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Treasurer and Tax Collector
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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA,**

10 In Re
11 NTD ARCHITECTS, INC.
12 Debtor.

CASE NO. 2:14-bk-16883 BR

**LOS ANGELES COUNTY
TREASURER AND TAX
COLLECTOR'S LIMITED
OBJECTION TO DEBTOR'S
DISCLOSURE STATEMENT
DESCRIBING DEBTOR'S
CHAPTER 11 PLAN OF
REORGANIZATION**

DATE: 12/9/14
TIME: 10:00 a.m.
DEPT.: 1668

18 TO: THE HONORABLE BARRY RUSSELL, UNITED STATES
19 BANKRUPTCY JUDGE, DEBTOR, DEBTOR'S COUNSEL, OFFICE OF THE
20 UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES HEREIN:

21 The Los Angeles County Treasurer and Tax Collector ("L.A. County"), a
22 priority creditor and party in interest in this chapter 11 case, by and through its
23 undersigned counsel, submits this limited objection (the "Objection") to NTD
24 Architects, Inc.'s ("Debtor") Disclosure Statement Describing Debtor's Chapter 11
25 Plan of Reorganization ("Disclosure Statement") which was filed on
26 September 19,2014 [Docket No. 247].
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I.

INTRODUCTION

On April 10, 2014 (the "Petition Date"), Debtor filed its voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") to commence the above-captioned case.

L.A. County has a priority business property tax claim [Claim No. 28-3] regarding the 2014/2015 taxes in the amount of not less than \$6,309.28, which must be paid with interest, penalties, and costs. Claim No. 28-3 is a priority claim under Bankruptcy Code section 507(a)(8)(B). Debtor erroneously asserts in its Disclosure Statement that L.A. County's claim is not a priority claim. Debtor instead lists it as a general unsecured claim and does not provide for any payment.

II.

**DEBTOR'S TREATMENT OF L.A. COUNTY'S TAX CLAIM IS
INADEQUATE AND DOES NOT CONFORM WITH THE BANKRUPTCY
CODE NOR CALIFORNIA STATE LAW.**

On May 16, 2014, L.A. County filed a Proof of Claim [Claim No. 28-1] in the amount of \$8,983.10, which is attached as Exhibit A. (See also declaration of Bonita Sandoz attached as Exhibit D) On May 27, 2014, L.A. County filed an amended Proof of Claim [Claim No. 28-2] in the amount of \$5,961.79, which is attached as Exhibit B. (See also declaration of Bonita Sandoz attached as Exhibit D) On September 23, 2014, L.A. County filed another amended Proof of Claim [Claim No. 28-3] in the amount of \$6,309.28, which is attached as Exhibit C. (See also declaration of Bonita Sandoz attached as Exhibit D)

Page 13, lines 8-11, of the Disclosure Statement states that Debtor's records reflect that there are no priority tax claims. However, L.A. County does have a priority tax claim. Claim No. 28-3, in the amount of \$6,309.28 is a priority tax claim under Bankruptcy Code section 507(a)(8)(B) because it is "a property tax incurred before the commencement of the case and last payable without penalty

1 after one year before the date of the filing of the petition." On the same page and
2 line numbers of the Disclosure Statement (page 13, lines 8-11), Debtor states that
3 the "proofs of claim filed are for liabilities that are anticipated for the tax year
4 2013." But Claim No. 28-3 is for the 2014/2015 tax year. Although, Claim No. 28-
5 3 was filed a few days after the Disclosure Statement was filed, the previous proofs
6 of claim filed by L.A. County (Claim No. 28-1 and Claim No. 28-2) also did not
7 cover any taxes for the 2013 tax year. For instance, Claim No. 28-1 was filed prior
8 to the tax bills being available, so the tax bills were not attached to the claim,
9 consequently the amount stated on the claim was estimated based on the 2013/2014
10 taxes, but the claim was for the 2014/2015 taxes. Claim No. 28-2 was filed with the
11 2014/2015 tax bills attached to the claim.

12 There is an exhibit on page 33 of the Disclosure Statement which is titled
13 General Unsecured Claims. On page 4 of 6 of said exhibit, on the 11th row from the
14 top, Debtor lists L.A. County's claim. But this is erroneous because L.A. County's
15 claim is a priority tax claim and not a general unsecured claim. On that same row,
16 on the 6th column to the right Debtor states that the claim allowed is "0.00."

