim until there is a Final Order specifying the allowed amount of such Claim. No disputed portion of any Claim shall be considered as an Allowed Claim if an objection to the allowance of such Claim is made by the Debtors or another party in interest within the time set by the Plan or the Bankruptcy Court, and such objection to Claim has not been denied by a Final Order of the Bankruptcy Court.

8.01(d) "Claim" means any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, as defined in § 101(5) of the Code.

8.02(e) "Confirmation" means the entry of an order by the Court confirming the Plan at or after a hearing pursuant to § 1129 of the Code.

8.03(f) "Confirmation Date" means the date upon which Confirmation occurs.

8.02 Effective Date of Plan. The effective date of this Plan is the first business day following the date that is designated by the Debtor following the entry of the order of confirmation.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of California govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

8.07 Corporate Governance. The Debtor's bylaws and articles of incorporation are hereby amended to prohibit the issuance of nonvoting equity securities, and with respect to any class of securities possessing voting power, such power shall only be distributed equally, and, in the case of any class of equity securities having a preference over another class of equity securities with

respect to dividends, there shall be an election of directors representing such preferred class in the event of default in the payment of such dividends.

**ARTICLE IX**  
**NO DISCHARGE OF DEBTOR**

9.01. No Discharge. In accordance with § 1141(d)(3) of the Code, the Debtor will not receive any discharge of debt in this bankruptcy case.

**ARTICLE X**  
**OTHER PROVISIONS**

(1) It is important to note for suppliers and vendors of the Debtor's supermarket that the Debtor hopes to pay 100% of the amounts owed to them over time.

(2) The sale of assets will be to the highest bidder and the Debtor is seeking approval for the sale at the same time as confirmation of its plan. The current offer for the Debtor's assets is cash of \$425,782, issuance of a promissory note for \$692,711.25, and quarterly payments for inventory over one year of \$586,823.30, for total consideration of \$1,705,316.50.

(3) The Debtor's claims against insiders and non-trade debt avoidance actions will be transferred to the Vinh Phat Litigation Trust to be established on the Effective Date. The Liquidating Trust will be filed as part of the Debtor's plan supplement at least ten days before the confirmation hearing. The Liquidating Trust will provide that the Liquidating Trustee will determine whether any such claims or litigation are viable or advisable, and the Trustee will have the sole authority to bring claims, settle claims, or dismiss or not bring claims.

Respectfully submitted,

By: ERIC VOUG  
The Plan Proponent

By: [Signature]  
Attorney for the Plan Proponent

**EXHIBIT B. Identity and Value of Material Assets of Debtor**

Fill in this information to identify the case:

Debtor name VINH PHAT SUPERMARKET, INC.

United States Bankruptcy Court for the: EASTERN DISTRICT OF CALIFORNIA

Case number (if known) 16-24672

☐ Check if this is an amended filing

Official Form 202

**Declaration Under Penalty of Perjury for Non-Individual Debtors**

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

**WARNING** – Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

**Declaration and signature**

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☒ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☒ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☒ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☒ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☒ *Schedule H: Codebtors* (Official Form 206H)
- ☒ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule*
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration \_\_\_\_\_

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

Executed on

7/19/16

x Eric Vong

Signature of individual signing on behalf of debtor

Eric Vong

Printed name

Board Member/Authorized Individual

Position or relationship to debtor

Fill in this information to identify the case:

Debtor name **VINH PHAT SUPERMARKET, INC.**United States Bankruptcy Court for the: **EASTERN DISTRICT OF CALIFORNIA**Case number (if known) **16-24672**☐ Check if this is an amended filing**Official Form 206Sum  
Summary of Assets and Liabilities for Non-Individuals**

12/15

**Part 1: Summary of Assets****1. Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)**1a. Real property:**Copy line 88 from Schedule A/B..... \$ **0.00****1b. Total personal property:**Copy line 91A from Schedule A/B..... \$ **976,258.71****1c. Total of all property:**Copy line 92 from Schedule A/B..... \$ **976,258.71****Part 2: Summary of Liabilities****2. Schedule D: Creditors Who Have Claims Secured by Property** (Official Form 206D)Copy the total dollar amount listed in Column A, Amount of claim, from line 3 of Schedule D..... \$ **15,235.00****3. Schedule E/F: Creditors Who Have Unsecured Claims** (Official Form 206E/F)**3a. Total claim amounts of priority unsecured claims:**Copy the total claims from Part 1 from line 5a of Schedule E/F..... \$ **0.00****3b. Total amount of claims of nonpriority amount of unsecured claims:**Copy the total of the amount of claims from Part 2 from line 5b of Schedule E/F..... +\$ **1,238,966.94****4. Total liabilities**

Lines 2 + 3a + 3b

\$ **1,254,201.94**



Fill in this information to identify the case:

Debtor name **VINH PHAT SUPERMARKET, INC.**United States Bankruptcy Court for the: **EASTERN DISTRICT OF CALIFORNIA**Case number (if known) **16-24672**☐ Check if this is an amended filing**Official Form 206A/B****Schedule A/B: Assets - Real and Personal Property**

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

**Part 1: Cash and cash equivalents****1. Does the debtor have any cash or cash equivalents?**☐ No. Go to Part 2.☒ Yes Fill in the information below.**All cash or cash equivalents owned or controlled by the debtor****Current value of debtor's interest****2. Cash on hand****\$124,858.00****3. Checking, savings, money market, or financial brokerage accounts (Identify all)**

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

**Wells Fargo Bank, N.A. (114)**  
**PO Box 6995**  
**3.1. Portland OR 97228-6995**

**Analyzed Business**  
**Checking - General**  
**Account**

**0440****\$2,635.75**

**Wells Fargo Bank, N.A. (114)**  
**PO Box 6995**  
**3.2. Portland, OR 97226-6995**

**Analyzed Business**  
**Checking - Credit Card**  
**Acct**

**0424****\$87,203.71**

**Wells Fargo Bank, N.A. (114)**  
**PO Box 6995**  
**3.3. Portland, OR 97226-6995**

**Analyzed Business**  
**Checking - Business**  
**Acct**

**0325****\$119,015.68**

**Wells Fargo Bank, N.A. (114)**  
**PO Box 6995**  
**3.4. Portland, OR 97226-6995**

**Analyzed Checking -**  
**Payroll Acct**

**1014****\$27,874.78**

**Wells Fargo Bank, N.A. (114)**  
**PO Box 6995**  
**3.5. Portland, OR 97226-6995**

**Analyzed Business**  
**Checking - Money Order**  
**Acct**

**0457****\$47.49****4. Other cash equivalents (Identify all)**

Debtor **VINH PHAT SUPERMARKET, INC.**  
Name

Case number (if known) **16-24672**

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

**\$361,635.41**

**Part 2: Deposits and Prepayments**

6. Does the debtor have any deposits or prepayments?

- ☒ No. Go to Part 3.  
☐ Yes Fill in the information below.

**Part 3: Accounts receivable**

10. Does the debtor have any accounts receivable?

- ☒ No. Go to Part 4.  
☐ Yes Fill in the information below.

**Part 4: Investments**

13. Does the debtor own any investments?

- ☒ No. Go to Part 5.  
☐ Yes Fill in the information below.

**Part 5: Inventory, excluding agriculture assets**

18. Does the debtor own any inventory (excluding agriculture assets)?

- ☐ No. Go to Part 6.  
☒ Yes Fill in the information below.

	General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19.	Raw materials				
20.	Work in progress				
21.	Finished goods, including goods held for resale				
22.	Other inventory or supplies				
	Grocery inventory (excluding meat, fish and vegetables)	1/6/2016	\$586,823.39	Recent cost	\$586,823.30

23. **Total of Part 5.**

Add lines 19 through 22. Copy the total to line 84.

**\$586,823.30**

24. Is any of the property listed in Part 5 perishable?

- ☐ No  
☒ Yes

25. Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?

- ☒ No  
☐ Yes. Book value \_\_\_\_\_ Valuation method \_\_\_\_\_ Current Value \_\_\_\_\_

26. Has any of the property listed in Part 5 been appraised by a professional within the last year?

- ☐ No  
☒ Yes

Debtor VINH PHAT SUPERMARKET, INC.  
NameCase number (if known) 16-24672**Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)**

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- ☒ No. Go to Part 7.  
☐ Yes Fill in the information below.

**Part 7: Office furniture, fixtures, and equipment; and collectibles**

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- ☐ No. Go to Part 8.  
☒ Yes Fill in the information below.

	General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39.	Office furniture Miscellaneous de minimis office furniture, chair, desk, etc. (See Note Below)	\$0.00	Liquidation	\$100.00
40.	Office fixtures			
41.	Office equipment, including all computer equipment and communication systems equipment and software Office computer, used. (See Note Below)	\$0.00	Liquidation	\$100.00
	Miscellaneous de minimis office equipment (See Note Below)			
	Note for Part 7: Please see the Debtor's Balance Sheet as of 12/31/2015 filed concurrently herewith, which provides the book value only for Fixed Assets, less accumulated depreciation on all items, which values and reporting is incorporated here for reference and for additional valuation methods.	\$0.00	Liquidation	\$100.00

42. Collectibles Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles

43. Total of Part 7.  
Add lines 39 through 42. Copy the total to line 86.**\$300.00**

44. Is a depreciation schedule available for any of the property listed in Part 7?

- ☐ No  
☒ Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

- ☒ No  
☐ Yes

**Part 8: Machinery, equipment, and vehicles**

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- ☐ No. Go to Part 9.

Debtor **VINH PHAT SUPERMARKET, INC.**  
NameCase number (if known) **16-24672**☒ Yes Fill in the information below.

