



U.S. DEPARTMENT OF JUSTICE

UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA
JUNE, 2003

**OPERATING
AND REPORTING
REQUIREMENTS FOR
CHAPTER 12 CASES**

OPERATING AND REPORTING REQUIREMENTS FOR CHAPTER 12 DEBTORS-IN-POSSESSION

Pursuant to sections 521 and 1203 of the Bankruptcy Code (11 U.S.C. §§ 101 et. seq.,--all references are to sections of the Bankruptcy Code unless otherwise specified) and Federal Rules of Bankruptcy Procedure ("F.R.B.P.") Rule 1007, the debtor is required to cooperate with the United States Trustee and any chapter 12 Trustee appointed in the case. The debtor is also required to furnish information required by the United States Trustee and the chapter 12 Trustee in supervising the administration of the debtor's estate, including but not limited to, monthly reports of the debtor's farming operation. Also, the debtor is required to provide notice of, and serve copies of, all motions and other pleadings to the chapter 12 Trustee and the United States Trustee.

A. MEETINGS AND CONFERENCES

1. INITIAL DEBTOR CONFERENCES

The United States Trustee may require the debtor and its counsel to meet with a member of the staff of the United States Trustee at an initial debtor conference, which is generally held seven to ten calendar days after the filing of a voluntary petition. The purpose of the conference is to discuss the debtor's particular financial situation, its operating framework under chapter 12, and the requirements of the United States Trustee. The debtor and debtor's attorney will be notified by mail if such a conference is set.

2. MEETING OF CREDITORS

A meeting of creditors will be held by the chapter 12 Trustee appointed in the case, or the United States Trustee within 20 to 35 days after the filing of a voluntary petition. The debtor and debtor's attorney are required to appear, and in the case of a joint petition, both debtors must appear. All creditors and other parties in interest are notified of the meeting by the Clerk of the Bankruptcy Court. The debtor(s) will be examined under oath by the chapter 12 Trustee or a representative of the United States Trustee, as well as creditors, and/or other parties in interest in attendance pursuant to 11 U.S.C. §§ 341 and 343, and F.R.B.P. Rule 2003(b).

B. BOOKS, RECORDS, AND ACCOUNTS

1. BOOKS AND RECORDS

The books and records of the debtor must be closed out as of the date of the filing of the petition, and new books and records opened immediately thereafter, covering the post-petition period of the debtor-in-possession.

2. BANK ACCOUNTS

All pre-petition bank accounts and other deposits of which the debtor has possession, custody, control, ownership, use, or access must be closed upon the filing of the petition, and three new debtor-in-possession accounts opened: the general, payroll, and tax accounts. If the debtor possesses cash collateral, additional accounts must be established and maintained in accordance with 11 U.S.C. §363(c)(4). The debtor may not use cash collateral without the consent of the secured creditor or an order of the bankruptcy court. See, 11 U.S.C. §363(c)(2).

All funds received or held by the debtor-in-possession must be deposited into an account with a financial institution designated by the United States Trustee as an authorized depository. A copy of the list of authorized depositories for the Southern District of California may be obtained from the office of the United States Trustee.

The new bank signature cards for the bank accounts of the debtor-in-possession must clearly indicate that the debtor is a "chapter 12 debtor-in-possession." All checks shall be sequentially numbered, with the case name, case number, the words "Debtor-in-Possession", and type of account (general, payroll, tax, or cash collateral) imprinted on the face of each check, in substantially the following form:

ABC Produce Supply Debtor-in-Possession, 92-XXXXX GENERAL ACCOUNT 5555 Market Street San Diego, CA 92100	No. 00001 _____, 20__
Pay to the Order of _____	\$ _____
	_____ Dollars
00XXX-XXX-00-XXXXX 000XXX-XX00	_____

3. CREDIT CARD ACCOUNTS

The debtor-in-possession shall close all credit card accounts immediately. Copies of the closing statement for each such account must be attached to the monthly operating report.

C. REPORTS AND REQUIRED DOCUMENTS

1. EVIDENCE OF INSURANCE COVERAGE

The debtor-in-possession, within seven calendar days after the date of the filing of the petition, must provide the chapter 12 Trustee and the United States Trustee with certificates of insurance or other verified documents showing that each policy of insurance required for the estate is in full force and effect. Each policy must disclose the type and extent of coverage, effective dates, names of the insurance carrier and broker, and the agent's name, address and telephone number. The debtor-in-possession is responsible for including the United States Trustee as an additional interest holder and including the bankruptcy case number. Additionally, the debtor-in-possession is required to provide a copy of either a renewal or new policy of insurance prior to the time that any existing policy or coverage is to expire.

Generally, the following types of insurance are required:

- a. General Comprehensive/Public Liability;
- b. Casualty coverage (tangible assets capable of loss by fire, weather, theft, vandalism, etc.);
- c. Workers' Compensation;
- d. Vehicles.

