

Fill in this information to identify your case:

United States Bankruptcy Court for the:

NORTHERN DISTRICT OF ILLINOIS

Case number (if known) Chapter 11

Check if this an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

4/16

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known). For more information, a separate document, Instructions for Bankruptcy Forms for Non-Individuals, is available.

1. Debtor's name Kefalos, Inc.

2. All other names debtor used in the last 8 years DBA Hard Water Bar & Grill

3. Debtor's federal Employer Identification Number (EIN) 36-2891624

4. Debtor's address Principal place of business Mailing address, if different from principal place of business

5. Debtor's website (URL)

6. Type of debtor Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))

Debtor **Kefalos, Inc.**
Name

Case number (if known)

7. Describe debtor's business

A. Check one:

- Health Care Business (as defined in 11 U.S.C. § 101(27A))
- Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- Railroad (as defined in 11 U.S.C. § 101(44))
- Stockbroker (as defined in 11 U.S.C. § 101(53A))
- Commodity Broker (as defined in 11 U.S.C. § 101(6))
- Clearing Bank (as defined in 11 U.S.C. § 781(3))
- None of the above

B. Check all that apply

- Tax-exempt entity (as described in 26 U.S.C. §501)
- Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. §80a-3)
- Investment advisor (as defined in 15 U.S.C. §80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor.
See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:

- Chapter 7
- Chapter 9

Chapter 11. Check all that apply:

- Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,566,050 (amount subject to adjustment on 4/01/19 and every 3 years after that).
- The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- A plan is being filed with this petition.
- Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

- No.
- Yes.

If more than 2 cases, attach a separate list.

| | | |
|----------------|------------|-------------------|
| District _____ | When _____ | Case number _____ |
| District _____ | When _____ | Case number _____ |

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

- No
- Yes.

List all cases. If more than 1, attach a separate list

| | |
|----------------|--|
| Debtor _____ | Relationship _____ |
| District _____ | When _____ Case number, if known _____ |

Debtor **Kefalos, Inc.**
Name

Case number (if known)

11. Why is the case filed in this district?

Check all that apply:

- Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

No

Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard? _____

It needs to be physically secured or protected from the weather.

It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

Other _____

Where is the property? _____

Number, Street, City, State & ZIP Code

Is the property insured?

No

Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

- Funds will be available for distribution to unsecured creditors.
- After any administrative expenses are paid, no funds will be available to unsecured creditors.

14. Estimated number of creditors

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input type="checkbox"/> 50-99 | <input type="checkbox"/> 5001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input type="checkbox"/> 200-999 | | |

15. Estimated Assets

- | | | |
|---|--|--|
| <input type="checkbox"/> \$0 - \$50,000 | <input type="checkbox"/> \$1,000,001 - \$10 million | <input type="checkbox"/> \$500,000,001 - \$1 billion |
| <input type="checkbox"/> \$50,001 - \$100,000 | <input type="checkbox"/> \$10,000,001 - \$50 million | <input type="checkbox"/> \$1,000,000,001 - \$10 billion |
| <input checked="" type="checkbox"/> \$100,001 - \$500,000 | <input type="checkbox"/> \$50,000,001 - \$100 million | <input type="checkbox"/> \$10,000,000,001 - \$50 billion |
| <input type="checkbox"/> \$500,001 - \$1 million | <input type="checkbox"/> \$100,000,001 - \$500 million | <input type="checkbox"/> More than \$50 billion |

16. Estimated liabilities

- | | | |
|---|--|--|
| <input type="checkbox"/> \$0 - \$50,000 | <input type="checkbox"/> \$1,000,001 - \$10 million | <input type="checkbox"/> \$500,000,001 - \$1 billion |
| <input type="checkbox"/> \$50,001 - \$100,000 | <input type="checkbox"/> \$10,000,001 - \$50 million | <input type="checkbox"/> \$1,000,000,001 - \$10 billion |
| <input checked="" type="checkbox"/> \$100,001 - \$500,000 | <input type="checkbox"/> \$50,000,001 - \$100 million | <input type="checkbox"/> \$10,000,000,001 - \$50 billion |
| <input type="checkbox"/> \$500,001 - \$1 million | <input type="checkbox"/> \$100,000,001 - \$500 million | <input type="checkbox"/> More than \$50 billion |

Debtor Kefalos, Inc.
Name Case number (if known) _____

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement 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.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.
I have been authorized to file this petition on behalf of the debtor.
I have examined the information in this petition and have a reasonable belief that the information is true and correct.
I declare under penalty of perjury that the foregoing is true and correct.
Executed on June 2, 2016
MM / DD / YYYY

X /s/ Amit Diamond
Signature of authorized representative of debtor
Title President