General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
<b>47. Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles</b>			
<b>47.1. 2000 Chevrolet Express Van, VIN 1GCHG39R3Y1279452 (See Note Below)</b>	<b>\$2,000.00</b>	<b>Liquidation</b>	<b>\$2,000.00</b>
<b>47.2. 2003 Chevrolet Express Van, VIN 1GBHG31U531105251 (See Note Below)</b>			
<b>Note as to Part 8 Please see the Debtor's Balance Sheet as of 12/31/2015 filed concurrently herewith, which provides the book value only for Fixed Assets, less accumulated depreciation on all items, which values and reporting is incorporated here for reference and for additional valuation methods.</b>	<b>\$3,500.00</b>	<b>Liquidation</b>	<b>\$3,500.00</b>
<b>48. Watercraft, trailers, motors, and related accessories Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels</b>			
<b>49. Aircraft and accessories</b>			
<b>50. Other machinery, fixtures, and equipment (excluding farm machinery and equipment)</b>			
<b>Security System/camera equipment</b>	<b>\$0.00</b>		<b>Unknown</b>
<b>Forklift - Nissan Model Variation MPL 02A25LV</b>	<b>\$2,000.00</b>	<b>N/A</b>	<b>\$2,000.00</b>
<b>Ice Machine (Debtor's estimate)</b>	<b>\$0.00</b>	<b>N/A</b>	<b>\$1,000.00</b>
<b>Fish case (Debtor's estimate)</b>	<b>\$0.00</b>	<b>N/A</b>	<b>\$1,000.00</b>
<b>Forklift - Toyota Model 8FGCU18</b>	<b>\$2,500.00</b>	<b>N/A</b>	<b>\$2,500.00</b>
<b>51. Total of Part 8.</b>			<b>\$12,000.00</b>
Add lines 47 through 50. Copy the total to line 87.			
<b>52. Is a depreciation schedule available for any of the property listed in Part 8?</b>			
<input type="checkbox"/> No			
<input checked="" type="checkbox"/> Yes			
<b>53. Has any of the property listed in Part 8 been appraised by a professional within the last year?</b>			
<input checked="" type="checkbox"/> No			
<input type="checkbox"/> Yes			

**Part 9: Real property****54. Does the debtor own or lease any real property?**

Official Form 206A/B

Schedule A/B Assets - Real and Personal Property

page 4

Debtor VINH PHAT SUPERMARKET, INC.  
NameCase number (if known) 16-24672☐ No. Go to Part 10.☒ Yes Fill in the information below.

## 55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
55.1. 1.74 acrea property with 26,000 square feet grocery store located thereon, 6105 Stockton Blvd., Sacramento, CA	Lease (expires 9/30/2018)	\$0.00		\$0.00
55.2. Warehouse at 5892 Lemon Hill Avenue, Sacramento, CA 95825  Note: Record title is believed to be currently held by the Debtor's four shareholders in equal percentages as tenants-in-common. However, the Debtor is responsible for maintenance, upkeep, operating expenses, payment of mortgage, payment of real property taxes, and bears the risk of loss. Should ownership of the property be in dispute, a Declaratory Relief or Sale action might be required.	See note above.	\$0.00		\$0.00

## 56. Total of Part 9.

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets.  
Copy the total to line 88.\$0.00

## 57. Is a depreciation schedule available for any of the property listed in Part 9?

☐ No☒ Yes

## 58. Has any of the property listed in Part 9 been appraised by a professional within the last year?

☒ No



Debtor **VINH PHAT SUPERMARKET, INC.**  
NameCase number (if known) **16-24672**☐ Yes**Part 10: Intangibles and intellectual property****59. Does the debtor have any interests in intangibles or intellectual property?**☐ No. Go to Part 11.☒ Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
60. Patents, copyrights, trademarks, and trade secrets			
61. Internet domain names and websites			
62. Licenses, franchises, and royalties State of California [NOTE, EXPIRES 8/31/2016, RENEWAL MUST BE MADE 30 DAYS PRIOR TO EXPIRATION] Department of Alcoholic Beverage Control Alcoholic Beverage License Off-Sale General Book Value	\$0.00	N/A	\$15,500.00
63. Customer lists, mailing lists, or other compilations			
64. Other intangibles, or intellectual property			
65. Goodwill			
66. Total of Part 10. Add lines 60 through 65. Copy the total to line 89.			<b>\$15,500.00</b>
67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
68. Is there an amortization or other similar schedule available for any of the property listed in Part 10? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
69. Has any of the property listed in Part 10 been appraised by a professional within the last year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

**Part 11: All other assets****70. Does the debtor own any other assets that have not yet been reported on this form?**

Include all interests in executory contracts and unexpired leases not previously reported on this form.

☐ No. Go to Part 12.☒ Yes Fill in the information below.

	Current value of debtor's interest
71. Notes receivable Description (include name of obligor)	
72. Tax refunds and unused net operating losses (NOLs) Description (for example, federal, state, local)	

Official Form 206A/B

Schedule A/B Assets - Real and Personal Property

page 6

Debtor VINH PHAT SUPERMARKET, INC.  
NameCase number (if known) 16-24672

73. Interests in insurance policies or annuities
74. Causes of action against third parties (whether or not a lawsuit has been filed)  
Cross-complaint v. Muoi Lam for damages, Case no. 34-2013-00156829, California Superior Court, County of Sacramento

Value of claim unliquidated.

Unknown

Nature of claim

Breach of fiduciary duty,  
amount TBD

Amount requested

\$0.00

75. Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims
76. Trusts, equitable or future interests in property
77. Other property of any kind not already listed *Examples:* Season tickets, country club membership

## 78. Total of Part 11.

Add lines 71 through 77. Copy the total to line 90.

\$0.00

79. Has any of the property listed in Part 11 been appraised by a professional within the last year?

☒ No☐ Yes

Debtor **VINH PHAT SUPERMARKET, INC.**  
NameCase number (if known) **16-24672****Part 12: Summary**

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. Copy line 5, Part 1	\$361,635.41	
81. Deposits and prepayments. Copy line 9, Part 2.	\$0.00	
82. Accounts receivable. Copy line 12, Part 3.	\$0.00	
83. Investments. Copy line 17, Part 4.	\$0.00	
84. Inventory. Copy line 23, Part 5.	\$586,823.30	
85. Farming and fishing-related assets. Copy line 33, Part 6.	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. Copy line 43, Part 7.	\$300.00	
87. Machinery, equipment, and vehicles. Copy line 51, Part 8.	\$12,000.00	
88. Real property. Copy line 56, Part 9.....>		\$0.00
89. Intangibles and intellectual property. Copy line 66, Part 10.	\$15,500.00	
90. All other assets. Copy line 78, Part 11.	+ \$0.00	
91. Total. Add lines 80 through 90 for each column	\$976,258.71	+ 91b. \$0.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$976,258.71



United States Bankruptcy Court  
Eastern District of California

In re VINH PHAT SUPERMARKET, INC.

Debtor(s)

Case No. 16-24672Chapter 11

**AMENDED  
DECLARATION CONCERNING DEBTOR'S SCHEDULES**

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**

I, the Board Member/Authorized Individual of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing document(s), consisting of 4 page(s), and that they are true and correct to the best of my knowledge, information, and belief.

Date

7/24/16

Signature

Eric Vong

Eric Vong

Board Member/Authorized Individual

*Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both,  
18 U.S.C. §§ 152 and 3571.*



Fill in this information to identify the case:

Debtor name VINH PHAT SUPERMARKET, INC.

United States Bankruptcy Court for the: EASTERN DISTRICT OF CALIFORNIA

Case number (if known) 16-24672

☐ Check if this is an  
amended filing

## Official Form 206A/B

### Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

#### Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

☒ No. Go to Part 2.

☐ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of  
debtor's interest

#### Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

☒ No. Go to Part 3.

☐ Yes Fill in the information below.

#### Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

☒ No. Go to Part 4.

☐ Yes Fill in the information below.

#### Part 4: Investments

13. Does the debtor own any investments?

☒ No. Go to Part 5.

☐ Yes Fill in the information below.

#### Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

☒ No. Go to Part 6.

☐ Yes Fill in the information below.

#### Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

☒ No. Go to Part 7.



Debtor VINH PHAT SUPERMARKET, INC.  
Name

Case number (If known) 16-24672

☐ Yes Fill in the information below.

**Part 7: Office furniture, fixtures, and equipment; and collectibles**

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

☒ No. Go to Part 8.

☐ Yes Fill in the information below.

**Part 8: Machinery, equipment, and vehicles**

46. Does the debtor own or lease any machinery, equipment, or vehicles?

☒ No. Go to Part 9.

☐ Yes Fill in the information below.

**Part 9: Real property**

54. Does the debtor own or lease any real property?

☒ No. Go to Part 10.

☐ Yes Fill in the information below.

**Part 10: Intangibles and intellectual property**

59. Does the debtor have any interests in intangibles or intellectual property?

☒ No. Go to Part 11.

☐ Yes Fill in the information below.

**Part 11: All other assets**

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

☐ No. Go to Part 12.

☒ Yes Fill in the information below.

Current value of  
debtor's interest

71. **Notes receivable**  
Description (include name of obligor)
72. **Tax refunds and unused net operating losses (NOLs)**  
Description (for example, federal, state, local)
73. **Interests in insurance policies or annuities**
74. **Causes of action against third parties (whether or not a lawsuit has been filed)**  
**Potential Derivative Claims, Case no. 34-2013-00156829, California Superior Court, County of Sacramento**

Value of claim unliquidated.

Nature of claim	<u>Potential derivative claims</u>
Amount requested	<u>\$0.00</u>

Unknown

75. **Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims**

Debtor **VINH PHAT SUPERMARKET, INC.**  
Name

Case number (if known) **16-24672**

76. **Trusts, equitable or future interests in property**
77. **Other property of any kind not already listed** *Examples: Season tickets, country club membership*

78. **Total of Part 11.**

Add lines 71 through 77. Copy the total to line 90.

**\$0.00**

79. **Has any of the property listed in Part 11 been appraised by a professional within the last year?**

☒ No

☐ Yes

Debtor **VINH PHAT SUPERMARKET, INC.**  
NameCase number (If known) **16-24672****Part 12: Summary**

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. Copy line 5, Part 1	\$0.00	
81. Deposits and prepayments. Copy line 9, Part 2.	\$0.00	
82. Accounts receivable. Copy line 12, Part 3.	\$0.00	
83. Investments. Copy line 17, Part 4.	\$0.00	
84. Inventory. Copy line 23, Part 5.	\$0.00	
85. Farming and fishing-related assets. Copy line 33, Part 6.	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. Copy line 43, Part 7.	\$0.00	
87. Machinery, equipment, and vehicles. Copy line 51, Part 8.	\$0.00	
88. Real property. Copy line 56, Part 9.....>		\$0.00
89. Intangibles and intellectual property. Copy line 66, Part 10.	\$0.00	
90. All other assets. Copy line 78, Part 11.	+ \$0.00	
91. Total. Add lines 80 through 90 for each column	\$0.00	+ 91b. \$0.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$0.00

**EXHIBIT C. Pre-Petition Financial Statements**  
(to be taken from those filed with the court)

Downey Brand LLP  
 JAMIE P. DREHER (Bar No. 209380)  
 KELLY L. POPE (Bar No. 235284)  
 621 Capitol Mall, 18th Floor  
 Sacramento, CA 95814-4731  
 Telephone: 916.444.1000  
 Facsimile: 916.444.2100  
 jdreher@downeybrand.com

Attorneys for Debtor  
 VINH PHAT SUPERMARKET, INC.