2. SUMMARY OF OPERATIONS REPORT

Attachment 1 is an informational report reflecting the debtor's farm operation, including total acreage, tillable acreage, results from last year's operation and estimates or projections for the current or next crop year. The completed original Summary of Operations must be filed with the court and a file-stamped copy provided to both the chapter 12 Trustee and the United States Trustee. **The file-stamped copy must be received by the chapter 12 Trustee and the United States Trustee at least five (5) days prior to the first meeting of creditors.** Failure to submit the completed Summary of Operations Report at least five (5) days prior to the first meeting of creditors may result in the first meeting of creditors being continued to another date.

3. MONTHLY OPERATING REPORT

Attachment 2 is the monthly operating report form that must be completed and filed with the court **no later than the 20th day following the close of each month. A file stamped copy must be submitted to both the chapter 12 Trustee and the United States Trustee.** The form may be reproduced to ensure that the debtor will have sufficient blank copies on hand to meet this ongoing requirement. The debtor must report all receipts and income, whether by cash, check, or otherwise (including government program payments of any nature) received during the month. The receipts should be itemized by kind, quantity, and dollar amount, for example: "Sold 2,000 bu. corn to Co-Op Elevator at \$1/bu -- \$2,000; sold 10 beef cattle to Acme Sale Barn for \$59 per hundred-weight -- \$4,000; sold 5 tons of hay to Joe Smith --\$275." Similarly, all expenses paid must be itemized. Operating expenses must be itemized under appropriate headings such as fuel, feed, veterinarian expense, repairs, etc. Be certain that the part of the report that calls for monthly cash reconciliation is properly completed. Please note that there are separate cash disbursement schedules for both household and farm disbursements. Household and farm expenses are to be recorded on their respective schedule. The first report is to include all receipts and disbursements since the date of filing the petition. **Debtors must attach to each monthly operating report a copy of the monthly statement for every bank account maintained by the debtor.**

4. DEBTOR'S DUTY TO FILE INCOME TAX RETURNS

It is the responsibility and duty of the chapter 12 debtor to prepare and timely file all federal, state, and local tax returns as required by applicable law. It is advisable in this complex area of bankruptcy and taxation that the debtor retain a qualified tax preparer to perform the obligations to file federal and state returns. Neither the United States Trustee nor the chapter 12 Trustee are permitted to give any tax advice to individual debtors. Copies of the federal, state, and local tax returns which are filed by the debtor for any period commencing with the filing of the chapter 12 petition through the completion of the confirmed plan must be provided to the chapter 12 Trustee and the United States Trustee.

5. RECENT INCOME TAX RETURNS

The debtor-in-possession, within 30 days of the filing of the petition, shall provide to the chapter 12 Trustee and the United States Trustee copies of its state and federal income tax returns filed for the two years prior to the filing of the petition.

6. REAL PROPERTY QUESTIONNAIRE

The debtor, within seven calendar days after the filing of the petition, shall submit to the chapter 12 Trustee and the United States Trustee, a real property questionnaire for each parcel of real property owned or leased by the debtor. A real property questionnaire form is enclosed as Attachments 3A and 3B.

7. SERVICE OF DOCUMENTS ON THE CHAPTER 12 TRUSTEE AND THE UNITED STATES TRUSTEE

The debtor must serve the chapter 12 Trustee and the United States Trustee with copies of all documents submitted to or filed with the bankruptcy court and all matters served on parties in interest. See, F.R.B.P. Rule 9034. See also, Guidelines for Fulfilling the Requirements of the United States Trustee, Guideline Number 1. DO NOT serve the United States Trustee with documents filed in adversary proceedings, other than the initial complaint and the initial Answer, unless requested to do so in writing by the office of the United States Trustee. DO NOT serve pleadings or documents by facsimile machine unless requested to do so by the office of the United States Trustee. Transmission of copies by facsimile does not constitute service of process under the Bankruptcy Local Rules.

D. DEPOSIT OF FUNDS WITH CHAPTER 12 TRUSTEE

Pursuant to Local Bankruptcy Rule 4002-4, the debtor shall deposit with the chapter 12 Trustee the sum of \$200 within thirty (30) days following the date of the filing of the petition under chapter 12. The funds will be used to defray the costs of the bond premium and other expenses of the trustee, subject to final review pursuant 11 U.S.C. § 330.

E. THE CHAPTER 12 PLAN

1. FILING A CHAPTER 12 PLAN

A chapter 12 plan must be filed and served on the chapter 12 Trustee and the United States Trustee within 90 days of the date the petition was filed, unless the debtor seeks an extension before the 90-day period expires and only if the court determines that an extension is substantially justified. See § 1221. Failure to comply is cause for dismissal under § 1208.

- a. In order to confirm a plan, the debtor must be able to prove that the amount to be distributed under the plan for each allowed unsecured claim is not less than the amount that would be paid on such claim if the debtor were liquidated under chapter 7. See § 1225(a)(4). A claim filed by an unsecured creditor is allowed unless the debtor or the chapter 12 Trustee files, and the court sustains, an objection. Consideration should be given to the early preparation of an accurate analysis of the liquidation value of all the property of the debtor's estate. The liquidation analysis must be attached as an exhibit to your plan. A sample copy of a blank "liquidation analysis" is included herein as Attachment 4. While the debtor is not limited in form to the enclosed sample, it should be used to assist the debtor in determining which factors to consider when preparing the liquidation analysis.

