

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): ONION ASSOCIATES, LTD
Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): 20-4943349
Street Address of Debtor (No. and Street, City, and State): P. O. Box 850 Buda, TX
ZIP CODE 78610
County of Residence or of the Principal Place of Business: Travis
Mailing Address of Debtor (if different from street address):
ZIP CODE
Location of Principal Assets of Business Debtor (if different from street address above): Travis County, Texas
ZIP CODE

Type of Debtor (Form of Organization) (Check one box.)
Nature of Business (Check one box.)
Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.)
Nature of Debts (Check one box.)
Individual (includes Joint Debtors) See Exhibit D on page 2 of this form.
Corporation (includes LLC and LLP)
Partnership
Other (If debtor is not one of the above entities, check this box and state type of entity below.)
Health Care Business
Single Asset Real Estate as defined in 11 U.S.C. § 101(51B)
Railroad
Stockbroker
Commodity Broker
Clearing Bank
Other
Chapter 7
Chapter 9
Chapter 11
Chapter 12
Chapter 13
Chapter 15 Petition for Recognition of a Foreign Main Proceeding
Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."
Debts are primarily business debts.

Filing Fee (Check one box.)
Check one box: Chapter 11 Debtors
Full Filing Fee attached.
Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.
Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.
Debtor is a small business debtor as defined by 11 U.S.C. § 101(51D).
Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).
Check if:
Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter).
Check all applicable boxes:
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).

Statistical/Administrative Information
Debtor estimates that funds will be available for distribution to unsecured creditors.
Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.
Estimated Number of Creditors
Estimated Assets
Estimated Liabilities
THIS SPACE IS FOR COURT USE ONLY

<p><b>Voluntary Petition</b> (This page must be completed and filed in every case.)</p>		<p>Name of Debtor(s): <b>ONION ASSOCIATES, LTD</b></p>	
<p><b>All Prior Bankruptcy Cases Filed Within Last 8 Years</b> (If more than two, attach additional sheet.)</p>			
Location Where Filed:	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
<p><b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor</b> (If more than one, attach additional sheet.)</p>			
Name of Debtor:	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<p style="text-align: center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b).</p> <p style="text-align: center;"><b>X</b> _____</p> <p style="text-align: right;">Date</p>		
<p><b>Exhibit C</b></p> <p>Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?</p> <p><input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.</p> <p><input checked="" type="checkbox"/> No.</p>			
<p><b>Exhibit D</b></p> <p>(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)</p> <p><input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.</p> <p>If this is a joint petition:</p> <p><input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.</p>			
<p><b>Information Regarding the Debtor - Venue</b> (Check any applicable box.)</p> <p><input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, 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.</p> <p><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.</p> <p><input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.</p>			
<p><b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b> (Check all applicable boxes.)</p> <p><input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">(Name of landlord that obtained judgment)</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">(Address of landlord)</p> <p><input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and</p> <p><input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.</p> <p><input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).</p>			

**Voluntary Petition**

*(This page must be completed and filed in every case)*

Name of Debtor(s): **ONION ASSOCIATES, LTD**

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** \_\_\_\_\_

**X** \_\_\_\_\_

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

**X** \_\_\_\_\_

(Signature of Foreign Representative)

\_\_\_\_\_  
(Printed Name of Foreign Representative)

\_\_\_\_\_  
Date

**Signature of Attorney\***

**X** /s/ William T. Peckham  
**William T. Peckham** Bar No. **15706200**

**Law Office of William T. Peckham**  
**1104 Nueces Street, Suite 104**  
**Austin, Texas 78701-2106**

Phone No. **(512) 472-8126** Fax No. **(512) 478-1790**

05/03/2010  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**ONION ASSOCIATES, LTD**