UNITED STATES BANKRUPTCY COURT  
 EASTERN DISTRICT OF CALIFORNIA  
 SACRAMENTO DIVISION

VINH PHAT SUPERMARKET, INC.,  
 Debtor.

Case No. 16-24672

**SUBMISSION OF FINANCIAL AND  
 TAX REPORT PURSUANT TO 11  
 U.S.C. § 1116**

Vinh Phat Supermarket, Inc., by and through its counsel Downey Brand LLP, hereby submits in accordance with 11 U.S.C. § 1116, its most recent Balance Sheet, Statement of Profit and Loss, and Tax Year 2014 Federal Income tax return. The Balance Sheet and Statement of Profit and Loss are prepared on an accrual basis, as opposed to the Schedules and Statement of Financial Affairs, prepared on either a cash, accrual, or as otherwise indicated basis. Vinh Phat does not separately prepare a cash-flow statement as understood by the Bankruptcy Code. All bank account statements and monthly reporting will be provided to the Office of the United States Trustee as requested.

**Attachments:**

1. Balance Sheet;

DOWNEY BRAND LLP

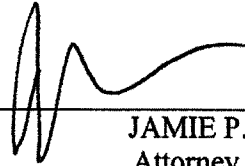
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2. Statement of Profit and Loss;
3. Tax Return.

DATED: June 14, 2016

DOWNEY BRAND LLP

By:

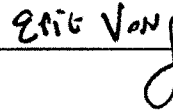


JAMIE P. DREHER  
Attorney for Debtor  
VINH PHAT SUPERMARKET, INC.

**I declare under penalty of perjury of the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.**

DATED: June 14, 2016

By:



ERIC VONG



# EXHIBIT 1

Vinh Phat Supermarket, Inc.

**BALANCE SHEET**

As of 12/31/15

**ASSETS****Current Assets**

Wells Fargo - Business	\$ 103,392.37
Wells Fargo - Payroll Account	-45,723.96
Wells Fargo - Credit Card Account	76,880.49
Wells Fargo - General Account	205,767.80
BOA - Operating	10,965.48
BOA - Check Cashing	996.76
Cash on Hand	163,023.73
Inventory	513,899.42
Inventory 263A Costs	80,687.00

Total Current Assets	1,109,889.09
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**Fixed Assets**

Auto & Truck	153,262.78
Equipments and Fixtures	1,885,158.76
Refrigeration Units	102,429.00
Sign	16,000.00
Leasehold Improvements	436,496.24
Leasehold Improvement - New Addition	427,960.59
Warehouse	262,614.00
Warehouse Improvements	31,797.00
Warehouse Refrigeration	143,883.93
Less Accum Depreciation	-2,612,914.88
Land	140,000.00

Total Fixed Assets	986,687.42
--------------------	------------

**Other Assets**

Deposit - Leasing	2,789.00
Liquor License	15,500.00

Total Other Assets	18,289.00
--------------------	-----------

**TOTAL ASSETS****\$ 2,114,865.51****LIABILITIES AND EQUITY****Current Liabilities**

Accounts Payable - Others	\$ 121,968.64
Accounts Payable - Vendors	1,951,258.37
Payroll Taxes Payable	8,021.30
Sales Tax Payable	16,135.63
Loan from Stockholders	159,120.00
Bank of the West - Current Portion	7,372.16

Total Current Liabilities	2,263,876.10
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**Equity**

Capital Stock	500,000.00
Retained Earnings	-595,410.88
NET PROFIT OR <LOSS>	-53,599.71

Total Capital or Equity	-149,010.59
-------------------------	-------------

**TOTAL LIABILITIES AND EQUITY****\$ 2,114,865.51**

See Accountant's Compilation Report

# EXHIBIT 2

Vinh Phat Supermarket, Inc.

**STATEMENT OF PROFIT AND LOSS**

Year to Date As of 12/31/16

Sales		
Sales	\$ 17,402,642.81	100.9%
Less Sales Tax	-159,015.99	-0.9%
Total Sales	17,243,626.82	100.0%
Cost of Sales		
Purchases - Non Taxable	13,344,554.91	77.4%
Purchases - Taxable	747,657.21	4.3%
Section 263A Costs	7,834.42	0.0%
Total Cost of Sales	14,100,046.54	81.8%
<b>GROSS PROFIT</b>	<b>3,143,580.28</b>	<b>18.2%</b>
Operating Expense		
Accounting	28,400.00	0.2%
Advertising	30,743.22	0.2%
Auto Expense	10,789.10	0.1%
Bank Service Charges	27,800.49	0.2%
Depreciation Expense	61,365.88	0.4%
Donation	20,000.00	0.1%
Freight	2,697.95	0.0%
Insurance	107,524.00	0.6%
Janitorial Service	2,069.00	0.0%
Leasing - Equipment	24,901.81	0.1%
Legal & Professional Fees	210,298.80	1.2%
Licenses and Permits	19,382.47	0.1%
Merchant Card Charges	156,265.26	0.9%
Office Expenses	11,603.76	0.1%
Pest Control	3,835.00	0.0%
Printing	684.00	0.0%
Rent - Building	360,000.00	2.1%
Rent - Camera	706.24	0.0%
Rent - Credit Card Machines	8,316.24	0.0%
Rent - Ice Machine	4,648.08	0.0%
Repairs & Maintenance	38,751.87	0.2%
Salaries & Wages - Officers	341,999.58	2.0%
Salaries & Wages - Others	1,076,660.44	6.2%
Security	3,707.46	0.0%
Supplies	221,113.62	1.3%
Taxes - Payroll	142,995.32	0.8%
Taxes - Property	42,671.19	0.2%
Taxes - State	800.00	0.0%
Telephone	14,205.06	0.1%
Utilities	219,155.69	1.3%
Total Operating Expense	3,194,091.53	18.5%
<b>NET OPERATING INCOME</b>	<b>-50,511.25</b>	<b>-0.3%</b>
Other Income		
Sign Rental Income	1,800.00	0.0%
Total Other Income	1,800.00	0.0%
Other Expense		
Interest Expense	4,888.46	0.0%
Total Other Expense	4,888.46	0.0%
<b>NET INCOME OR &lt;LOSS&gt;</b>	<b>\$ -53,599.71</b>	<b>-0.3%</b>

See Accountant's Compilation Report

# EXHIBIT 3

Form <b>1120S</b> Department of the Treasury Internal Revenue Service	<b>U.S. Income Tax Return for an S Corporation</b> ▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. ▶ Information about Form 1120S and its separate instructions is at <a href="http://www.irs.gov/form1120s">www.irs.gov/form1120s</a> .	OMB No. 1545-0123  <div style="font-size: 24pt; font-weight: bold;">2014</div>
For calendar year 2014 or tax year beginning , 2014, ending		
<b>A</b> S election effective date <div style="border: 1px solid black; padding: 2px;">1/01/2004</div>	<b>TYPE OR PRINT</b> <div style="border: 1px solid black; padding: 2px;">           VINH PHAT SUPERMARKET INC            6105 STOCKTON BLVD            SACRAMENTO, CA 95824         </div>	<b>D</b> Employer identification number <div style="border: 1px solid black; padding: 2px;">[REDACTED]</div>
<b>B</b> Business activity code number (see instrs) <div style="border: 1px solid black; padding: 2px;">445110</div>		<b>E</b> Date incorporated <div style="border: 1px solid black; padding: 2px;">10/01/1993</div>
<b>C</b> Check if Schedule M-3 attached <input type="checkbox"/>		<b>F</b> Total assets (see instructions) <div style="border: 1px solid black; padding: 2px;">\$ 1,862,132.</div>
<b>G</b> Is the corporation electing to be an S corporation beginning with this tax year? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If 'Yes,' attach Form 2553 if not already filed		
<b>H</b> Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation		
<b>I</b> Enter the number of shareholders who were shareholders during any part of the tax year. ▶ 4		
<b>Caution.</b> Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.		
<b>INCOME</b>	<b>1 a</b> Gross receipts or sales. <span style="float: right;">1 a 17,383,473.</span> <b>b</b> Returns and allowances. <span style="float: right;">1 b</span> <b>c</b> Balance. Subtract line 1b from line 1a. <span style="float: right;">1 c 17,383,473.</span> <b>2</b> Cost of goods sold (attach Form 1125-A). <span style="float: right;">2 14,256,965.</span> <b>3</b> Gross profit. Subtract line 2 from line 1c. <span style="float: right;">3 3,126,508.</span> <b>4</b> Net gain (loss) from Form 4797, line 17 (attach Form 4797). <span style="float: right;">4</span> <b>5</b> Other income (loss) (see instrs — att statement). <span style="float: right;">5 See Statement 1 1,800.</span> <b>6 Total income (loss).</b> Add lines 3 through 5. <span style="float: right;">6 3,128,308.</span>	
<b>DEDUCTIONS SEE INSTRUCTIONS</b>	<b>7</b> Compensation of officers (see instructions - attach Form 1125-E). <span style="float: right;">7 264,693.</span> <b>8</b> Salaries and wages (less employment credits). <span style="float: right;">8 1,066,859.</span> <b>9</b> Repairs and maintenance. <span style="float: right;">9 6,824.</span> <b>10</b> Bad debts. <span style="float: right;">10 1,175.</span> <b>11</b> Rents. <span style="float: right;">11 376,454.</span> <b>12</b> Taxes and licenses. <span style="float: right;">12 338,549.</span> <b>13</b> Interest. <span style="float: right;">13 9,862.</span> <b>14</b> Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562). <span style="float: right;">14 44,292.</span> <b>15</b> Depletion (Do not deduct oil and gas depletion). <span style="float: right;">15</span> <b>16</b> Advertising. <span style="float: right;">16 11,300.</span> <b>17</b> Pension, profit-sharing, etc, plans. <span style="float: right;">17</span> <b>18</b> Employee benefit programs. <span style="float: right;">18</span> <b>19</b> Other deductions (attach statement). <span style="float: right;">19 See Statement 2 1,058,511.</span> <b>20 Total deductions.</b> Add lines 7 through 19. <span style="float: right;">20 3,178,519.</span> <b>21 Ordinary business income (loss).</b> Subtract line 20 from line 6. <span style="float: right;">21 -50,211.</span>	
<b>TAX AND PAYMENTS</b>	<b>22 a</b> Excess net passive income or LIFO recapture tax (see instructions). <span style="float: right;">22 a</span> <b>b</b> Tax from Schedule D (Form 1120S). <span style="float: right;">22 b</span> <b>c</b> Add lines 22a and 22b (see instructions for additional taxes). <span style="float: right;">22 c</span> <b>23 a</b> 2014 estimated tax payments and 2013 overpayment credited to 2014. <span style="float: right;">23 a</span> <b>b</b> Tax deposited with Form 7004. <span style="float: right;">23 b</span> <b>c</b> Credit for federal tax paid on fuels (attach Form 4136). <span style="float: right;">23 c</span> <b>d</b> Add lines 23a through 23c. <span style="float: right;">23 d</span> <b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached. <span style="float: right;">24</span> <b>25</b> Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed. <span style="float: right;">25 0.</span> <b>26</b> Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid. <span style="float: right;">26</span> <b>27</b> Enter amount from line 26 Credited to 2015 estimated tax. <span style="float: right;">27 Refunded</span>	
<b>Sign Here</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">           Signature of officer _____ Date _____            Vice-President         </div> <div style="width: 45%; border: 1px solid black; padding: 5px;">           May the IRS discuss this return with the preparer shown below (see instructions)?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No         </div> </div>		
<b>Paid Preparer Use Only</b>	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">           Print/Type preparer's name            Rose W Chan, CPA         </div> <div style="width: 30%;">           Preparer's signature            Rose W Chan, CPA         </div> <div style="width: 20%;">           Date         </div> <div style="width: 20%;">           Check <input checked="" type="checkbox"/> if self-employed PTIN            P00384007         </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 60%;">           Firm's name ▶ ROSE W. CHAN C.P.A.            Firm's address ▶ 2215 16TH ST            SACRAMENTO, CA 95818-1510         </div> <div style="width: 40%;">           Firm's EIN ▶ 68-0276441            Phone no. (916) 742-4227         </div> </div>	