- b. In addition, the debtor must be able to demonstrate it has the ability to make all payments called for under the proposed chapter 12 plan. Therefore, the debtor must attach to the proposed chapter 12 plan, cash flow statements projecting income and expenses over the life of the plan. In the absence of such cash flow statements, feasibility under Section 1225(a)(6) cannot be established and the plan cannot be confirmed.

2. CHAPTER 12 TRUSTEE'S PERCENTAGE FEE

Pursuant to section 326(b), the trustee is entitled to compensation which is awarded by the court pursuant to section 330. The amount awarded by the court may not exceed 5% of all payments made under the plan. A debtor should consider the trustee fee when calculating estimated plan payments.

3. PLAN PAYMENTS THROUGH TRUSTEE

Plan payments together with the court-approved trustee's percentage fee must be tendered to the chapter 12 Trustee in a timely fashion. Payments should be by cashier's or certified check or money order and should be made payable to the individual appointed as "Chapter 12 Trustee". (For example: "John Doe, Chapter 12 Trustee".)

4. DUTY TO FILE SCHEDULE OF PLAN PAYMENTS

Upon or immediately following confirmation of a chapter 12 plan, the debtor should prepare and file with the court, and submit a copy to both the chapter 12 Trustee and the United States Trustee, a schedule of payments required to be made under the confirmed plan. This schedule should detail all payments, including the name of the creditor to be paid, the due date of payment, the amount of payment, a break down of each payment as to principal and interest, and the amount of the trustee's fee included in each payment. This will assist the chapter 12 Trustee in making a prompt and correct distribution to creditors and will serve as a helpful reminder to the debtor of the debtor's obligation to make payments under the confirmed plan.

5. POST-CONFIRMATION REPORTS

The chapter 12 Trustee and/or United States Trustee may require periodic reports after confirmation of a plan of reorganization until the court grants a final decree. The information required to be reported and the frequency of the reports will be determined at the time the plan is confirmed.

F. GENERAL RESTRICTIONS

1. POST-PETITION TAXES, WAGES AND EXPENSES OF ADMINISTRATION

The debtor-in-possession must remain current with all expenses of administration during the pendency of the chapter 12 case. The debtor-in-possession, as a fiduciary, must withhold, collect, and deposit all taxes owed to the Internal Revenue Service and state and local taxing authorities. These taxes include, but are not limited to, federal and state withholding, employee's portion of F.I.C.A., federal and state unemployment insurance, transient occupancy taxes, and sales and use taxes. All administrative priority wages, employee related payments and other expenses of administration must be paid as they become due.

2. OBTAINING CREDIT

11 U.S.C. §364(b) provides that the debtor-in-possession may not obtain credit nor incur unsecured debt other than in the ordinary course of business without prior court approval. Section 364(c) also requires court approval before the obtaining of credit or the incurring of debt with priority over certain administrative expenses.

Section 364(c) requires court approval before obtaining credit or incurring debt that is secured by a lien on property of the estate. The debtor-in-possession should also consult with its attorney before extending credit or lending funds to third parties. The

debtor-in-possession shall serve the chapter 12 Trustee and United States Trustee with copies of any such applications filed with the court.

3. USE, SALE, OR LEASE OF PROPERTY OF THE ESTATE

Section 363(b) requires a debtor to obtain prior court approval for the use, sale, or lease of property of the estate when such use, sale, or lease is not in the ordinary course of business of the debtor. The debtor shall serve the chapter 12 Trustee and United States Trustee with copies of any such applications filed with the court.

4. EMPLOYMENT OF ATTORNEYS

A debtor-in-possession may employ an attorney only upon prior authorization by the court. See Local Bankruptcy Rule 9034-1. See also, 11 U.S.C. § 330(a)(4)(B). No payments may be made to said attorney after the filing of the petition without prior court authorization after notice to all creditors and the opportunity for a hearing. See, 11 U.S.C. §§ 327-331 and F.R.B.P. Rules 2014, 2016 and 2017.

5. COMPENSATION OF PRINCIPALS, PARTNERS, OFFICERS, OR DIRECTORS OF THE DEBTOR

No compensation or other remuneration shall be paid by the debtor to any officer, director, or shareholder of a corporation, to any partners of a debtor partnership or to an individual debtor or "insiders" without first complying with the provisions of Bankruptcy Local Rule 4002-2.

6. PAYMENT OF PRE-PETITION DEBT

There are specific prohibitions and restrictions against payment of certain debts incurred prior to the filing of the petition without court authorization. The debtor is cautioned to consult with its attorney regarding any payment of pre-petition debts.

7. CHANGE OF ADDRESS OR TELEPHONE NUMBER

The debtor must notify the chapter 12 Trustee and the United States Trustee, in writing within forty-eight (48) hours, of any change of address or telephone number of the debtor. The debtor must also file with the Clerk of the Bankruptcy Court a change of address form.

8. FAILURE TO COMPLY

Failure of the debtors to comply with these operating and reporting requirements may be grounds for dismissal of this chapter 12 case under § 1208.