17 As previously stated, the amount now due to L.A. County is \$6,309.28 plus
18 interest, penalties, and other costs under California Revenue and Taxation Code
19 section 2922.

20 These taxes, which are on the unsecured roll, are due on the lien date under
21 California Revenue and Taxation Code section 2901. And despite the fact that the
22 tax bills may not be generated until later in the year, the liability for those taxes
23 accrued on the lien date which in this case was January 1, 2014. The taxing
24 agency's right to ad valorem tax, for both secured and unsecured taxes, attaches as
25 of the lien date of the year to which they relate. "The assessor shall assess all
26 property . . . on the lien date" (Cal. Rev. & Tax. Code § 401.3.)

27 "Additionally, [Cal. Rev. & Tax Code] section 2192 provides that tax liability
28 attaches as of the lien date." (*In re Grivas* (Bankr. S.D. Cal. 1991) 123 B.R. 876,
HOA.1034835.2

1 881.) The lien date in California is the first day of January preceding the fiscal year
2 for which the taxes are levied. (Cal. Rev. & Tax. Code, § 2192.) Thus, Debtor's tax
3 liability for the 2014/2015 fiscal year accrued on January 1, 2014, prior to the
4 Petition Date.

5 The fact that a debtor may not receive a tax bill or make a payment on taxes
6 until after the lien date does not affect the tax liability for that tax year. "The tax
7 lien date . . . is simply a practical method for determining that the taxpayer enjoyed
8 the benefit of governmental services during the year *preceding* the assessment."
9 (*Seegmiller v. County of Nevada* (1997) 53 Cal.App.4th 1397, 1402.)

10 Pursuant to California Revenue and Taxation Code section 2922, subdivision
11 (a), if the taxes are unpaid by July 31, they become delinquent on August 31, and
12 subject to a 10 percent one-time delinquent penalty. And if two months later they
13 remain delinquent it starts accruing 1.5 percent interest per month pursuant to
14 subdivision (d).

15 III.

16 RESERVATION OF RIGHTS

17 L.A. County expressly reserves its right to supplement or amend this
18 Objection to incorporate any objections filed by other parties, and introduce
19 evidence at any hearing related to this Objection.

20 IV.

21 CONCLUSION

22 Based on the foregoing, L.A. County respectfully requests that this Court
23 (i) sustain its Objection; (ii) deny approval of the Disclosure Statement in order to
24 provide for L.A. County's priority claim, which shall be allowed, in full, with
25 interest, penalties, and costs; and, (iii) provide such further relief as the Court deems
26 just and proper.

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1 DATED: November 20, 2014

Respectfully submitted,

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MARK J. SALADINO
County Counsel

By /s/ RICHARD GIRGADO
RICHARD GIRGADO
Deputy County Counsel

Attorneys for Los Angeles County Treasurer
and Tax Collector

Case Name:

NTD ARCHITECTS, INC

Case No. 2:14-bk-16883 BR

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
648 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012.

A true and correct copy of the foregoing document described as **LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR'S. LIMITED OBJECTION TO DEBTOR'S DISCLOSURE STATEMENT DESCRIBING DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **November 21, 2014**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

- James C Bastian jbastian@shbllp.com
- Howard Camhi hcamhi@ecjlaw.com, kanthony@ecjlaw.com
- Donald W Fitzgerald dfitzgerald@ffwplaw.com, tjackson@ffwplaw.com
- Stephen H Kim skecfmail@gmail.com, skim.us@gmail.com
- Gavin Kogan gavin@lg-attorneys.com
- Peter F Lindborg plindborg@lmlp.com
- Ron Maroko ron.maroko@usdoj.gov
- Daniel J McCarthy dmccarthy@hillfarrer.com, spadilla@hillfarrer.com;docket@hillfarrer.com
- David M Meegan mgillis@mhksacto.com
- Lucas A Messenger LAMessenger@rkmc.com
- Ryan D ODea rodea@shbllp.com, lverstegen@shbllp.com
- Richard R Rice rrrice@rrrlaw.net
- Steven E Rich srich@mayerbrown.com, egriffin@mayerbrown.com,LOS-DEPT-Docket@mayerbrown.com,ckelley@mayerbrown.com,jgrenard@mayerbrown.com
- Christopher O Rivas crivas@reedsmith.com
- Gary B Rudolph rudolph@sullivanhill.com, bkstaff@sullivanhill.com;vidovich@ecf.inforuptcy.com;rudolph@ecf.inforuptcy.com
- Wendy W Smith wendy@bindermalter.com
- Michael St James ecf@stjames-law.com
- Juan A Torres j.torres@mpglaw.com, l.magdaleno@mpglaw.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- Robert G Uriarte robert@uriarte-wood.com
- Debby L Watson dwatson@palg.net, chargraves@palg.net
- Howard J Weg HJWeg@rkmc.com
- Abby A Wood abby@uriarte-wood.com

