

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 Morgan Administration, Inc.

2. All other names debtor used in the last 8 years

Include any assumed names, trade names and doing business as names

3. Debtor's federal Employer Identification Number (EIN) 39-1964200

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

2650 Belvidere Rd
Waukegan, IL 60085

Number, Street, City, State & ZIP Code

Lake

County

P.O. Box, Number, Street, City, State & ZIP Code

Location of principal assets, if different from principal place of business

Number, Street, City, State & ZIP Code

5. Debtor's website (URL) http://www.hoboonline.com/

6. Type of debtor
☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
☐ Partnership (excluding LLP)
☐ Other. Specify:

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

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>.

5511

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	<u>See Attachment</u>	Relationship	_____
District	_____	When	_____
		Case number, if known	_____

Debtor **Morgan Administration, 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 type="checkbox"/> 1-49 | <input checked="" 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 **Morgan Administration, 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 **October 25, 2018**
MM / DD / YYYY

X /s/ Leo Schmidt

Signature of authorized representative of debtor

Leo Schmidt

Printed name

Title **President**

18. Signature of attorney

X /s/ Jonathan P. Friedland

Signature of attorney for debtor

Date **October 25, 2018**

MM / DD / YYYY

Jonathan P. Friedland

Printed name

Sugar Felsenthal Grais & Helsinger LLP

Firm name

**30 N. LaSalle St.
Suite 3000
Chicago, IL 60602**

Number, Street, City, State & ZIP Code

Contact phone **(312) 704-9400**

Email address **jfriedland@sfgf.com**

6257902 IL

Bar number and State

Debtor **Morgan Administration, Inc.**
Name Case number (if known)

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

FORM 201. VOLUNTARY PETITION
Pending Bankruptcy Cases Attachment

Debtor	Belvidere Associates LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	Deforab LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	FP Retail Associates LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	Hillcrest Enterprises, LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	Jular Media LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	KLS Acquisition Corp.	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	Loomis Enterprises LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	North Avenue Associates LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	Oak Creek Distribution LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	
Debtor	OL Enterprises LLC	Relationship to you	Affiliate
District	N.D. III.	When Case number, if known	

Debtor Morgan Administration, Inc.
Name

Case number (if known) _____

Request for Relief, Declaration, and Signatures

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**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 10/25/2018

MM / DD / YYYY

X /s/ Leo Schmidt

Signature of authorized representative of debtor

Leo Schmidt

Printed name

Title President

18. Signature of attorney

X /s/ Jonathan P. Friedland

Signature of attorney for debtor

Date

MM / DD / YYYY

Jonathan P. Friedland

Printed name

Sugar Felsenthal Grais & Helsinger LLP

Firm name

30 N. LaSalle St.

Suite 3000

Chicago, IL 60602

Number, Street, City, State & ZIP Code

Contact phone (312) 704-9400

Email address jfriedland@sfgh.com

6257902 IL

Bar number and State

**RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS OF
MORGAN ADMINISTRATION, INC.**

The undersigned, being all of the directors of **Morgan Administration, Inc.**, an Illinois corporation (the “**Company**”), under applicable provisions of the Business Corporation Act of Illinois, the Company’s Articles of Incorporation, and Bylaws, adopt the following resolutions and consents, and such resolutions have not been amended or rescinded and are now in full force and effect as of October 20, 2018:

Whereas, the Company and several related entities (collectively, the “**Debtors**”) have decided to engage in an orderly wind down of their businesses.

Whereas, in the judgment of the Company’s board of directors, it is in the best interests of the Company, its creditors, its shareholders, and other interested parties that the Company conduct this wind down under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”).

It is now, therefore:

Resolved, that in the judgment of the directors of the Company it is in the best interests of the Company, its creditors, shareholders, and other interested parties that the Company file a voluntary bankruptcy petition for relief under Chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the Northern District of Illinois, before which the Company will seek authority to operate as a debtor-in-possession.

Resolved, that the Company’s engagement of Sugar Felsenthal Grais & Helsinger LLP (“**SFGH**”) as legal counsel for the Chapter 11 Case is ratified, adopted, and approved in all respects as more fully described in the letter agreement between the Company and SFGH.

Resolved, that Michael Goldman, of KCP Advisory Group LLC, is appointed the Company’s Chief Restructuring Officer (“**CRO**”), serving as an officer of the Company and reporting to the shareholders on all aspects of the Chapter 11 Case, with full power to call meetings of the board of directors and to establish agendas for meetings of the board of directors, and with the direction or authorization of the board of directors, to take any actions that would be customary for one serving in the capacity of a chief restructuring officer. In particular, and as set forth in more detail in the letter agreement between KCP Advisory Group LLC and the Company, the CRO is authorized to (a) construct a budget; (b) assist the Company’s management with all issues related to restructuring; (c) provide court testimony as required; (d) assist with managing vendor relationships; and (e) provide other related services as requested by the Company.

Resolved, that the CRO is authorized to execute all documents necessary to administer the Chapter 11 Case on the Company’s behalf, including, but not limited to petitions, affidavits, declarations, schedules, motions, lists, applications, pleadings, asset purchase

agreements, bills of sale, certificates, guaranties, pledges, mortgages, security instruments, and other documents.

Resolved, that the CRO is authorized to employ and retain professionals in the Chapter 11 Case, including special legal counsel, accountants, and other professionals for the Company to take action the CRO deems necessary or desirable in connection with the Chapter 11 Case.

Resolved, that the CRO is authorized to take any further action, and to execute and deliver (or cause to be executed and delivered) any further agreements, documents, certificates, and undertakings to effectuate the purpose and intent of these resolutions including, but not limited to: amendments to or modifications of the documents contemplated under these resolutions, and to incur any fees or expenses the CRO deems necessary or desirable in connection with the Chapter 11 Case.