G. MODIFICATIONS

The United States Trustee may, at any time, amend or modify the requirements of a particular chapter 12 case. Additional requirements may include the submission of audited and unaudited financial statements, state and federal payroll or income tax returns, state sales tax returns (with all schedules and attachments), copies of trust agreements or conveyances, and examination of the debtor's books, records, and bank statements. Any request to amend or modify these requirements must be submitted in writing, and no such amendments or modifications are valid unless and until they are approved by the office of the United States Trustee in writing.

STEVEN JAY KATZMAN
UNITED STATES TRUSTEE

Attorney for Debtor-In-Possession

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

In Re:

CASE NUMBER

DEBTOR-IN-POSSESSION
SUMMARY OF OPERATIONS REPORT

CHAPTER 12 (FAMILY FARMER)

Debtor(s).

TO: THE HONORABLE _____
UNITED STATES BANKRUPTCY JUDGE

The debtor-in-possession hereby files its SUMMARY OF OPERATIONS REPORT pursuant to the United States Trustee's Operating and Reporting Requirements for Chapter 12 Cases.

DATED: _____
Attorney for Debtor-In-Possession

**UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA**

In Re:

Debtor(s).

CHAPTER 12 (FAMILY FARMER)
CASE NO. _____

SUMMARY OF OPERATIONS REPORT

I. CURRENT NUMBER OF ACRES:
Total Owned by Debtor _____

Total acreage leased to others: List by Parcel	Amount or % of rent received by debtor(s)
_____	_____
_____	_____
_____	_____

Total acreage leased from others: _____

Tillable acreage: _____

Set Aside acreage: _____

II. CURRENT LIVESTOCK

<u>Kind</u>	<u>Number</u>	<u>Weight</u>	<u>Market Value</u>
Hogs	_____	_____	_____
Feeder Pigs	_____	_____	_____
Sows	_____	_____	_____
Boars	_____	_____	_____
Calves	_____	_____	_____

<u>Kind</u>	<u>Number</u>	<u>Weight</u>	<u>Market Value</u>
Stock Cows	_____	_____	_____
Steers	_____	_____	_____
Heifers	_____	_____	_____
Bulls	_____	_____	_____
Dairy Cows	_____	_____	_____
Lambs	_____	_____	_____
Ewes	_____	_____	_____
Rams	_____	_____	_____
Foals	_____	_____	_____
Mares	_____	_____	_____
Stallions	_____	_____	_____
Chickens	_____	_____	_____
Turkeys	_____	_____	_____
OTHER	_____	_____	_____
_____	_____	_____	_____

III. PRIOR YEAR'S OPERATION

A. Livestock (list by kind)

<u>Kind</u>	<u>No.</u>	<u>Weight Per Animal</u>	<u>Amount Kept For Farm Use</u>	<u>Amount Sold</u>	<u>Sales Price</u>	<u>Total Dollar Sales</u>
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B. Crops (list by kind)

<u>Kind</u>	<u>No. of Acres Planted</u>	<u>Yield Per Acre</u>	<u>Amount Kept For Farm Use</u>	<u>Amount Sold</u>	<u>Sales Price</u>	<u>Total Dollar Sales</u>
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C. Raw Products (e.g. wool, eggs, milk, fish)

<u>Kind</u>	<u>Weight or Number</u>	<u>Amount Kept For Farm Use</u>	<u>Amount Sold</u>	<u>Sales Price</u>	<u>Total Dollar Sales</u>
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D. Other Farm Enterprises (e.g. custom farming, custom feeding)

Total Amount Received

E. Government Payments

Total Amount Received

F. Summary of Prior Year's Operation (Income):

1. Total crop/livestock income _____
2. Total raw products income _____
3. Total other farm income _____
4. Total government payments _____
5. Non-farm income _____
6. Total income _____

G. Have you made an assignment of proceeds? (Yes/No)

If yes, which proceeds have you assigned and to whom have you assigned them.

IV. THIS YEAR'S OPERATION (current year projections)

A. Livestock (list by kind)

<u>Kind</u>	<u>No.</u>	<u>Weight Per Animal</u>	<u>Amount Kept For Farm Use</u>	<u>Amount Sold</u>	<u>Sales Price</u>	<u>Total Dollar Sales</u>
-------------	------------	----------------------------------	---	------------------------	------------------------	-----------------------------------

B. Crops (list by kind)

<u>Kind</u>	<u>No. of Acres Planted</u>	<u>Yield Per Acre¹</u>	<u>Amount Kept For Farm Use²</u>	<u>Amount Sold</u>	<u>Sales Price</u>	<u>Total Dollar Sales</u>
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C. Raw Products (e.g. wool, eggs, milk, fish)

<u>Kind</u>	<u>Weight or Number</u>	<u>Amount Kept For Farm Use</u>	<u>Amount Sold</u>	<u>Sales Price</u>	<u>Total Dollar Sales</u>
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D. Other Farm Enterprises (e.g. custom farming, custom feeding)

Total Amount Received

¹ Assuming normal moisture and growing conditions.

² State your estimate of market price per unit or government support (loan) price if you are eligible for government support program.