Amit Diamond
Printed name

18. Signature of attorney

X /s/ Bradley H. Foreman
Signature of attorney for debtor

Date **June 2, 2016**
MM / DD / YYYY

Bradley H. Foreman
Printed name

The Law Offices of Bradley H. Foreman, P.C.
Firm name

**900 West Jackson Blvd.
Suite 7E
Chicago, IL 60607-3742**
Number, Street, City, State & ZIP Code

Contact phone (312) 958-8126 Email address brad@foremanlawoffice .com

6190545
Bar number and State

Fill in this information to identify the case:

Debtor name Kefalos, Inc.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF ILLINOIS

Case number (if known) _____

Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

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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 June 2, 2016

X /s/ Amit Diamond
Signature of individual signing on behalf of debtor

Amit Diamond
Printed name

President
Position or relationship to debtor

Fill in this information to identify the case:

Debtor name Kefalos, Inc.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF ILLINOIS

Case number (if known) _____

Check if this is an amended filing

Official Form 206E/F
Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

- No. Go to Part 2.
 Yes. Go to line 2.

2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or in part. If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.

| | | Total claim | Priority amount |
|-----|--|--------------------|-----------------|
| 2.1 | Priority creditor's name and mailing address Internal Revenue Service 5100 River Rd. Schiller Park, IL 60176 | \$25,000.00 | \$0.00 |
| | As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed | | |
| | Date or dates debt was incurred _____ | | |
| | Basis for the claim: _____ | | |
| | Last 4 digits of account number _____ | | |
| | Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | | |
| | Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (8) | | |

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

| | | Amount of claim |
|-----|--|--------------------|
| 3.1 | Nonpriority creditor's name and mailing address Arch Capital Funding 160 Pearl St. 5th Floor New York, NY 10005 | \$31,315.32 |
| | As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed | |
| | Date(s) debt was incurred _____ | |
| | Basis for the claim: _____ | |
| | Last 4 digits of account number _____ | |
| | Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |
| 3.2 | Nonpriority creditor's name and mailing address Ethiopian Diamond II Restaurant Inc c/o Almaz Yigizaw 7537 N. Clark St. Chicago, IL 60626 | \$24,236.82 |
| | As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed | |
| | Date(s) debt was incurred <u>September 2014</u> | |
| | Basis for the claim: <u>unpaid rent claim for lease of commercial premises</u> | |
| | Last 4 digits of account number _____ | |
| | Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |

Debtor **Kefalos, Inc.** Case number (if known) _____
 Name _____

3.3 Nonpriority creditor's name and mailing address **As of the petition filing date, the claim is:** *Check all that apply.* **\$12,000.00**
Everest Business Funding
 2001 NW 107th Ave.
 Suite 300
 Miami, FL 33172
 Contingent
 Unliquidated
 Disputed
 Date(s) debt was incurred _____
 Last 4 digits of account number _____
Basis for the claim: _____
 Is the claim subject to offset? No Yes

3.4 Nonpriority creditor's name and mailing address **As of the petition filing date, the claim is:** *Check all that apply.* **\$61,000.00**
Kabbage
 925 B Peachtree Street NE
 Atlanta, GA 30309
 Contingent
 Unliquidated
 Disputed
 Date(s) debt was incurred _____
 Last 4 digits of account number _____
Basis for the claim: _____
 Is the claim subject to offset? No Yes

3.5 Nonpriority creditor's name and mailing address **As of the petition filing date, the claim is:** *Check all that apply.* **\$26,156.00**
Pearl Capital Business Funding
 9th Floor
 100 William St.
 New York, NY 10038
 Contingent
 Unliquidated
 Disputed
 Date(s) debt was incurred _____
 Last 4 digits of account number _____
Basis for the claim: _____
 Is the claim subject to offset? No Yes

3.6 Nonpriority creditor's name and mailing address **As of the petition filing date, the claim is:** *Check all that apply.* **\$50,000.00**
Samson Partners
 4459 Amboy Rd
 Staten Island, NY 10312
 Contingent
 Unliquidated
 Disputed
 Date(s) debt was incurred _____
 Last 4 digits of account number _____
Basis for the claim: _____
 Is the claim subject to offset? No Yes

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

| | Name and mailing address | On which line in Part 1 or Part 2 is the related creditor (if any) listed? | Last 4 digits of account number, if any |
|-----|--|--|---|
| 4.1 | Ariel Bouskila P.O. Box 1065 New York, NY 10272 | Line <u>3.5</u> <input type="checkbox"/> Not listed. Explain _____ | — |
| 4.2 | Douglas Michaud Senak Keegan Gleason Smith 621 S. Plymouth Ct. Suite 100 Chicago, IL 60605 | Line <u>3.2</u> <input type="checkbox"/> Not listed. Explain _____ | — |
| 4.3 | MCA Recovery LLC 17 State Street Suite 4000 New York, NY 10004 | Line <u>3.1</u> <input type="checkbox"/> Not listed. Explain _____ | — |

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1 Total of claim amounts
 5a. \$ 25,000.00

Debtor **Kefalos, Inc.**
Name

Case number (if known)

5b. Total claims from Part 2

5b. + \$ **204,708.14**

5c. Total of Parts 1 and 2
Lines 5a + 5b = 5c.