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):

On **November 21, 2014**, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Case Name:

NTD ARCHITECTS, INC

Case No. 2:14-bk-16883 BR

Scott Beckman
643 W Mendoza Ave
Mesa, AZ 85210

Carmel Unified School District
Binder & Malter, LLP
c/o Wendy W. Smith, Esq.
2775 Park Avenue
Santa Clara, CA 95050

Jerry Duncan
Gurnes Mason & Forestiere LLP
2240 Douglas Blvd Ste 150
Roseville, CA 95661

Mark A Garmus
Ernster Law Offices
70 S Lake Ave Ste 750
Pasadena, CA 91101

Joseph Serar
530 Conestoga Road
San Dimas, CA 91773

Vicenti Lloyd & Stutzman Llp
2210 East Route 66
Glendora, CA 91740

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **November 21, 2014**, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Honorable Barry Russell (**Personal Service**)
United States Bankruptcy Court
Central District of California
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1660 /Courtroom 1668
Los Angeles, California 90012-

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

November 21, 2014

Date

Carmen Kanashiro

Type Name

/s/ Carmen Kanashiro

Signature

EXHIBIT A

B 10 (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT		Central District of California	PROOF OF CLAIM
Name of Debtor: NTD Architects, Inc., a Corporation		Case Number: 14-16883-BR (Ch.11)	
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): Los Angeles County Treasurer and Tax Collector			
Name and address where notices should be sent: Los Angeles County Treasurer and Tax Collector PO Box 54110, Los Angeles, CA 90054-0110		Telephone number: (213) 974-7803 email: bankruptcy@ttc.lacounty.gov	COURT USE ONLY
Name and address where payment should be sent (if different from above):		Telephone number: email:	<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
1. Amount of Claim as of Date Case Filed: \$ <u>8,983.10</u>			
If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: <u>Estimated taxes</u> (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: <u>2 0 1 4</u>	3a. Debtor may have scheduled account as: <u>Unknown</u> (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____	
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:		Basis for perfection: _____	
Value of Property: \$ _____		Amount of Secured Claim: \$ _____	
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ _____	
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	Amount entitled to priority: \$ <u>8,983.10</u>
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input checked="" type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)().	
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			

B 10 (Official Form 10) (12/11)

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7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

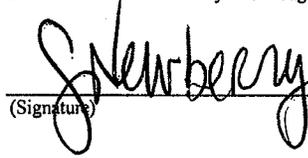
8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor. I am the creditor's authorized agent. I am the trustee, or the debtor, I am a guarantor, surety, indorser, or other codebtor.
 (Attach copy of power of attorney, if any.) or their authorized agent. (See Bankruptcy Rule 3005.)
 (See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Shameka Newberry
 Title: Tax Services Clerk II
 Company: Los Angeles County Tax Collector
 Address and telephone number (if different from notice address above):


 (Signature)

05/16/2014
 (Date)

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

CLAIM ATTACHMENT SHEET

This claim is an unsecured tax secured by a statutory lien under California state law. This claim is secured under 11 U.S.C. Section 506(b).

This claim is subject to interest under California Revenue and Taxation Code Section 4103, 11 U.S.C. Section 506 (b) and 11 U.S.C. Section 511 as well as costs, fee and attorney fees.

The claim will continue to increase and interest will continue to accrue until it is paid.

Taxes for 2014-2015 in the amount of \$8,983.10 due to statutory lien date of January 1st per the California Revenue and Taxation Code Section 2192. The amount of taxes is to be determined. An Amended claim will be filed once the exact dollar amount is available.