E. Government Payments

Total Amount
Received

F. Summary of Current Year's Operation (Income):

1. Total crop/livestock income _____
2. Total raw products income _____
3. Total other farm income _____
4. Total government payments _____
5. Non-farm income _____
6. Total projected income _____

MONTHLY BUDGET

Family Living Expenses:

- 1. Rent/Mortgage _____ 1. _____
- 2. Utilities: Electricity _____
Gas _____
Telephone _____
Water _____ 2. _____
- 3. Property: Taxes _____
Insurance _____ 3. _____
- 4. Food _____ 4. _____
- 5. Clothing: Laundry/Cleaning _____
New _____ 5. _____
- 6. Transportation: Gas/Bus _____
Auto/Maintenance _____
Insurance _____ 6. _____
- 7. Medical Expenses _____ 7. _____
- 8. Child Care Expenses: Baby Sitting _____
School _____ 8. _____
- 9. Recreation _____ 9. _____
- 10. Personal Expenses: Hair/Cosmetics etc. _____ 10. _____
- 11. Savings _____ 11. _____
- 12. Charity _____ 12. _____
- 13. Life Insurance _____ 13. _____
- 14. Miscellaneous Others: Support, Dues, Books, Papers, etc. _____ 14. _____

Projected Total Family Living Expenses (transfer amount to page 10)

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G. Estimated Crop Expense Breakdown: (List by Kind)

Kind of Crop:				
# of Acres:				
	Cost Per Acre	Cost Per Acre	Cost Per Acre	Cost Per Acre
Fuel				
Seed				
Fertilizer				
Herbicides, Pesticides and other chemicals				
Equipment Rental				
Utilities				
Repairs				
Crop Insurance				
Other Insurance				
Real Estate Taxes				
Cash Rent				
Hired Labor				
Machine Hire				
Drying				
Other:				
TOTAL EST. CROP EXPENSE: (Add add'l pages if necessary)				

H. Estimated Livestock Expenses

COSTS	Swine Cost Per	Beef Cost Per	Sheep Cost Per	Dairy Cost Per	Other Cost Per
Electric					
Feed					
Labor					
Machinery and Equipment					
Marketing					
Miscellaneous					
Other					
Purchase Livestock					
Water					
TOTAL:					

Note: If your particular livestock operation does not fit these categories, make appropriate adjustments.

I. Estimated Farm Expenses For Current Year (totals from sections G & H)

<u>Expenses</u>	<u>Amount</u>
Fuel	_____
Seed	_____
Feed	_____
Fertilizer	_____
Herbicides, Pesticides, or other chemicals	_____
Equipment Rental	_____
Electric and Phone Bills	_____
Repairs	_____
Crop Insurance	_____
Other Insurance	_____
Real Estate Taxes	_____
Cash Rent	_____
Hired Labor	_____
Machine Hire	_____
Drying	_____
Water	_____
Marketing	_____
Livestock Purchase	_____
Other	_____ _____ _____
Projected Total Operating Expenses	_____
Projected Family Living Expense (From page 7)	_____
Projected Total Expenses	_____

J. Profit or Loss

Projected Total Income (IV. F 6 - from page 6) _____

Projected Total Expenses (from page 10) _____

Projected Profit/Loss
(Subtract total expenses from total income) _____

If you have an operating loan for the current or proposed crop season, state amount \$ _____ and name and address of lender _____

and security give or pledged _____
_____.

I, _____ (Name and Title), declare under penalty of perjury that I have fully read the foregoing Summary of Operations Report and that the information contained herein is true and complete to the best of my knowledge.

Date: _____

Principal for Debtor-In-Possession

Attorney for Debtor-In-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In Re:

CASE NUMBER

DEBTOR-IN-POSSESSION
MONTHLY OPERATING REPORT
FOR THE MONTH OF
_____, 20__

Debtor(s).

TO: THE HONORABLE _____
UNITED STATES BANKRUPTCY JUDGE

The debtor-in-possession hereby files its MONTHLY OPERATING REPORT pursuant to the United States Trustee's Operating and Reporting Requirements for chapter 12 cases.

DATED:

Attorney for Debtor-In-Possession

**UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA**

In Re:	
	Debtor(s).

CHAPTER 12 (FAMILY FARMER)

CASE NO. _____

OPERATING REPORT NO. _____
FOR THE MONTH ENDING:

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT)

- | | | |
|----|--|----------|
| 1. | TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS | \$ _____ |
| 2. | LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS | \$ _____ |
| 3. | BEGINNING BALANCE: | \$ _____ |
| 4. | SUMMARY OF RECEIPTS DURING CURRENT PERIOD: | |
| | TOTAL FARM INCOME (from page 2) | \$ _____ |
| | TOTAL OUTSIDE WAGES (from page 3) | \$ _____ |
| | TOTAL OTHER RECEIPTS* (from page 3) | \$ _____ |
| | TOTAL RECEIPTS THIS PERIOD: | \$ _____ |
| 5. | BALANCE: | \$ _____ |
| 6. | LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD
(Total from Page 5) | \$ _____ |
| 7. | ENDING BALANCE: | \$ _____ |
| 8. | GENERAL ACCOUNT NUMBER _____ | |
| | DEPOSITORY NAME AND LOCATION _____ | |

* Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

I. MONTHLY CASH RECEIPTS AND DISBURSEMENTS:
 (Report on a cash basis unless you keep financial records on an accrual basis.)