Schedule B Other Information (see instructions)					Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____						
2 See the instructions and enter the: a Business activity ▶ <u>RETAIL</u> b Product or service... ▶ <u>GROCERY</u>						
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation .....						X
4 At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below .....						X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below .....						X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum % Owned in Profit, Loss, or Capital		
5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? .....						X
If "Yes," complete lines (i) and (ii) below.						
(i) Total shares of restricted stock .....						
(ii) Total shares of non-restricted stock .....						
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? .....						X
If "Yes," complete lines (i) and (ii) below.						
(i) Total shares of stock outstanding at the end of the tax year .....						
(ii) Total shares of stock outstanding if all instruments were executed .....						
6 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? .....						X
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount. .... <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.						
8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions). .... ▶ \$ _____						
9 Enter the accumulated earnings and profits of the corporation at the end of the tax year. .... \$ _____						
10 Does the corporation satisfy both of the following conditions?						
a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 .....						
b The corporation's total assets at the end of the tax year were less than \$250,000 .....						X
If "Yes," the corporation is not required to complete Schedules L and M-1.						
11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? .....						X
If "Yes," enter the amount of principal reduction \$ _____						
12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions .....						X
13a Did the corporation make any payments in 2014 that would require it to file Form(s) 1099? .....					X	
b If "Yes," did the corporation file or will it file required Forms 1099? .....					X	

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21).....	1	-50,211.
	2 Net rental real estate income (loss) (attach Form 8825).....	2	
	3a Other gross rental income (loss)..... 3a		
	b Expenses from other rental activities (attach statement)..... 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a.....	3c	
	4 Interest income.....	4	
	5 Dividends: a Ordinary dividends..... 5a		
	b Qualified dividends..... 5b		
	6 Royalties.....	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).....	7	
Deductions	8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)).....	8a	
	b Collectibles (28%) gain (loss)..... 8b		
	c Unrecaptured section 1250 gain (attach statement)..... 8c		
	9 Net section 1231 gain (loss) (attach Form 4797).....	9	
	10 Other income (loss) (see instructions)..... Type ▶	10	
	11 Section 179 deduction (attach Form 4562).....	11	
Credits	12a Charitable contributions..... See Statement 3	12a	16,200.
	b Investment interest expense.....	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c (2)	
	d Other deductions (see instructions)..... Type ▶	12d	
	13a Low-income housing credit (section 42(j)(5)).....	13a	
	b Low-income housing credit (other).....	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable).....	13c	
Foreign Transactions	d Other rental real estate credits (see instrs) Type ▶	13d	
	e Other rental credits (see instrs) Type ▶	13e	
	f Biofuel producer credit (attach Form 6478).....	13f	
	g Other credits (see instructions)..... Type ▶	13g	
	14a Name of country or U.S. possession ▶		
	b Gross income from all sources.....	14b	
	c Gross income sourced at shareholder level.....	14c	
	Foreign gross income sourced at corporate level.....		
	d Passive category.....	14d	
	e General category.....	14e	
	f Other (attach statement).....	14f	
	Deductions allocated and apportioned at shareholder level.....		
	g Interest expense.....	14g	
	h Other.....	14h	
	Deductions allocated and apportioned at corporate level to foreign source income.....		
	i Passive category.....	14i	
	j General category.....	14j	
k Other (attach statement).....	14k		
Other information.....			
l Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued.....	14l		
m Reduction in taxes available for credit (attach statement).....	14m		
n Other foreign tax information (attach statement).....			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment.....	15a	-7,113.
	b Adjusted gain or loss.....	15b	
	c Depletion (other than oil and gas).....	15c	
	d Oil, gas, and geothermal properties — gross income.....	15d	
	e Oil, gas, and geothermal properties — deductions.....	15e	
	f Other AMT items (attach statement).....	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income.....	16a	
	b Other tax-exempt income.....	16b	
	c Nondeductible expenses.....	16c	3,400.
	d Distributions (attach stmt if required) (see instrs).....	16d	
	e Repayment of loans from shareholders.....	16e	

<b>Schedule K Shareholders' Pro Rata Share Items (continued)</b>		<b>Total amount</b>	
<b>Other Information</b>	<b>17 a</b> Investment income .....	<b>17 a</b>	
	<b>b</b> Investment expenses .....	<b>17 b</b>	
	<b>c</b> Dividend distributions paid from accumulated earnings and profits .....	<b>17 c</b>	
	<b>d</b> Other items and amounts (attach statement)		
<b>Reconciliation</b>	<b>18 Income/loss reconciliation.</b> Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i .....	<b>18</b>	<b>-66,411.</b>

<b>Schedule L Balance Sheets per Books</b>		<b>Beginning of tax year</b>		<b>End of tax year</b>	
<b>Assets</b>		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
<b>1</b> Cash .....			<b>433,094.</b>		<b>138,113.</b>
<b>2 a</b> Trade notes and accounts receivable .....					
<b>b</b> Less allowance for bad debts .....					
<b>3</b> Inventories .....			<b>567,469.</b>		<b>563,142.</b>
<b>4</b> U.S. government obligations .....					
<b>5</b> Tax-exempt securities (see instructions) .....					
<b>6</b> Other current assets (attach stmt) .... See St. 4.			<b>96,510.</b>		<b>93,035.</b>
<b>7</b> Loans to shareholders .....					
<b>8</b> Mortgage and real estate loans .....					
<b>9</b> Other investments (attach statement) .....					
<b>10 a</b> Buildings and other depreciable assets .....	<b>3,310,612.</b>			<b>3,454,496.</b>	
<b>b</b> Less accumulated depreciation .....	<b>2,507,257.</b>		<b>803,355.</b>	<b>2,551,549.</b>	<b>902,947.</b>
<b>11 a</b> Depletable assets .....					
<b>b</b> Less accumulated depletion .....					
<b>12</b> Land (net of any amortization) .....			<b>140,000.</b>		<b>140,000.</b>
<b>13 a</b> Intangible assets (amortizable only) .....					
<b>b</b> Less accumulated amortization .....					
<b>14</b> Other assets (attach stmt) .... See St. 5.			<b>94,929.</b>		<b>24,895.</b>
<b>15</b> Total assets .....			<b>2,135,357.</b>		<b>1,862,132.</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>16</b> Accounts payable .....			<b>1,611,448.</b>		<b>1,597,205.</b>
<b>17</b> Mortgages, notes, bonds payable in less than 1 year .....			<b>26,010.</b>		<b>35,475.</b>
<b>18</b> Other current liabilities (attach stmt) .. See St. 6.			<b>488,023.</b>		<b>18,862.</b>
<b>19</b> Loans from shareholders .....					<b>306,000.</b>
<b>20</b> Mortgages, notes, bonds payable in 1 year or more .....			<b>35,475.</b>		
<b>21</b> Other liabilities (attach statement) .... See St. 7.			<b>1.</b>		<b>1.</b>
<b>22</b> Capital stock .....			<b>500,000.</b>		<b>500,000.</b>
<b>23</b> Additional paid-in capital .....					
<b>24</b> Retained earnings .....			<b>-525,600.</b>		<b>-595,411.</b>
<b>25</b> Adjustments to shareholders' equity (att stmt) .....					
<b>26</b> Less cost of treasury stock .....					
<b>27</b> Total liabilities and shareholders' equity .....			<b>2,135,357.</b>		<b>1,862,132.</b>



**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return****Note.** The corporation may be required to file Schedule M-3 (see instructions)

<b>1</b> Net income (loss) per books .....	-69,811.	<b>5</b> Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
<b>2</b> Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		<b>a</b> Tax-exempt interest. \$ .....	
<b>3</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14i (itemize):		<b>6</b> Deductions included on Schedule K, lines 1 through 12 and 14i, not charged against book income this year (itemize):	
<b>a</b> Depreciation. .... \$ .....		<b>a</b> Depreciation ... \$ .....	
<b>b</b> Travel and entertainment. \$ .....	3,400.	<b>7</b> Add lines 5 and 6 .....	0.
<b>4</b> Add lines 1 through 3 .....	-66,411.	<b>8</b> Income (loss) (Schedule K, ln 18). Ln 4 less ln 7 ...	-66,411.