EXHIBIT B

B 10 (Official Form 10) (12/11)

UNITED STATES BANKRUPTCY COURT		Central District of California	PROOF OF CLAIM
Name of Debtor: NTD Architects, Inc., a Corporation		Case Number: 14-16883-BR(Ch#11)	
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): Los angeles County treasurer and Tax Collector			
Name and address where notices should be sent: Los angeles County treasurer and Tax Collector PO Box 54110. Los Angeles, CA 90054		Telephone number: (213) 974-7803 email: bankruptcy@ttc.lacounty.gov	COURT USE ONLY
Name and address where payment should be sent (if different from above):		Telephone number: email:	<input checked="" type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: <u>28-1</u> (If known) Filed on: <u>05/16/2014</u>
1. Amount of Claim as of Date Case Filed: \$ <u>5,961.79</u>			
If all or part of the claim is secured, complete item 4.			
If all or part of the claim is entitled to priority, complete item 5.			
<input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: <u>Property Taxes</u> (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: <u>2 0 1 4</u>	3a. Debtor may have scheduled account as: <u>40761701</u> (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____	
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:		Basis for perfection: _____	
Value of Property: \$ _____		Amount of Secured Claim: \$ _____	
Annual Interest Rate _____% <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ _____	
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	Amount entitled to priority: \$ <u>5,961.79</u>
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input checked="" type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)().	
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			

B 10 (Official Form 10) (12/11)

2

7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor. I am the creditor's authorized agent. I am the trustee, or the debtor, or their authorized agent. I am a guarantor, surety, indorser, or other codebtor.
- (Attach copy of power of attorney, if any.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3004.) (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Man-Ling Kuo
 Title: Tax Services Clerk
 Company: Los Angeles County
 Address and telephone number (if different from notice address above):



 (Signature) (Date) 05/28/2014

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

ASSESSMENT NUMBER 3990410000		INDEX NUMBER 45254525		Please make check payable to: LOS ANGELES COUNTY TAX COLLECTOR		WRITE THESE NUMBERS ON YOUR CHECK AND CORRESPONDENCE		Pay Key	2014
MAIL EARLY - AVOID PENALTY				Year	Seq. No.	BILL NUMBER			
SEND THIS UPPER PORTION WITH YOUR PAYMENT				14	000	40761701		8	
NTD ARCHITECTS INC DBA 9655 GRANITE RIDGE DR STE 400 SAN DIEGO CA 92123				TOTAL TAX		5961	79	THIS BILL IS NOW DUE AND PAYABLE	
AUTH 000000 0000 12296				10% Penalty After		08312014		NO ADDITIONAL BILLING WILL BE MADE	
				Collection Costs					
				Additional Penalties					
				Total After Penalties					

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14914000400407617010000596179000065579615280831

596-17-596-17 DETACH HERE

UNSECURED PROPERTY TAX BILL

2014

UNSECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015

SALE OR DISPOSAL OF THIS PROPERTY AFTER JANUARY 1, 2014 DOES NOT RELIEVE THE ASSESSEE OF THIS TAX.

PAYMENT WILL BE ACCEPTED WITHOUT PENALTY UNTIL 08-31-2014
TRA 12296
AUTH 000000 0000

NTD ARCHITECTS INC DBA
9655 GRANITE RIDGE DR STE 400
SAN DIEGO CA 92123

8383 010 060
SITUS OR LOCATION:

955 OVERLAND CT STE 100
SAN DIMAS 00000

PROPERTY DESCRIPTION			ASSESSED VALUES	
ASSESSMENT NUMBER	INDEX NUMBER	BILL NUMBER	VALUES ARE DETERMINED BY THE COUNTY ASSESSOR. REFER QUESTIONS CONCERNING VALUETS TO (626) 258-6001	
3990410000	45254525	40761701	FULL VALUE	
			BUS PP	158875
			FIXT	381018
			TOTAL VALUE	539893
			LESS EXEMPT	0
			NET VALUE	539893
GENERAL TAX LEVY AND VOTED INDEBTEDNESS				
TAXING AGENCY	RATE	AMOUNT		
TOTAL TAX		5961 79		
THERE WILL BE A \$33.00 CHARGE FOR ANY RETURNED CHECK			TOTAL TAX	
SEE REVERSE SIDE FOR IMPORTANT INFORMATION			5961	79
			10% Penalty After	08312014
			Collection Costs	
			Additional Penalties	
			Total After Penalties	

R#14 LOS ANGELES COUNTY TAX COLLECTOR
225 N. Hill St., Rm. 122, Los Angeles, CA 90012 Phone: 1(213) 893-7935
P.O. Box 54027 Los Angeles, CA 90054

05-27-14

YOUR CANCELLED CHECK IS YOUR BEST RECEIPT

EXHIBIT C

B 10 (Official Form 10) (12/11)

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7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