A. GENERAL ACCOUNT:

1. CASH RECEIPTS: (Source and amounts)

a. Farm Income: List sales by kind (crop, livestock, etc.)

<u>Kind:</u>	<u>Qty sold:</u>	<u>\$ per unit</u>	<u>MONTH</u>	<u>YEAR-TO-DATE</u>
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(attach continuation sheet if necessary)

b. Miscellaneous Farm Income:

	<u>MONTH</u>	<u>YEAR-TO DATE</u>
Contract Payments	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Pre-Filing Accts Receivables	_____	_____
Rent Payments	_____	_____
Government Payments	_____	_____
PIK and Roll Proceeds	_____	_____
Custom Farming Income	_____	_____
Custom Feeding Payments	_____	_____
Other (specify source):		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>TOTAL FARMING INCOME:</u>	\$ _____	\$ _____

	<u>MONTH</u>	<u>YEAR-TO-DATE</u>
c. <u>Wages from Outside Work:</u>		
Husband (describe source): _____	\$ _____	\$ _____
Wife (describe source): _____	_____	_____
<u>TOTAL OUTSIDE WAGES:</u>	\$ _____	\$ _____
d. <u>Other Receipts:</u>		
Social Security	\$ _____	\$ _____
Other (describe): _____ _____ _____ _____	_____ _____ _____ _____	_____ _____ _____ _____
<u>TOTAL OTHER RECEIPTS:</u>	\$ _____	\$ _____
<u><u>TOTAL CASH RECEIPTS:</u></u>	<u>\$ _____</u>	<u>\$ _____</u>

I. MONTHLY CASH RECEIPTS AND DISBURSEMENTS (Continued)

B. PAYROLL ACCOUNT

- 1. TOTAL RECEIPTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS \$ _____
- 2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS \$ _____
- 3. BEGINNING BALANCE \$ _____
- 4. RECEIPTS:
 TRANSFERRED FROM GENERAL ACCOUNT \$ _____
- 5. BALANCE \$ _____
- 6. LESS: PAYROLL DISBURSEMENTS DURING CURRENT PERIOD
 (Attach continuation sheet if necessary)

DATE CHECK NO. PAYEE AMOUNT

TOTAL DISBURSEMENTS THIS PERIOD: \$ _____

7. ENDING BALANCE: \$ _____

8. PAYROLL ACCOUNT NUMBER _____
DEPOSITORY NAME AND LOCATION _____

I. MONTHLY CASH RECEIPTS AND DISBURSEMENTS (Continued)

C. TAX ACCOUNT

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS \$ _____
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX ACCOUNT REPORTS \$ _____
3. BEGINNING BALANCE: \$ _____
4. RECEIPTS:
TRANSFERRED FROM GENERAL ACCOUNT \$ _____
5. BALANCE: \$ _____
6. LESS: TAX PAYMENTS DURING CURRENT PERIOD

DATE CHECK NO. PAYEE PURPOSE AMOUNT

TOTAL DISBURSEMENTS THIS PERIOD \$ _____

7. ENDING BALANCE \$ _____

8. TAX ACCOUNT NUMBER _____
DEPOSITORY NAME AND LOCATION _____

D. SUMMARY SCHEDULE OF CASH

ENDING BALANCES FOR PERIOD:

GENERAL ACCOUNT \$ _____

PAYROLL ACCOUNT \$ _____

TAX ACCOUNT \$ _____

OTHER ACCOUNTS*: _____ \$ _____

OTHER MONIES*: _____ \$ _____

PETTY CASH** \$ _____

TOTAL CASH AVAILABLE \$ _____

* Specify the fund and the type of holding (i.e., CD, savings account, investment securities, etc.), and the depository name, location, and account number.

** Attach exhibit itemizing all petty cash transactions.

NOTE: Attach copies of monthly accounts statements from financial institutions for each account.

E. OTHER NON-CASH LOSSES

1. LOSS DUE TO CROP FAILURE OR DAMAGE \$ _____
(Itemize crops lost and cause)

2. LOSS DUE TO DEATH OR DISEASE OF LIVESTOCK/POULTRY \$ _____
(Itemize livestock or poultry lost and cause)

3. TOTAL NON-CASH LOSSES \$ _____

**II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS,
AND OTHER PARTIES TO EXECUTORY CONTRACT**

CREDITOR, LESSOR, ETC.	FREQUENCY OF PAYMENTS (Mo., Qtr.)	AMOUNT OF PAYMENT	POST-PETITION PAYMENTS NOT MADE NUMBER	TOTAL DUE

III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

GROSS SALES SUBJECT TO SALES TAX

\$ _____

TOTAL WAGES PAID

\$ _____

	POST-PETITION AMOUNTS OWING
FEDERAL WITHHOLDING	\$ _____
STATE WITHHOLDING	\$ _____
FICA - EMPLOYER'S SHARE	\$ _____
FICA - EMPLOYEE'S SHARE	\$ _____
FEDERAL UNEMPLOYMENT	\$ _____
STATE UNEMPLOYMENT	\$ _____
SALES AND USE	\$ _____
REAL PROPERTY	\$ _____
OTHER: (SPECIFY)	\$ _____
TOTAL:	\$ _____