**X** /s/ Onion ASGP, Inc, General Partner by  
Signature of Authorized Individual

Onion ASGP, Inc, General Partner by  
Printed Name of Authorized Individual

T. Marc Knutsen, President  
Title of Authorized Individual

05/03/2010  
Date

\_\_\_\_\_  
Address

**X** \_\_\_\_\_

\_\_\_\_\_  
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.*

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

IN RE: **ONION ASSOCIATES, LTD**

CASE NO

CHAPTER 11

**EXHIBIT "A" TO VOLUNTARY PETITION**

1. Debtor's employer identification number is <u>20-4943349</u> .		
2. If any of debtor's securities are registered under section 12 of the Securities and Exchange Act of 1934, the SEC file number is _____.		
3. The following financial data is the latest available information and refers to the debtor's condition on <u>5/3/2010</u> .		
a. Total Assets	<b>\$4,250,000.00</b>	
b. Total Liabilities	<b>\$6,716,000.00</b>	
<b>Secured debt</b>	<b>Amounts</b>	<b>Approximate number of holders</b>
Fixed, liquidated secured debt	<b>\$3,769,000.00</b>	<b>4</b>
Contingent secured debt		
Disputed secured debt	<b>\$855,000.00</b>	<b>2</b>
Unliquidated secured debt		
<b>Unsecured debt</b>	<b>Amounts</b>	<b>Approximate number of holders</b>
Fixed, liquidated unsecured debt	<b>\$1,232,000.00</b>	<b>2</b>
Contingent unsecured debt		
Disputed unsecured debt	<b>\$860,000.00</b>	<b>2</b>
Unliquidated unsecured debt		
<b>Stock</b>	<b>Amounts</b>	<b>Approximate number of holders</b>
Number of shares of preferred stock		
Number of shares of common stock		
<b>Comments, if any</b>		
4. Brief description of debtor's business: <i>Real estate development</i>		

UNITED STATES BANKRUPTCY COURT  
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CASE NO

CHAPTER **11**

**EXHIBIT "A" TO VOLUNTARY PETITION**

*Continuation Sheet No. 1*

5. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 20% or more of the voting securities of the debtor:

*Onion Capital, Ltd  
2110 Boca Raton Dr., #205  
Austin, Texas 78747*

6. List the name of all corporations 20% or more of the outstanding voting securities of which are directly or indirectly owned, controlled, or held, with power to vote, by debtor:

I, Onion ASGP, Inc, General Partner by, the T. Marc Knutsen, President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing Exhibit "A" to Voluntary Petition, and that it is true and correct to the best of my information and belief.

Date: 05/03/2010

Signature: /s/ Onion ASGP, Inc, General Partner by  
Onion ASGP, Inc, General Partner by  
T. Marc Knutsen, President

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

IN RE: **ONION ASSOCIATES, LTD**

CASE NO

CHAPTER **11**

**DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR**

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

For legal services, I have agreed to accept:	<u>                    </u> <b>\$0.00</b>
Prior to the filing of this statement I have received:	<u>                    </u> <b>\$0.00</b>
Balance Due:	<u>                    </u> <b>\$0.00</b>

2. The source of the compensation paid to me was:

Debtor                       Other (specify)

3. The source of compensation to be paid to me is:

Debtor                       Other (specify)

4.  I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with another person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statements of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;

6. By agreement with the debtor(s), the above-disclosed fee does not include the following services:

**All services will be billed at \$235.00 per hour which will include non-routine legal services, plus costs (including but not limited to, amendments, tax debt discharge, filing / defending against stay motions, reset/additional creditors' meetings, objections to dischargeability / discharge / exemptions, complaints to determine dischargeability, redemption / valuation hearings, Section 522(f) motions to avoid liens, etc.). Out-of-pocket costs and non-petition filing fees, other than the initial filing fee, are an extra expense that Debtor agrees to pay.**

**THE FEE AGREEMENT SET FORTH HEREIN IS AGREED TO AND SIGNED BY:**

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UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

IN RE: ONION ASSOCIATES, LTD

CASE NO

CHAPTER 11

**DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR**

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

**05/03/2010**

*Date*

**/s/ William T. Peckham**

*William T. Peckham*

Law Office of William T. Peckham

1104 Nueces Street, Suite 104

Austin, Texas 78701-2106

Phone: (512) 472-8126 / Fax: (512) 478-1790

Bar No. 15706200

**/s/ Onion ASGP, Inc, General Partner by**

***Onion ASGP, Inc, General Partner by***

***T. Marc Knutsen, President***

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

IN RE: **ONION ASSOCIATES, LTD**

Case No.