**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
<b>1</b> Balance at beginning of tax year .....	-444,965.		
<b>2</b> Ordinary income from page 1, line 21 .....			
<b>3</b> Other additions .....			
<b>4</b> Loss from page 1, line 21 .....	( 50,211.)		
<b>5</b> Other reductions. .... See Statement 8 .....	( 19,600.)		
<b>6</b> Combine lines 1 through 5 .....	-514,776.		
<b>7</b> Distributions other than dividend distributions .....			
<b>8</b> Balance at end of tax year. Subtract line 7 from line 6 .....	-514,776.		

671113

**Schedule K-1**  
**(Form 1120S)**Department of the Treasury  
Internal Revenue Service**2014**For calendar year 2014, or tax  
year beginning \_\_\_\_\_, 2014  
ending \_\_\_\_\_,☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Shareholder's Share of Income, Deductions, Credits, etc** ▶ See page 2 of form and separate instructions.**Part I Information About the Corporation****A** Corporation's employer identification number  
68-0312938**B** Corporation's name, address, city, state, and ZIP code  
VINH PHAT SUPERMARKET INC  
6105 STOCKTON BLVD  
SACRAMENTO, CA 95824**C** IRS Center where corporation filed return  
e-file**Part II Information About the Shareholder****D** Shareholder's identifying number  
[REDACTED]**E** Shareholder's name, address, city, state, and ZIP code  
SUING PLASKETT  
4805 MOREAU COURT  
EL DORADO HILLS, CA 95762**F** Shareholder's percentage of stock  
ownership for tax year..... 25 %FOR  
IRS  
USE  
ONLY**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss)	<b>13</b>	Credits
	-12,553.		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
		<b>A</b>	-1,778.
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
		<b>C</b>	850.
<b>12</b>	Other deductions		
<b>A</b>	4,050.		
		<b>17</b>	Other information

\*See attached statement for additional information.

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 2014

Shareholder 1

671113

**Schedule K-1**  
**(Form 1120S)**Department of the Treasury  
Internal Revenue Service**2014**For calendar year 2014, or tax  
year beginning \_\_\_\_\_, 2014  
ending \_\_\_\_\_,☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Shareholder's Share of Income, Deductions, Credits, etc** ▶ See page 2 of form and separate instructions.**Part I Information About the Corporation****A** Corporation's employer identification number  
68-0312938**B** Corporation's name, address, city, state, and ZIP code  
VINH PHAT SUPERMARKET INC  
6105 STOCKTON BLVD  
SACRAMENTO, CA 95824**C** IRS Center where corporation filed return  
e-file**Part II Information About the Shareholder****D** Shareholder's identifying number  
[REDACTED]**E** Shareholder's name, address, city, state, and ZIP code  
SAU VENH VONG  
8207 CREEK ESTATES WAY  
SACRAMENTO, CA 95829**F** Shareholder's percentage of stock  
ownership for tax year..... 25 %FOR  
IRS  
USE  
ONLY**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss)	<b>13</b>	Credits
	-12,553.		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
		<b>A</b>	-1,778.
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
<b>12</b>	Other deductions	<b>C</b>	850.
<b>A</b>	4,050.		
		<b>17</b>	Other information

\*See attached statement for additional information.

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 2014

Shareholder 2



671113

**Schedule K-1**  
**(Form 1120S)**Department of the Treasury  
Internal Revenue Service**2014**For calendar year 2014, or tax  
year beginning \_\_\_\_\_, 2014  
ending \_\_\_\_\_.☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

**Shareholder's Share of Income, Deductions, Credits, etc** ▶ See page 2 of form and separate instructions.**Part I Information About the Corporation****A** Corporation's employer identification number  
68-0312938**B** Corporation's name, address, city, state, and ZIP code  
VINH PHAT SUPERMARKET INC  
6105 STOCKTON BLVD  
SACRAMENTO, CA 95824**C** IRS Center where corporation filed return  
e-file**Part II Information About the Shareholder****D** Shareholder's identifying number  
[REDACTED]**E** Shareholder's name, address, city, state, and ZIP code  
CHAN CAM LY  
9084 QUAIL COVE DRIVE  
ELK GROVE, CA 95624**F** Shareholder's percentage of stock  
ownership for tax year..... 25 %FOR  
IRS  
USE  
ONLY**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss)	<b>13</b>	Credits
	-12,553.		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
		<b>A</b>	-1,779.
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
		<b>C</b>	850.
<b>12</b>	Other deductions		
<b>A</b>	4,050.		
		<b>17</b>	Other information

\*See attached statement for additional information.

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 2014

Shareholder 3

**Schedule K-1**  
**(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

For calendar year 2014, or tax  
year beginning \_\_\_\_\_, 2014  
ending \_\_\_\_\_.

2014

Final K-1

Amended K-1

**Shareholder's Share of Income, Deductions, Credits, etc** ▶ See page 2 of form and separate instructions.

**Part I Information About the Corporation**

**A** Corporation's employer identification number  
68-0312938

**B** Corporation's name, address, city, state, and ZIP code  
VINH PHAT SUPERMARKET INC  
6105 STOCKTON BLVD  
SACRAMENTO, CA 95824

**C** IRS Center where corporation filed return  
e-file

## Part II Information About the Shareholder

**D** Shareholder's identifying number

E Shareholder's name, address, city, state, and ZIP code  
MUOI LAM  
8609 ROYAL SUNSET CT  
ELK GROVE, CA 95624

<b>F</b> Shareholder's percentage of stock ownership for tax year.....	25 %
--	------

FOR-USE-ONLY

**Part III** Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

Deductions, Credits, and Other Items			
<b>1</b>	Ordinary business income (loss)	<b>13</b>	Credits
	-12,552.		
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
		<b>A</b>	-1,778.
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
		<b>C</b>	850.
<b>12</b>	Other deductions		
<b>A</b>	4,050.		
		<b>17</b>	Other information

\*See attached statement for additional information.

\*See attached statement for additional information.

**BAA For Paperwork Reduction Act Notice, see Instructions for Form 1120S.**

Schedule K-1 (Form 1120S) 2014

Shareholder 5

Form **1125-A**

(Rev December 2012)

Department of the Treasury  
Internal Revenue Service**Cost of Goods Sold**

► Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.  
► Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).

OMB No. 1545-2225

Name

VINH PHAT SUPERMARKET INC

Employer identification number

68-0312938

1	Inventory at beginning of year .....	1	567,469.
2	Purchases .....	2	14,249,964.
3	Cost of labor .....	3	
4	Additional section 263A costs (attach schedule) ..... See Statement 9	4	2,674.
5	Other costs (attach schedule) .....	5	
6	<b>Total.</b> Add lines 1 through 5 .....	6	14,820,107.
7	Inventory at end of year .....	7	563,142.
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions) .....	8	14,256,965.

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market

(iii) ☒ Other (Specify method used and attach explanation) ..... ► SECTION 1.471-3

b Check if there was a writedown of subnormal goods ..... ► ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ..... ► ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO ..... **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)? ..... ☒ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation ..... ☐ Yes ☒ No

BAA For Paperwork Reduction Act Notice, see instructions.

Form 1125-A (Rev 12-2012)



Department of the Treasury  
Internal Revenue Service (99)▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).Attachment  
Sequence No. 179

Name(s) shown on return

VINH PHAT SUPERMARKET INC

Identifying number  
68-0312938

Business or activity to which this form relates

Form 1120S

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions).....	1	500,000.
2	Total cost of section 179 property placed in service (see instructions).....	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).....	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12.....	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).....	14	
15	Property subject to section 168(f)(1) election.....	15	
16	Other depreciation (including ACRS).....	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2014.....	17	42,493.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. <input type="checkbox"/>		

**Section B — Assets Placed in Service During 2014 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property.....						
b 5-year property.....						
c 7-year property.....						
d 10-year property.....		143,884.	10	MQ	S/L	1,799.
e 15-year property.....						
f 20-year property.....						
g 25-year property.....			25 yrs		S/L	
h Residential rental property.....			27.5 yrs	MM	S/L	
i Nonresidential real property.....			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C — Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System**

20 a Class life.....				S/L	
b 12-year.....		12 yrs		S/L	
c 40-year.....		40 yrs	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28.....	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.....	22	44,292.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDZ0812L 06/24/14

Form 4562 (2014)



**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

**24 a** Do you have evidence to support the business/investment use claimed? ☒ **Yes** ☐ **No** **24 b** If 'Yes,' is the evidence written? ☒ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).....							<b>25</b>	

**26** Property used more than 50% in a qualified business use:

SUBURBAN FOR	11/13/01	100.0	61,000.	61,000.	5.0	200DB HY		
EQUIPMENT PU	6/30/02	100.0	53,648.	20,754.	5.0	200DB HY		
TRUCK	4/30/03	100.0	27,078.		5.0	S/L HY		

**27** Property used 50% or less in a qualified business use:


**28** Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1..... **28** 0.

**29** Add amounts in column (i), line 26. Enter here and on line 7, page 1..... **29** 0.

**Section B – Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
<b>30</b> Total business/investment miles driven during the year (do not include commuting miles).....						
<b>31</b> Total commuting miles driven during the year.....						
<b>32</b> Total other personal (noncommuting) miles driven.....						
<b>33</b> Total miles driven during the year. Add lines 30 through 32.....						
	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
<b>34</b> Was the vehicle available for personal use during off-duty hours?.....						
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?.....						
<b>36</b> Is another vehicle available for personal use?.....						

**Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
<b>39</b> Do you treat all use of vehicles by employees as personal use?.....		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.).....		

**Note:** If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2014 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2014 tax year.....					<b>43</b>
<b>44</b> Total. Add amounts in column (f). See the instructions for where to report.....					<b>44</b>

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

**24a** Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If 'Yes,' is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)..... <b>25</b>								
<b>26</b> Property used more than 50% in a qualified business use:								
TRUCK	12/01/99	100.0	27,465.	27,465.	5.0	S/L HY		
TRUCK	4/01/00	100.0	23,500.	23,500.	5.0	S/L HY		
<b>27</b> Property used 50% or less in a qualified business use:								
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1..... <b>28</b>								
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1..... <b>29</b>								

**Section B – Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
<b>30</b> Total business/investment miles driven during the year (do not include commuting miles).....												
<b>31</b> Total commuting miles driven during the year.....												
<b>32</b> Total other personal (noncommuting) miles driven.....												
<b>33</b> Total miles driven during the year. Add lines 30 through 32.....												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>34</b> Was the vehicle available for personal use during off-duty hours?.....												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?.....												
<b>36</b> Is another vehicle available for personal use?.....												

**Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
<b>39</b> Do you treat all use of vehicles by employees as personal use?.....		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.).....		

**Note:** If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2014 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2014 tax year..... <b>43</b>					
<b>44</b> Total. Add amounts in column (f). See the instructions for where to report..... <b>44</b>					

2014

## Federal Statements

Page 1

Client 031009

VINH PHAT SUPERMARKET INC

~~03-031009~~

8/27/15

07:59AM

**Statement 1**  
**Form 1120S, Line 5**  
**Other Income**

Sign Rental Income.....	\$	1,800.
Total	\$	<u>1,800.</u>

**Statement 2**  
**Form 1120S, Line 19**  
**Other Deductions**

Accounting.....	\$	28,400.
Auto and Truck Expense.....		13,365.
Bank Charges.....		32,401.
Delivery and Freight.....		5,646.
Dues and Subscriptions.....		97.
Insurance.....		98,148.
Janitorial.....		3,701.
Leasing - Equipments.....		70,733.
Legal and Professional.....		235,711.
Meals and Entertainment Expense.....		3,400.
Merchant Card Charges.....		139,761.
Office Expense.....		36,248.
Pest Control.....		2,267.
Printing.....		750.
Security.....		6,696.
Supplies.....		161,048.
Telephone.....		11,075.
Utilities.....		209,064.
Total	\$	<u>1,058,511.</u>

**Statement 3**  
**Form 1120S, Schedule K, Line 12a**  
**Charitable Contributions**

Cash Contributions - 50% Limitation.....	\$	16,200.
Total	\$	<u>16,200.</u>

**Statement 4**  
**Form 1120S, Schedule L, Line 6**  
**Other Current Assets**

	Beginning	Ending
Inventory 263A Cost.....	\$ 91,196.	\$ 88,521.
Prepaid State Tax.....	5,314.	4,514.
Total	\$ <u>96,510.</u>	\$ <u>93,035.</u>

2014

## Federal Statements

Page 2

Client 031009

VINH PHAT SUPERMARKET INC

8/27/15

07:59AM

**Statement 5**  
**Form 1120S, Schedule L, Line 14**  
**Other Assets**

	<u>Beginning</u>	<u>Ending</u>
Deposits - Leasing.....	\$ 5,908.	\$ 5,908.
Deposits - New Leasing.....	3,487.	3,487.
Deposits - Refrigeration.....	70,034.	0.
Liquor License.....	15,500.	15,500.
<b>Total</b>	<b>\$ 94,929.</b>	<b>\$ 24,895.</b>

**Statement 6**  
**Form 1120S, Schedule L, Line 18**  
**Other Current Liabilities**

	<u>Beginning</u>	<u>Ending</u>
Back Wages Payable.....	\$ 100,000.	\$ 0.
Leasing Payable.....	5,894.	5,894.
Legal Settlement Payable.....	350,000.	0.
Payroll Tax Payable.....	16,479.	6,247.
Sales Tax Payable.....	15,650.	6,721.
<b>Total</b>	<b>\$ 488,023.</b>	<b>\$ 18,862.</b>

**Statement 7**  
**Form 1120S, Schedule L, Line 21**  
**Other Liabilities**

	<u>Beginning</u>	<u>Ending</u>
Rounding.....	\$ 1.	\$ 1.
<b>Total</b>	<b>\$ 1.</b>	<b>\$ 1.</b>

**Statement 8**  
**Form 1120S, Schedule M-2, Column A, Line 5**  
**Other Reductions**

Contributions.....	\$ 16,200.
Disallowed Meals and Entertainment.....	3,400.
<b>Total</b>	<b>\$ 19,600.</b>

**Statement 9**  
**Form 1125-A, Line 4**  
**Additional Section 263a Costs**

.....	\$ 2,674.
<b>Total</b>	<b>\$ 2,674.</b>

**EXHIBIT D. Most Recently Filed Post-Petition Operating Report**



UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA

In re: VINH PHAT SUPERMARKET, INC.

Case No. 16-24672

CHAPTER 11  
MONTHLY OPERATING REPORT  
(REAL ESTATE CASE)

## SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Oct-16

PETITION DATE: 7/18/2016

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here ☒ the Office of the U.S. Trustee or the Court has approved the Modified Cash Basis of Accounting for the Debtor).  
Dollars reported in \$1

	End of Current Month	End of Prior Month	As of Petition Filing
2. Asset and Liability Structure			
a. Current Assets	\$520,272	\$357,096	
b. Total Assets	\$2,129,484	\$1,966,308	\$976,259
c. Current Liabilities	\$194,069	\$172,797	
d. Total Liabilities	\$1,775,334	\$1,754,062	\$1,254,202
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$1,415,946	\$1,356,561	\$4,721,168
b. Total Disbursements	\$1,250,534	\$1,378,480	\$4,488,853
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$165,412	(\$21,919)	\$232,315
d. Cash Balance Beginning of Month	\$80,735	\$102,654	\$13,832
e. Cash Balance End of Month (c + d)	\$246,147	\$80,735	\$246,147
4. Profit/(Loss) from the Statement of Operations	Current Month	Prior Month	Cumulative (Case to Date)
	\$142,197	(\$36,556)	\$156,561
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$194,069	\$172,797	
7. Past-Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

- |  | Yes | No |
|--|-----|----|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)   |     | X  |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)   |     | X  |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court?  |     |    |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)   | X   |    |
| 12. Is the estate insured for replacement cost of assets and for general liability?  | X   |    |
| 13. Are a plan and disclosure statement on file?   |     | X  |
| 14. Was there any post-petition borrowing during this reporting period?  |     | X  |
| 15. Check if paid: Post-petition taxes <input checked="" type="checkbox"/> ; U.S. Trustee Quarterly Fees <input checked="" type="checkbox"/> ; Check if filing is current for: Post-petition tax reporting and tax returns: <input checked="" type="checkbox"/> (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) |     |    |

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 11/18/16

Eric N. Nguyen  
Responsible Individual

See notes to Monthly Operating Report.



**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA**

In re: VINH PHAT SUPERMARKET, INC.

Case No. 16-24672

**CHAPTER 11  
MONTHLY OPERATING REPORT  
(REAL ESTATE CASE)**

**SUMMARY OF FINANCIAL STATUS**

MONTH ENDED: Oct-16PETITION DATE: 7/18/2016

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here ☒ the Office of the U.S. Trustee or the Court has approved the Modified Cash Basis of Accounting for the Debtor).  
Dollars reported in \$1

	End of Current Month	End of Prior Month	As of Petition Filing
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b. Total Assets	\$2,129,484	\$1,966,308	\$976,259
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d. Total Liabilities	\$1,775,334	\$1,754,062	\$1,254,202
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$1,415,946	\$1,356,561	\$4,721,168
b. Total Disbursements	\$1,250,534	\$1,378,480	\$4,488,853
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$165,412	(\$21,919)	\$232,315
d. Cash Balance Beginning of Month	\$80,735	\$102,654	\$13,832
e. Cash Balance End of Month (c + d)	\$246,147	\$80,735	\$246,147
4. Profit/(Loss) from the Statement of Operations	Current Month	Prior Month	Cumulative (Case to Date)
	\$142,197	(\$36,556)	\$156,561
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$194,069	\$172,797	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

	Yes	No
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
10. If the answer is yes to 8 or 9, were all such payments approved by the court?		
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)	X	
12. Is the estate insured for replacement cost of assets and for general liability?	X	
13. Are a plan and disclosure statement on file?		X
14. Was there any post-petition borrowing during this reporting period?		X
15. Check if paid: Post-petition taxes <input checked="" type="checkbox"/> ; U.S. Trustee Quarterly Fees <input checked="" type="checkbox"/> ; Check if filing is current for: Post-petition tax reporting and tax returns: <input type="checkbox"/> . (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)		

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: \_\_\_\_\_

Responsible Individual \_\_\_\_\_

See notes to Monthly Operating Report.