IV. AGING OF ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE

	ACCOUNTS PAYABLE* (POST-PETITION ONLY)	ACCOUNTS Pre-Petition	RECEIVABLE Post-Petition
30 days or less			
31 - 60 days			
61 - 90 days			
91 - 120 days			
Over 120 days			
TOTALS:			

V. INSURANCE COVERAGE

	NAME OF CARRIER	AMOUNT OF COVERAGE	POLICY EXPIRATION DATE	PREMIUM PAID THROUGH:
General Liability				
Worker Compensation				
Casualty				
Vehicle				

* *Post-Petition Accounts Payable should not include professionals' fees and expenses which have been incurred but not yet awarded by the Court. Post-Petition Accounts Payable should include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period of the report.*

VI. PROFIT AND LOSS STATEMENT

(ACCRUAL BASIS-COMPLETED CROP METHOD)

	<u>Current Month</u>	<u>Cumulative Post-Petition</u>
Sales/Revenue:		
Gross Sales/Revenue	_____	_____
Less: Returns/Discounts	(_____)	(_____)
Net Sales/Revenue	_____	_____
Cost of Farming/growing:		
Farming/growing costs (attach itemized schedule)	_____	_____
Gross Profit (Net Sales Less farming/growing costs)	_____	_____
Other Operating Income (Itemize)	_____	_____
Operating Expenses:		
Officer/Management Payroll	_____	_____
Payroll - Other Employees	_____	_____
Payroll Taxes	_____	_____
Other Taxes (Itemize)	_____	_____
Depreciation and Amortization	_____	_____
Rent Expense - Real Property	_____	_____
Lease Expense - Personal Property	_____	_____
Insurance	_____	_____
Real Property Taxes	_____	_____
Telephone and Utilities	_____	_____
Repairs and Maintenance	_____	_____
Travel and Entertainment (Itemize)	_____	_____
Miscellaneous Operating Expenses (Itemize)	_____	_____
Total Operating Expenses	(_____)	(_____)
Net Gain/(Loss) from Operations	_____	_____
Non-Farming Income:		
Interest Income	_____	_____
Net Gain on Sale of Assets (Itemize)	_____	_____
Other (Itemize)	_____	_____
Government payments (Itemize)	_____	_____
Total Non-Operating income	_____	_____
Non-Operating Expenses:		
Interest Expense	_____	_____
Legal and Professional (Itemize)	_____	_____
Other (Itemize)	_____	_____
Total Non-Operating Expenses	(_____)	(_____)
NET INCOME/(LOSS)	_____	_____

(Attach exhibit listing all itemizations required above)

VII. QUESTIONNAIRE

1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court?

_____ No.
_____ Yes. Explain _____

2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization?

_____ No.
_____ Yes. Amount, to whom, and for what period? _____

3. State what progress was made during the reporting period toward filing a plan of reorganization:

4. Describe potential future developments which may have a significant impact on the case.

5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.

I, _____ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession monthly operating report and that the information contained herein is true and complete to the best of my knowledge.

Date: _____

Principal for debtor-in-possession

5. Does the property presently conform to all local, state, and federal requirements, such as health, building, safety, earthquake, fire or other regulations?

_____ Yes.

_____ No. Explain: _____

B. Income and Management of the Property

1. Is any income being generated from rental or use of the property by third parties?

_____ Yes. Present gross monthly income: \$ _____

_____ No.

2. If the property is being used or occupied by a third party, provide the name of that party, explain the relationship, if any, to the debtor-in-possession and explain the terms of any agreement with that party.

3. Is there any person or entity managing the property?

_____ No.

_____ Yes. Provide the name, address, and telephone number of the managing person/entity and attach a copy of the management agreement. _____

4. Is the manager (or principals of the management company) in any way related to or affiliated with the debtor?

_____ No.

_____ Yes. Provide complete information regarding the relationship or affiliation.

5. Has a real estate broker or agent been employed by the debtor for this property?

_____ No.

_____ Yes. Provide the name and address of the broker or agent and the date on which the broker or agent was employed.

C. Ownership Items

1. Is the debtor the titleholder to the property?

_____ Yes.

_____ No. Explain. _____

2. Provide the percentage interest and type of ownership (i.e., fee simple, tenants in common, joint tenancy, etc.) held in the property by the debtor.

_____ %
 Type of ownership _____

3. Date of acquisition of the property: _____
 Total purchase price of the property: _____

4. Present fair market value: \$ _____
 Source and basis of the fair market value: _____

5. Voluntary encumbrances recorded against the property (e.g., mortgages/trust deeds, stipulated judgments):

	Name of Lender	Outstanding Principal Amount	Installment Payments/ Frequency	Number of Delinquent Payments
1st		\$	\$	
2nd		\$	\$	
3rd		\$	\$	
4th		\$	\$	
5th		\$	\$	

6. If any pre-petition debt service payments remained unpaid as a result of a dispute, were such payments escrowed into a separate trust account: Yes _____/ No _____. If yes, please provide the name of the depository, branch, account number and amount of funds on hand.