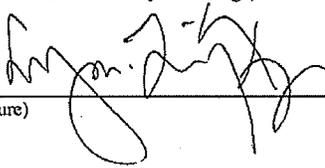
8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor. I am the creditor's authorized agent. I am the trustee, or the debtor, I am a guarantor, surety, indorser, or other codebtor.
 (Attach copy of power of attorney, if any.) or their authorized agent. (See Bankruptcy Rule 3005.)
 (See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Man-Ling Kuo
 Title: Tax Services Clerk II
 Company: Los Angeles County
 Address and telephone number (if different from notice address above):



 (Signature) (Date) 09/23/2014

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

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State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

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8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

ASSESSMENT NUMBER 3990410000	INDEX NUMBER 45254525	of 4
MAIL EARLY - AVOID PENALTY		
SEND THIS UPPER PORTION WITH YOUR PAYMENT		

Please make check payable to:
LOS ANGELES COUNTY TAX COLLECTOR

WRITE THESE NUMBERS ON YOUR CHECK AND CORRESPONDENCE			Pay Key
Year	Seq. No.	BILL NUMBER	
14	000	40761701	8
TOTAL TAX		5961	79
10% Penalty After			
Collection Costs			
Additional Penalties			
Total After Penalties			

2014
 THIS BILL IS NOW DUE AND PAYABLE
 NO ADDITIONAL BILLING WILL BE MADE

NTD ARCHITECTS INC DBA
 9655 GRANITE RIDGE DR STE 400
 SAN DIEGO CA 92123

AUTH 000000 0000 12296

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596-17 DETACH HERE 596-17 E538947

UNSECURED PROPERTY TAX BILL

2014

UNSECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015

SALE OR DISPOSAL OF THIS PROPERTY AFTER JANUARY 1, 2014 DOES NOT RELIEVE THE ASSESSEE OF THIS TAX.

PAYMENT WILL BE ACCEPTED WITHOUT PENALTY UNTIL 08-31-2014
 TRA 12296
 AUTH 000000 0000

NTD ARCHITECTS INC DBA
 9655 GRANITE RIDGE DR STE 400
 SAN DIEGO CA 92123

8383 010 060
 SITUS OR LOCATION:

955 OVERLAND CT STE 100
 SAN DIMAS 00000

PROPERTY DESCRIPTION			ASSESSED VALUES	
ASSESSMENT NUMBER	INDEX NUMBER	BILL NUMBER	VALUES ARE DETERMINED BY THE COUNTY ASSESSOR. REFER QUESTIONS CONCERNING VALUE TO: (626) 258-6001 FULL VALUE	
3990410000	45254525	40761701		
			BUS PP	158875
			FIXT	381018
			TOTAL VALUE	539893
			LESS EXEMPT	0
			NET VALUE	539893
GENERAL TAX LEVY AND VOTED INDEBTEDNESS				
TAXING AGENCY	RATE	AMOUNT		
TOTAL TAX		5961 79		
			TOTAL TAX	5961 79
			10% Penalty After	
			08312014	
			Collection Costs	
			Additional Penalties	
			Total After Penalties	

THERE WILL BE A \$33.00 CHARGE FOR ANY RETURNED CHECK
 SEE REVERSE SIDE FOR IMPORTANT INFORMATION

ASSESSMENT NUMBER 7102670462	INDEX NUMBER 71007100
of 4	
MAIL EARLY - AVOID PENALTY	
SEND THIS UPPER PORTION WITH YOUR PAYMENT	

Please make check payable to:
LOS ANGELES COUNTY TAX COLLECTOR.

WRITE THESE NUMBERS ON YOUR CHECK AND CORRESPONDENCE			Pay Key
Year	Seq. No.	BILL NUMBER	
14	000	49116013	8
TOTAL TAX			297.72
10% Penalty After			
08312014			29.77
Collection Costs			20.00
Additional Penalties			
Total After Penalties			327.49

NTD ARCHITECTS LESSEE
 9655 GRANITE RIDGE DR STE 400
 SAN DIEGO CA 92123

AUTH 000000 0000 12296

2014
 THIS BILL IS NOW DUE AND PAYABLE
 NO ADDITIONAL BILLING WILL BE MADE

347.49 R

X

14814000400491160130000032749000003274922289999

-327-49-29-77- DETACH HERE-

UNSECURED PROPERTY TAX BILL

2014

UNSECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015

SALE OR DISPOSAL OF THIS PROPERTY
 AFTER JANUARY 1, 2014 DOES NOT RELIEVE
 THE ASSESSEE OF THIS TAX.