## STATEMENT OF OPERATIONS

(Real Estate Case)

For the Month Ended 10/31/16

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$0	\$150	(\$150)	Revenues:		
\$1,430,909	\$1,350,000	\$80,909	1 Rent/Leases (Sign rental)	\$450	\$150
		\$0	2 Sales	\$4,760,782	\$1,350,000
		\$0	3 Interest		
		\$0	4 Other Income:		
(\$14,963)	(\$13,000)	(\$1,963)	5 Less Sales tax	(\$50,616)	(\$13,000)
\$0	\$0	\$0	6 Other Income	\$10,552	
\$1,415,946	\$1,337,150	\$78,796	7 Total Revenues	\$4,721,168	\$1,337,150
			Expenses:		
\$1,014,854	\$1,150,000	\$135,146	8 Cost of Goods Sold	\$3,608,256	\$1,150,000
		\$0	8a Initial Cost & Improvement		
		\$0	8b Less: Depreciation Taken		
\$2,762	\$10,000	\$7,238	9 Selling		
		\$0	10 Administrative	\$10,572	\$6,000
\$26,308	\$26,300	(\$8)	11 Interest		
\$100,395	\$90,000	(\$10,395)	12 Compensation to Owner(s)/Officer(s)	\$92,078	\$26,300
		\$0	13 Salaries	\$347,393	\$90,000
		\$0	14 Commissions		
		\$0	15 Management Fees		
			Rent/Lease:		
\$1,181		(\$1,181)	16 Personal Property	\$2,805	\$360
\$30,000	\$30,000	\$0	17 Real Property	\$103,548	\$30,000
\$6,285	\$3,550	(\$2,735)	18 Insurance	\$22,627	\$3,550
		\$0	19 Depreciation		
			Taxes:		
\$9,943	\$10,000	\$57	20 Employer Payroll Taxes	\$34,730	\$10,000
\$0	\$0	\$0	21 Real Property Taxes	\$6,612	
		\$0	22 Other Taxes		
		\$0	23 Other Expenses:		
\$0		\$0	24 Small equipment	\$6,778	
\$744		(\$744)	25 Security	\$2,197	
\$2,379		(\$2,379)	26 Licenses & permits	\$3,840	
\$14,748		(\$14,748)	27 Merchant card charges	\$43,247	\$14,000
\$2,360		(\$2,360)	28 Repairs and maintenance	\$4,765	\$500
\$20,826		(\$20,826)	29 Utilities	\$59,071	\$20,000
\$10,190		(\$10,190)	30 Supplies	\$33,008	\$15,000
\$620		(\$620)	31 Fuel	\$1,808	
\$1,243,595	\$1,319,850	\$76,255	32 Total Expenses	\$4,383,335	\$1,365,710
\$172,351	\$17,300	\$155,051	33 Subtotal	\$337,833	(\$28,560)
			Reorganization Items:		
(\$20,404)		\$20,404	34 Professional Fees	(\$171,522)	
		\$0	35 Provisions for Rejected Executory Contracts		
		\$0	36 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	37 Gain or (Loss) from Sale of Equipment		
(\$9,750)		\$9,750	38 U.S. Trustee Quarterly Fees	(\$9,750)	
		\$0	39		
(\$30,154)	\$0	(\$30,154)	40 Total Reorganization Items	(\$181,272)	\$0
\$142,197	\$17,300	\$124,897	41 Net Profit (Loss) Before Federal & State Taxes	\$156,561	(\$28,560)
		\$0	42 Federal & State Income Taxes		
\$142,197	\$17,300	\$124,897	43 Net Profit (Loss)	\$156,561	(\$28,560)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

See notes to Monthly Operating Report.

**BALANCE SHEET**  
**(Real Estate Case)**  
For the Month Ended 10/31/2016

Assets			
		<u>From Schedules</u>	<u>Historical Cost</u>
<b>Current Assets</b>			
1	Cash and cash equivalents - unrestricted		\$246,147
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Prepaid expenses		
5	Professional retainers		\$78,283
6	Other: <u>Vendor Deposits</u>		\$195,842
7			
8	<b>Total Current Assets</b>		<b>\$520,272</b>
<b>Property and Equipment (Historical Cost)</b>			
9	Real property	C	\$402,614
10	Machinery and equipment	D	\$2,131,472
11	Furniture and fixtures	D	\$0
12	Office equipment	D	\$0
13	Leasehold improvements	D	\$912,254
14	Vehicles	D	\$153,263
15	Other: _____	D	\$12,438
16	<u>Accumulated Depreciation</u>	D	<u>(\$2,612,915)</u>
17	_____	D	_____
18	_____	D	_____
19	_____	D	_____
20	<b>Total Property and Equipment</b>		<b>\$999,126</b>
<b>Other Assets</b>			
21	Loans to shareholders		
22	Loans to affiliates		
23	Liquor license		\$15,500
24	<u>Inventory</u>		<u>\$594,586</u>
25	_____		_____
26	_____		_____
27	<b>Total Other Assets</b>		<b>\$610,086</b>
28	<b>Total Assets</b>		<b>\$2,129,484</b>

See notes to Monthly Operating Report

**Liabilities and Equity**  
(Real Estate Case)

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

29	Salaries and wages		
30	Payroll taxes		(\$1,701)
31	Real and personal property taxes		
32	Income taxes		
33	Sales taxes		\$14,962
34	Notes payable (short term)		
35	Accounts payable (trade)	A	\$0
36	Real property lease arrearage		
37	Personal property lease arrearage		
38	Accrued professional fees		\$171,688
39	Current portion of long-term post-petition debt (due within 12 months)		
40	Other:		
41	Loans from Stockholders		\$9,120
42			
43	<b>Total Current Liabilities</b>		<b>\$194,069</b>
44	<b>Long-Term Post-Petition Debt, Net of Current Portion</b>		
45	<b>Total Post-Petition Liabilities</b>		<b>\$194,069</b>

**Pre-Petition Liabilities (allowed amount)**

46	Secured claims	F	\$15,235
47	Priority unsecured claims	F	\$0
48	General unsecured claims	F	\$1,566,030
49	<b>Total Pre-Petition Liabilities</b>		<b>\$1,581,265</b>
50	<b>Total Liabilities</b>		<b>\$1,775,334</b>

**Equity (Deficit)**

51	Retained Earnings/(Deficit) at time of filing		(\$302,411)
52	Capital Stock		\$500,000
53	Additional paid-in capital		
54	Cumulative profit/(loss) since filing of case		\$156,561
55	Post-petition contributions/(distributions) or (draws)		
56			
57	Market value adjustment		
58	<b>Total Equity (Deficit)</b>		<b>\$354,150</b>
59	<b>Total Liabilities and Equity (Deficit)</b>		<b>\$2,129,484</b>

See notes to Monthly Operating Report

**SCHEDULES TO THE BALANCE SHEET**  
(Real Estate Case)

**Schedule A**  
**Accounts Receivable and (Net) Payable**

Receivables and Payables Agings	Accounts Receivable (Pre and Post Petition)	Accounts Payable (Post Petition)	Past Due Post Petition Debt
0 -30 Days			
31-60 Days			
61-90 Days			\$0
91+ Days			
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

**Schedule B**  
**Inventory/Cost of Goods Sold**  
Not Applicable to Real Estate Cases

**Schedule C**  
**Real Property**

Description	Historical Cost	Market Value
Land	\$140,000	
Warehouse	\$262,614	
Total	\$402,614	\$0

**Schedule D**  
**Other Depreciable Assets**

Description	Cost	Market Value
<b>Machinery &amp; Equipment -</b>		
Equipment & Fixtures	\$1,885,159	
Refrigeration Units	\$102,429	
Warehouse Refrigeration	\$143,884	
Total	\$2,131,472	
<b>Furniture &amp; Fixtures -</b>		
Total	\$0	\$0
<b>Office Equipment -</b>		
Total	\$0	\$0
<b>Leasehold Improvements -</b>		
Leasehold Improvements	\$436,496	
Leasehold Improvements	\$427,961	
Warehouse Improvements	\$31,797	
Sign	\$16,000	
Total	\$912,254	\$0
<b>Vehicles -</b>		
Automobiles & Trucks	\$153,263	
Total	\$153,263	\$0

See notes to Monthly Operating Report.

**Schedule E**  
**Aging of Post-Petition Taxes**  
**(As of End of the Current Reporting Period)**

<b>Taxes Payable</b>	<b><u>0-30 Days</u></b>	<b><u>31-60 Days</u></b>	<b><u>61-90 Days</u></b>	<b><u>91+ Days</u></b>	<b><u>Total</u></b>
<b>Federal</b>					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total Federal Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>State and Local</b>					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales	\$14,962				\$14,962
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total State &amp; Local Taxes</b>	<b>\$14,962</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,962</b>
<b>Total Taxes</b>	<b>\$14,962</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,962</b>

**Schedule F**  
**Pre-Petition Liabilities**

<b><u>List Total Claims For Each Classification -</u></b>	<b><u>Claimed Amount</u></b>	<b><u>Allowed Amount (b)</u></b>
Secured claims (a)	\$15,235	\$15,235
Priority claims other than taxes	\$0	
Priority tax claims	\$0	
General unsecured claims	\$1,566,030	\$1,566,030

(a) List total amount of claims even if under secured.

(b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

See notes to Monthly Operating Report.



**Schedule G**  
**Rental Income Information**

**List the Rental Information Requested Below By Properties**

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>	<u>Property 4</u>
Description of Property				
Scheduled Gross Rents				
Less:				
Vacancy Factor				
Free Rent Incentives				
Other Adjustments				
Total Deductions	\$0	\$0	\$0	\$0
Scheduled Net Rents	\$0	\$0	\$0	\$0
Less: Rents Receivable				
Scheduled Net Rents Collected	\$0	\$0	\$0	\$0

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Wells Fargo Bank	Wells Fargo Bank	Wells Fargo Bank	Wells Fargo Bank
Account Type	Checking	Checking	Checking	Checking
Account No.	0325	0424	1014	0440
Account Purpose	Operations	Credit card revenue	Payroll	General
Balance, End of Month	\$19,124	\$121,247	(\$10,448)	\$52,182
Total Funds on Hand for all Accounts	\$246,147			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

See notes to Monthly Operating Report.

**Schedule G**  
**Rental Income Information**

**List the Rental Information Requested Below By Properties**

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>	<u>Property 4</u>
Description of Property				
Scheduled Gross Rents				
Less:				
Vacancy Factor				
Free Rent Incentives				
Other Adjustments				
Total Deductions	\$0	\$0	\$0	\$0
Scheduled Net Rents	\$0	\$0	\$0	\$0
Less: Rents Receivable				
Scheduled Net Rents Collected	\$0	\$0	\$0	\$0

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Wells Fargo Bank	Cash in Safe		
Account Type	Checking	Cash		
Account No.	0457	N/A		
Account Purpose	General	Operations		
Balance, End of Month	\$47	\$63,995		
Total Funds on Hand for all Accounts				

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

See notes to Monthly Operating Report.