Chapter **11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
Name of creditor and complete mailing address, including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed, or subject to setoff	Amount of claim [if secured also state value of security]
Capital Pacific Homes c/o Todd Brown MCI Financial Group, Ltd. 4909 North 44th Street Phoenix, AZ 85018		Loan	<i>Disputed</i>	<b>\$800,000.00</b>
Onion Capital, Ltd. 2110 Boca Raton Dr., #205 Austin, TX 78747		Loan		<b>\$640,000.00</b>
Marc Knutsen P. O. Box 850 Buda, TX 78610		Loan		<b>\$592,279.00</b>
Kenneth and Nathalie Hardie 10866 Wolfe Hill Lane Great Falls, VA 22066		Lender to prior land owner	<i>Disputed</i>	<b>\$653,205.00</b> <b>Value: \$288,446.00</b>
Brown, McCarroll Attorneys At Law 111 Congress Ave., #1400 Austin, TX 78701		Attorney Fees	<i>Disputed</i>	<b>\$60,000.00</b>



**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
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IN RE: **ONION ASSOCIATES, LTD**

Case No.

Chapter **11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

*Continuation Sheet No. 1*

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

I, the **T. Marc Knutsen, President** of the **Partnership**  
named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date: **05/03/2010**

Signature: **/s/ Onion ASGP, Inc, General Partner by  
Onion ASGP, Inc, General Partner by  
T. Marc Knutsen, President**

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

IN RE: ONION ASSOCIATES, LTD

CASE NO

CHAPTER 11

**VERIFICATION OF CREDITOR MATRIX**

The above named Debtor hereby verifies that the attached list of creditors is true and correct to the best of his/her knowledge.

Date 05/03/2010

Signature /s/ Onion ASGP, Inc, General Partner by  
Onion ASGP, Inc, General Partner by  
T. Marc Knutsen, President

Date \_\_\_\_\_

Signature \_\_\_\_\_

/s/ William T. Peckham  
William T. Peckham  
15706200  
Law Office of William T. Peckham  
1104 Nueces Street, Suite 104  
Austin, Texas 78701-2106  
(512) 472-8126

Abstracts/Trustees of Trustee  
P. O. Box 9932  
Austin, TX 78766

Brown, McCarroll  
Attorneys At Law  
111 Congress Ave., #1400  
Austin, TX 78701

Capital Pacific Homes  
c/o Todd Brown  
MCI Financial Group, Ltd.  
4909 North 44th Street  
Phoenix, AZ 85018

Joyce Porter  
P. O. Box 850  
Buda, TX 78610

Joyce Porter  
P. O. Box 850  
Buda, TX 78610

Kenneth and Nathalie Hardie  
10866 Wolfe Hill Lane  
Great Falls, VA 22066

Kenneth and Nathalie Hardie  
c/o Clarke Heidrick, Attorney At Law  
401 Congress Ave., Suite 2200  
Austin, TX 78701

Kenneth and Nathalie Hardie  
10866 Wolfe Hill Lane  
Great Falls, VA 22066

Marc Knutsen  
P. O. Box 850  
Buda, TX 78610

Onion 89, Inc.  
P. O. Box 850  
Buda, TX 78610

Onion 89, Inc.  
P. O. Box 850  
Buda, TX 78610

ONION ASSOCIATES, LTD  
P. O. Box 850  
Buda, Texas 78610

Onion Capital, Ltd.  
2110 Boca Raton Dr., #205  
Austin, TX 78747

Southside Bank  
xx0448  
P. O. Box 1079  
Tyler, TX 75710-1079

Southside Bank  
xx1958  
P. O. Box 1079  
Tyler, TX 75710-1079

Southside Bank  
xx4505  
P. O. Box 1079  
Tyler, TX 75710-1079

Southside Bank  
xx3176  
P. O. Box 1079  
Tyler, TX 75710-1079

William T. Peckham  
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