TRA 12296
 AUTH 000000 0000

NTD ARCHITECTS LESSEE
 9655 GRANITE RIDGE DR STE 400
 SAN DIEGO CA 92123

8383 010 060
 SITUS OR LOCATION:
 955 OVERLAND CT STE 100
 SAN DIMAS 00000

PROPERTY DESCRIPTION			ASSESSED VALUES	
ASSESSMENT NUMBER	INDEX NUMBER	BILL NUMBER	VALUES ARE DETERMINED BY THE COUNTY ASSESSOR. REFER QUESTIONS CONCERNING VALUE TO: (213) 974-8613	
7102670462	71007100	49116013	FULL VALUE	
DELL EQUIPMENT FUNDING LP LS 001-6659577-002 P125 DELL PRECISION T5600			BUS PP	26962
			TOTAL VALUE	26962
			LESS EXEMPT	0
			NET VALUE	26962
GENERAL TAX LEVY AND VOTED INDEBTEDNESS				
TAXING AGENCY	RATE	AMOUNT		
TOTAL TAX		297.72		
THERE WILL BE A \$33.00 CHARGE FOR ANY RETURNED CHECK				
SEE REVERSE SIDE FOR IMPORTANT INFORMATION				
			TOTAL TAX	297.72
			10% Penalty After	
			08312014	29.77
			Collection Costs	20.00
			Additional Penalties	
			Total After Penalties	347.49
				327.49

EXHIBIT D

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DECLARATION OF BONITA SANDOZ

I, Bonita Sandoz, declare as follows:

1. I am employed by the County of Los Angeles ("County"). I have been employed by the County since 1982. I hold the title of Tax Services Supervisor II at the Los Angeles County Treasurer and Tax Collector ("Tax Collector"). I have worked for the Tax Collector since I started my employment with the County.

2. As Tax Services Supervisor II, I am responsible for calculating and analyzing the amount of secured and unsecured taxes, including penalties, interest and other charges which are owed to the County by taxpayers who have filed bankruptcy. If called as a witness, I could and would competently testify to all facts set forth herein within my personal knowledge, except where stated upon information and belief. Any opinion I give herein is given by me as an expert in the field.

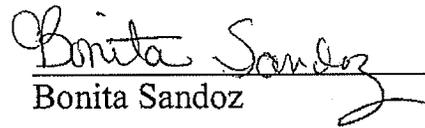
3. I am aware that on April 10, 2014, NTD Architects, Inc. ("Debtor"), filed a voluntary petition ("Petition") for relief under chapter 11 of the United States Code.

4. I am familiar with the bills generated for business property taxes owed by Debtor and the claims filed by the Tax Collector. On or about May 16, 2014, the Tax Collector filed a Proof of Claim [Claim No. 28-1] regarding priority business property taxes for the 2014/2015 tax year in the amount of \$8,983.10 which is attached as Exhibit A to Los Angeles County Treasurer and Tax Collector's Limited Objection to Debtor's Disclosure Statement Describing Debtor's Chapter 11 Plan of Reorganization ("Objection") filed concurrently herewith. Since the 2014/2015 tax bills were not available yet, the claim was filed without the tax bills and the amount was estimated based on the 2013/2014 taxes. Once the tax bill was available, on May 27, 2014, the Tax Collector filed an amended Proof of Claim [Claim No. 28-2] regarding priority business property taxes in the amount of \$5,961.79, which is attached as Exhibit B to the Objection. On September 23, 2014, the Tax Collector

1 filed another amended Proof of Claim [28-3] regarding priority business property
2 taxes in the amount of \$6,309.28, which is attached as Exhibit C to the Objection.
3 The taxes at issue here are for the 2014/2015 tax year. Although these business
4 property taxes are on the unsecured tax roll, they are priority under the Bankruptcy
5 Code and the Tax Collector properly listed them as priority in its Proofs of Claim
6 under Bankruptcy Code section 507(a)(8).

7 5. After a review of our records, as of the date of this declaration, all of
8 the business property taxes listed on Proof of Claim 28-3 are outstanding and have
9 been incurring and will continue to incur interest, penalties, and costs until they are
10 paid.

11 I declare under penalty of perjury under the laws of the United States of
12 America that the foregoing is true and correct, and that this declaration was executed
13 this 20th day of November, 2014, at Los Angeles, California.

14 
15 _____
16 Bonita Sandoz
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