Resolved, that the Company, operating as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code, is authorized to enter into a debtor-in-possession financing facility, and in connection with any debtor-in-possession financing facility the Company enters into, is authorized to grant any guaranties, pledges, mortgages, and other security instruments deemed necessary by the CRO to obtain debtor-in-possession financing for the Company or the other Debtors.

Resolved, that all lawful acts taken by the CRO to seek relief on behalf of the Company under chapter 11 of the Bankruptcy Code, or any matter related to the Chapter 11 Case, including in connection with debtor-in-possession financing, be, and hereby are, adopted, ratified, confirmed, and approved in all respects as the acts and deeds of the Company.

Resolved, that these resolutions may be signed in any number of counterparts, each of which when read together will constitute one document, and that once signed, will be filed with the records of the Company.

[Signature pages follow]

In Witness Whereof, the undersigned have executed these Resolutions as the directors of **Morgan Administration, Inc.** as of the date first written above.

By: 
Leo G. Schmidt, Director

By: 
Kathleen M. Schmidt, Director

Fill in this information to identify the case:

Debtor name **Morgan Administration, Inc.**
 United States Bankruptcy Court for the: **NORTHERN DISTRICT OF ILLINOIS**
 Case number (if known): _____

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
ALL TILE, INC. 855 N WOODDALE RD UNIT A Wood Dale, IL 60191-1138	847-979-2500	TRADE				\$479,739.76
ANATOLIA TILE & STONE 8300 HUNTINGTON ROAD VAUGHAN ON L4L1A5 CANADA	905-771-3800	TRADE				\$266,023.51
GOTHAM SALES CO 302 MAIN ST Millburn, NJ 07041	973-912-8412	TRADE				\$211,800.00
HAAS CABINET CO INC 625 W UTICA ST Sellersburg, IN 47172-1197	812-246-4431	TRADE				\$128,159.92
JOURNAL COMMUNICATIONS 333 WEST STATE STREET Milwaukee, WI 53203	414-224-2498	ADVERTISING				\$176,101.47
KOUNTRY WOOD 352 SHAWNEE STREET Nappanee, IN 46550		TRADE				\$410,030.17
LW MOUNTAIN INC 1605 DUNDEE AVE SUITE B Elgin, IL 60120	847-888-6699	TRADE				\$439,221.15

Debtor **Morgan Administration, Inc.**
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
MAYBERRY CARPET PO BOX 6117 Dalton, GA 30722-6117	706-370-7737	TRADE				\$217,281.95
MIDWEST SERVICE AND SUPPLY 3301 WAYNE TRACE Fort Wayne, IN 46806	260-749-9919	TRADE				\$110,662.42
NATURAL STATE WHOLESALE 203 COMMERCE PARK DR Cabot, AR 72023	501-605-8741	TRADE				\$189,162.53
PLANCHER HUSKY FLOORING 805 BOUL CRISTINI LACHUTE J8H 4N6 QUEBEC CANADA	450-562-3515	TRADE				\$167,837.30
ROHNEX LLC 3324 PEACHTREE ROAD NE UNIT 2002 Atlanta, GA 30326	404-228-0515	TRADE	Contingent Unliquidated Disputed			\$772,782.91
SHAW INDUSTRIES 3540 MOMENTUM PL Chicago, IL 60689-5335	800-445-9332	TRADE				\$127,784.40
STONE SYSTEMS OF CHICAGO 675 NORTH TOWER RD Mundelein, IL 60060	847-566-2277	TRADE				\$316,567.67
SUPREME CONSTRUCTION INC 14013 W RUSSEL RD Zion, IL 60099	262-857-3561	CONTRACTOR				\$534,144.41
TILE AND STONE INTERNATIONAL 275 E SOUTH TEMPLE SUITE 111 Salt Lake City, UT 84111	888-900-2159	TRADE				\$116,607.24
TP BRANDS INTL 23 PARK LANE Hegins, PA 17938		TRADE				\$148,485.40

Debtor **Morgan Administration, Inc.**
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
TRONC 14891 COLLECTION CENTER DR Chicago, IL 60693-0148	844-348-3439	ADVERTISING				\$333,902.39
VIKING FOREST PRODUCTS 7615 SMETANA LANE, SUITE 140 Eden Prairie, MN 55344		TRADE				\$115,850.21
ZINATEX IMPORTS 2017 NORTH 25TH AVENUE Franklin Park, IL 60131	847-288-0062	TRADE				\$354,316.00

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

In re Morgan Administration, Inc.

Debtor(s)

Case No.

Chapter

11

VERIFICATION OF CREDITOR MATRIX

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

Date: 10/25/2018

/s/ Leo Schmidt

Leo Schmidt/President

Signer/Title

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

In re **Morgan Administration, Inc.**

Debtor(s)

Case No.

Chapter

11

CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the undersigned counsel for **Morgan Administration, Inc.** in the above captioned action, certifies that the following is a (are) corporation(s), other than the debtor or a governmental unit, that directly or indirectly own(s) 10% or more of any class of the corporation's(s') equity interests, or states that there are no entities to report under FRBP 7007.1:

☒ None [*Check if applicable*]

October 25, 2018
Date

/s/ Jonathan P. Friedland

Jonathan P. Friedland

Signature of Attorney or Litigant

Counsel for **Morgan Administration, Inc.**

Sugar Felsenthal Grais & Helsinger LLP

30 N. LaSalle St.

Suite 3000

Chicago, IL 60602

(312) 704-9400 Fax:(312) 372-7951

jfriedland@sfggh.com