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/16

		Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>			
1	Rent/Leases Collected	\$0	\$450
2	Cash Received from Sales	\$1,430,909	\$4,760,782
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7	Less: Sales tax	(\$14,963)	(\$50,616)
8	Other Income	\$0	\$10,552
9	<b>Total Cash Receipts</b>	<b>\$1,415,946</b>	<b>\$4,721,168</b>
<b>Cash Disbursements</b>			
10	Selling		
11	Administrative	\$8,700	\$26,566
12	Capital Expenditures - Small equipment	\$0	\$19,216
13	Principal Payments on Debt		
14	Interest Paid		
	Rent/Lease:		
15	Personal Property	\$1,181	\$2,805
16	Real Property	\$30,000	\$103,548
	Amount Paid to Owner(s)/Officer(s)		
17	Salaries	\$26,308	\$92,078
18	Draws		
19	Commissions/Royalties		
20	Expense Reimbursements		
21	Other		
22	Salaries/Commissions (less employee withholding)	\$100,395	\$347,393
23	U.S. Trustee Quarterly Fees	\$9,750	\$9,750
	Taxes:		
24	Employee Withholding		
25	Employer Payroll Taxes	\$9,943	\$34,730
26	Real Property Taxes	\$0	\$6,612
27	Other Taxes - Sales	(\$703)	(\$1,222)
28	Other Cash Outflows:		
29	Cost of Goods Sold	\$1,014,854	\$3,608,257
30	Utilities	\$20,826	\$59,071
31	Supplies	\$10,190	\$33,008
32	Merchant card charges	\$14,748	\$43,247
33	Vendor deposits/Professional retainers	(\$2,237)	\$200,842
34	Payment of accrued payroll liabilities	\$0	\$16,064
35	Decrease in cash checking bank deposit account	\$294	(\$132,190)
36	Insurance	\$6,285	\$19,078
37	<b>Total Cash Disbursements:</b>	<b>\$1,250,534</b>	<b>\$4,488,853</b>
38	<b>Net Increase (Decrease) in Cash</b>	<b>\$165,412</b>	<b>\$232,315</b>
39	<b>Cash Balance, Beginning of Period</b>	<b>\$80,735</b>	<b>\$13,832</b>
40	<b>Cash Balance, End of Period</b>	<b>\$246,147</b>	<b>\$246,147</b>

See notes to Monthly Operating Report.

VINH PHAT SUPERMARKET, INC.

Case Number 16-24672

NOTES TO MONTHLY OPERATING REPORT

For the Period Ended October 31, 2016

1. This Monthly Operating Report and the Debtor's books and records are prepared by newly-employed accountants who have made certain assumptions and adjustments to the accounting system employed by the Debtor's prepetition accountant to ensure this report is filed as accurately as possible in accordance with Court requirements.
2. Note to the Balance Sheet, Property and Equipment – This information is reported at the historical cost of the assets as reported on the Debtor's tax return and not based upon the Bankruptcy Petition Schedules. See Bankruptcy Petition Schedule A for liquidation value.
3. Note to Balance Sheet, Inventory – A perpetual inventory valuation is not maintained by the business. Inventory is periodically counted, valued and adjusted accordingly on the general ledger.
4. Debtor anticipates amending Bankruptcy Petition Schedule A to account for undeposited checks as of the petition date which represent payments made but not deposited or cleared by the creditor on the petition date.
5. Debtor is not accruing post-petition trade debt as vendors/suppliers have required COD payment as well as deposits. The deposits are accounted for in the Monthly Operating Report and constitute property of the Debtor.
6. Post-petition liabilities consist of accrued sales and payroll taxes which will be paid in the ordinary course of business.

**Vinh Phat Supermarket, Inc.**  
**Case Number 16-24672**  
**Attachment to Summary of Financial Status**  
**For the Month Ended October 31, 2016**

**Line 11 - Schedule of payments made to officers, insiders, shareholders or relatives:**

<b>Check Number</b>	<b>Date of Payment</b>	<b>Payee</b>	<b>Amount of Payment</b>
2266	10/7/2016	Joseph Cantrelle, Jr.	1,500.00
2294	10/7/2016	Chan Cam Ly	4,384.61
2303	10/7/2016	Suying Plaskett	4,384.61
2318	10/7/2016	Sau Venh Vong	4,384.61
2319	10/7/2016	Vay Vong	1,750.00
2278	10/7/2016	Nhi Lau	520.00
2292	10/7/2016	Kim Luong	1,440.00
2295	10/7/2016	Khoan Ly	800.00
2304	10/7/2016	Hoa Quy	720.00
2313	10/7/2016	Quang Dieu Tran	800.00
2316	10/7/2016	Mui Ly Vong	720.00
2327	10/21/2016	Joseph Cantrelle, Jr.	1,500.00
2354	10/21/2016	Chan Cam Ly	4,384.61
2363	10/21/2016	Suying Plaskett	4,384.61
2377	10/21/2016	Sau Venh Vong	4,384.61
2378	10/21/2016	Vay Vong	1,750.00
2339	10/21/2016	Nhi Lau	510.00
2352	10/21/2016	Kim Luong	1,440.00
2355	10/21/2016	Khoan Ly	800.00
2364	10/21/2016	Hoa Quy	710.00
2372	10/21/2016	Quang Dieu Tran	1,120.00
2375	10/21/2016	Mui Ly Vong	710.00
<b>Total</b>			<b><u>21,403.83</u></b>

**EXHIBIT E. Liquidation Analysis**  
***Plan Proponent's Estimated Liquidation Value of Assets***

<b>Assets</b>	
a. Cash on hand	\$246,147 [October MOR, but variable]
b. Accounts receivable	N/A
c. Inventory	\$469,458.64 [Schedule A at 80%]
d. Office furniture & equipment	\$200 [Schedule A]
e. Machinery & equipment	\$2,100 [Schedule A]
f. Automobiles	\$10,000
g. Building & Land	N/A
h. Customer list	N/A
i. Investment property (such as stocks, bonds or other financial assets)	N/A
j. Lawsuits or other claims against third-parties	Unliquidated (No Scheduled Value) <sup>2</sup>
k. Other intangibles (such as avoiding powers actions)	Unliquidated (No Scheduled Value) <sup>1</sup>
<b><i>Total Assets at Liquidation Value</i></b>	\$727,905.64 (Not including Unliquidated Litigation Claims)
<b>Less:</b> Secured creditors' recoveries	\$14,563.49
<b>Less:</b> Chapter 7 trustee fees and expenses	\$75,000 [\$53,250 statutory Rate Plus Attorney Fees]
<b>Less:</b> Chapter 11 administrative expenses	\$225,000 [remaining after interim fee application]
<b>Less:</b> Priority claims, excluding administrative expense claims	\$34,863.09
<b>[Less:</b> Debtor's claimed exemptions]	N/A
(1) Balance for unsecured claims	\$393,042.55
(2) Total dollar amount of unsecured claims	\$1,385,422.50 (Undisputed less deposits) \$3,553,032.30 (Including disputed)
<b><i>Percentage of Claims Which Unsecured Creditors Would Receive Or Retain in a Chapter 7 Liquidation:</i></b>	@ 28% [On Undisputed Claims] @ 11% [Including Disputed Claims]
<b><i>Percentage of Claims Which Unsecured Creditors Will Receive or Retain under the Plan:</i></b>	100% [Less Interest and Over Time Undisputed Claims] [Including Disputed Claims at 10% of Filed Amount]

<sup>2</sup> Litigation claims will be transferred to a Litigation Trust.



**EXHIBIT F. Cash on hand on the Effective Date of the Plan**

<b>Cash on hand on the Effective Date of the Plan (includes cash from sale):</b>	<b>\$671,929</b>
<i>Less –</i>	<b>\$250,000</b>
Amount of administrative expenses payable on Effective Date of the Plan	
Amount of statutory costs and charges	<b>\$0 (current)</b>
Amount of cure payments for executory contracts	<b>\$18,000 (rent)</b>
Other Plan Payments due on Effective Date of the Plan	<b>\$75,000 (funding for Liquidating Trust)</b>
Priority claims, excluding administrative expense claims	<b>\$34,863.09</b>
Balance after paying these amounts	<b>\$294,065</b>

The sources of the cash Debtor will have on hand by the Effective Date of the Plan are estimated as follows:

\$246,147	Cash in Debtor's bank account now [October Monthly Operating Report]
+425,782	Additional cash Debtor will accumulate from the sale of its assets between now and Effective Date of the Plan [not including inventory payment]
+	Other
\$671,929	Total

**EXHIBIT G. Projections of Cash Flow and Earnings for Post-Confirmation Period**

\$ 294,065	On Effective Date (See, Exhibit F)
+146,705.82	Est. First Quarterly Inventory Payout From Asset Sale
\$ 440,771.73	Estimated April 2017 Balance
+ 60,000	Promissory Note Payments (May-July 2017)
+146,705.82	Est. Second Quarterly Inventory Payout From Asset Sale
\$ 647,476	Estimated June 2017 Balance
-228,510.43	Convenience Class Payment
-125,000	Est. First Quarterly Payment/Reserve to Unsecured Creditors (calculated on \$2,000,000 of unsecured debt)
\$ 293,966	Estimated Balance after Initial Plan Payments

Estimated Effective Date Balance reduced by Administrative, Professional Fees, and other Effective Date payments set forth in Exhibit F.

**EXHIBIT H. Insider Payroll**

<b>Name</b>	<b>Relationship to Family</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Sau Vong	Owner	\$78,230.00	\$113,999.00	\$109,834.00
Suying Plaskett	Owner	\$78,230.00	\$113,999.00	\$109,834.00
Chan Cam Ly	Owner	\$78,230.00	\$113,999.00	\$109,834.00
Vay Vong	Son of Sau	\$40,468.00	\$45,718.00	\$38,719.00
Joseph Cantrelle	Son of Suying	\$29,218.00	\$39,218.00	\$37,719.00
Nhi Lau	Cousin of Sau	\$11,069.00	\$4,218.00	\$9,609.00
Hoa Quy	Cousin of Sau	\$10,357.00	\$9,848.00	\$12,969.00
Quang Dieu Tran	Brother-in-law of Sau	\$16,571.00	\$15,455.00	\$16,725.00
Kim Luong	Niece of Suying	\$37,847.00	\$37,658.00	\$36,219.00
Mui Vong Ly	Sister of Mr. Ly	\$13,141.00	\$7,994.00	\$12,745.00

**Note: Good Faith Building LLC – owned by three shareholders, \$360,000 annual rent**