7. Involuntary encumbrances recorded against the property (i.e., tax, mechanics, judgment, lis pendens, and other liens). State the type of lien, amount and date recorded:

8. Itemize all the monthly expenses related to the property, excluding debt service (attach a separate listing, if necessary):

I, _____ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession real property questionnaire and that the information contained herein is true and correct to the best of my knowledge.

Date: _____
Principal for debtor-in-possession

**UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
SOUTHERN DISTRICT OF CALIFORNIA**

In Re:	
Debtor(s).	

CHAPTER 12
CASE NO. _____

**DEBTOR-IN-POSSESSION
REAL PROPERTY QUESTIONNAIRE
LEASED PROPERTY**

SUBMIT THIS QUESTIONNAIRE TO THE OFFICE OF THE UNITED STATES TRUSTEE ONLY. DO NOT FILE WITH THE BANKRUPTCY COURT.

The debtor-in-possession is required to complete a real property questionnaire for each parcel of real property in which the debtor held a legal or equitable interest at the time of the filing of the petition. This includes, but is not limited to, property held under ownership, leasehold, land sale, or open escrow. A continuation sheet should be attached for each question where additional space is needed.

A. General Property information

1. Address of property including county and state in which it is located:

2. Type of real property (i.e., single family residence, condominium, apartment building, office building, commercial, industrial, unimproved):

3. Description of property (i.e., number of units or offices, square footage, amenities and present condition):

4. Does the property presently conform to all local, state, and federal requirements, such as health, building, safety, earthquake, fire or other regulations?
 Yes.
 No. Explain: _____

B. Property Leased by the debtor-in-possession

1. What is the name, address, and telephone number of the lessor?

2. Does the lessor own the property?

_____ Yes.

_____ No. Provide the name, address, and telephone number of the owner.

3. Does a written lease exist between the debtor-in-possession and the lessor?

_____ Yes. Please attach a copy of the lease.

_____ No. Please explain the terms of the lease.

4. Lease payment amount: \$ _____

Per: _____ Month / _____ Quarter / _____ Year / _____ Other: _____

5. Number and amount of unpaid pre-petition lease payments:

Number: _____ / Amount: \$ _____

6. If any pre-petition lease payments remained unpaid as a result of a dispute, were such payments escrowed into a separate trust account?

_____ No.

_____ Yes. Please provide the name of the escrow holder, account number, and amount of funds on hand: _____

I, _____ (Name and title), declare under penalty of perjury that I have fully read and understood the foregoing real property questionnaire and that the information provided herein is true and correct to the best of my knowledge.

Date:

Principal for debtor-in-possession

Attorney for Debtor-In-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In Re: _____

Debtor(s).

CASE NUMBER

CHAPTER 12

LIQUIDATION ANALYSIS

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>REAL ESTATE</u>				
TR 1	\$ _____	1 st \$ _____ 2 nd \$ _____	\$ _____	\$ _____

Secured Party(ies): _____

Description: _____

TR 2	\$ _____	1 st \$ _____ 2 nd \$ _____	\$ _____	\$ _____
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Secured Party(ies): _____

Description: _____

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>REAL ESTATE</u>				
TR 3	\$ _____	1 st \$ _____ 2 nd \$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____ _____				

TR 4	\$ _____	1 st \$ _____ 2 nd \$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____ _____				

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>EQUIPMENT</u>				
Group 1	\$ _____	1 st \$ _____ 2 nd \$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____ _____				

Group 2	\$ _____	1 st \$ _____ 2 nd \$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____ _____				

Group 3	\$ _____	1 st \$ _____ 2 nd \$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____ _____				

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>VEHICLE</u>				
Group 1	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

Group 2	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

Group 3	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>LIVESTOCK</u>				
Group 1	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

Group 2	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

Group 3	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>CASH COLLATERAL</u>				
Group 1	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				
Group 2	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				
Group 3	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>CROPS</u>				
Group 1	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				
Group 2	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				
Group 3	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				

<u>ASSET</u>	<u>MARKET VALUE</u>	<u>AMOUNT LIEN(S)</u>	<u>AMOUNT EXEMPT</u>	<u>NON-EXEMPT EQUITY</u>
<u>OTHER</u>				
Item 1	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				
Group 2	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				
Group 3	\$ _____	\$ _____	\$ _____	\$ _____
Secured Party(ies): _____				
Description: _____				
TOTAL NON-EXEMPT EQUITY IN PROPERTY				\$ _____
ESTIMATE PRIORITY & EXPENSES OF ADMINISTRATION (Schedule 1 Hereto)				\$(_____)
\$ AVAILABLE FOR GENERAL UNSECURED				\$ _____
TOTAL SCHEDULED UNSECURED (Schedule 2 Hereto)				\$ _____
TOTAL DEFICIENCY CLAIMS (Schedule 3 Hereto)				\$ _____
TOTAL GENERAL UNSECURED				\$ _____
% AVAILABLE FOR GENERAL UNSECURED				\$ _____