5c. \$ **229,708.14**

Fill in this information to identify the case:

Debtor name Kefalos, Inc.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF ILLINOIS

Case number (if known) _____

Check if this is an amended filing

Official Form 206G

Schedule G: Executory Contracts and Unexpired Leases

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, number the entries consecutively.

1. Does the debtor have any executory contracts or unexpired leases?

No. Check this box and file this form with the debtor's other schedules. There is nothing else to report on this form.

Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B).

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.1. State what the contract or lease is for and the nature of the debtor's interest **Unanimous Shareholder Agreement**

State the term remaining

List the contract number of any government contract _____

Amit Diamond

2.2. State what the contract or lease is for and the nature of the debtor's interest **Unanimous Shareholder Agreement**

State the term remaining

List the contract number of any government contract _____

**Devon Kelly
c/o Hard Water
7545 N. Clark
Chicago, IL 60626**

2.3. State what the contract or lease is for and the nature of the debtor's interest **Commercial Lease Agreement**

State the term remaining

List the contract number of any government contract _____

**Ethiopian Diamond II Restaurant, Inc
c/o Almaz Yigizaw
7537 N. Clark St.
Chicago, IL 60626**

Fill in this information to identify the case:

Debtor name Kefalos, Inc.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF ILLINOIS

Case number (if known) _____

Check if this is an amended filing

**Official Form 206H
Schedule H: Your Codebtors**

12/15

Be as complete and accurate as possible. If more space is needed, copy the Additional Page, numbering the entries consecutively. Attach the Additional Page to this page.

1. Do you have any codebtors?

- No. Check this box and submit this form to the court with the debtor's other schedules. Nothing else needs to be reported on this form.
 Yes

2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G. Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

Column 1: Codebtor

Column 2: Creditor

| Name | Mailing Address | Name | Check all schedules that apply: |
|------------------|--|--------------------------------|--|
| 2.1 Amit Diamond | 299 Southfield Drive Vernon Hills, IL 60061 | Arch Capital Funding | <input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.1</u> <input type="checkbox"/> G _____ |
| 2.2 Amit Diamond | 299 Southfield Drive Vernon Hills, IL 60061 | Samson Partners | <input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.6</u> <input type="checkbox"/> G _____ |
| 2.3 Amit Diamond | 299 Southfield Drive Vernon Hills, IL 60061 | Kabbage | <input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.4</u> <input type="checkbox"/> G _____ |
| 2.4 Amit Diamond | 299 Southfield Drive Vernon Hills, IL 60061 | Pearl Capital Business Funding | <input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.5</u> <input type="checkbox"/> G _____ |
| 2.5 Amit Diamond | 299 Southfield Drive Vernon Hills, IL 60061 | Everest Business Funding | <input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.3</u> <input type="checkbox"/> G _____ |

Debtor **Kefalos, Inc.** Case number (if known) _____

Additional Page to List More Codebtors

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

| | | | |
|-----|--|--|--|
| 2.6 | Amit Diamond 299 Southfield Drive Vernon Hills, IL 60061 possible personal liability for trust fund related tax obligations | Internal Revenue Service | <input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>2.1</u> <input type="checkbox"/> G _____ |
|-----|--|--|--|

**United States Bankruptcy Court
Northern District of Illinois**

In re **Kefalos, Inc.** Debtor(s) Case No. _____
Chapter **11**

VERIFICATION OF CREDITOR MATRIX

Number of Creditors: _____ **13**

The above-named Debtor(s) hereby verifies that the list of creditors is true and correct to the best of my (our) knowledge.

Date: **June 2, 2016**

/s/ Amit Diamond
Amit Diamond/President
Signer/Title

Amit Diamond
299 Southfield Drive
Vernon Hills, IL 60061

Arch Capital Funding
160 Pearl St.
5th Floor
New York, NY 10005

Ariel Bouskila
P.O. Box 1065
New York, NY 10272

Devon Kelly
c/o Hard Water
7545 N. Clark
Chicago, IL 60626

Douglas Michaud
Senak Keegan Gleason Smith
621 S. Plymouth Ct. Suite 100
Chicago, IL 60605

Ethiopian Diamond II Restaurant Inc
c/o Almaz Yigizaw
7537 N. Clark St.
Chicago, IL 60626

Ethiopian Diamond II Restaurant, Inc
c/o Almaz Yigizaw
7537 N. Clark St.
Chicago, IL 60626

Everest Business Funding
2001 NW 107th Ave.
Suite 300
Miami, FL 33172

Internal Revenue Service
5100 River Rd.
Schiller Park, IL 60176

Kabbage
925 B Peachtree Street NE
Atlanta, GA 30309

MCA Recovery LLC
17 State Street
Suite 4000
New York, NY 10004

Pearl Capital Business Funding
9th Floor
100 William St.
New York, NY 10038

Samson Partners
4459 Amboy Rd
Staten Island, NY 10312