

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

**Tuesday, July 7, 2020**

**Hearing Room 1539**

2:00 PM

**2:19-13871 J. Robert Scott, Inc.**

**Chapter 11**

**#201.00** Order to Appear and Show Cause Why Bankruptcy Case Should not be Dismissed or Converted based on Continuing Decline of Debtor's Operations

fr. 9-12-19, 9-26-19;12-3-19;12-4-19, 12-18-19, 4-1-20, 7-1-20

Docket 135

**Courtroom Deputy:**

4/6/20 - Notice to pay court costs in the amount of **\$700.00** sent to Crystle Lindsey, Attorney for Debtors.

7/6/20 - Kenneth G. Lau (818) 794-7430, has been approved for telephonic appearance on 7/7/20 @ 2pm

7/6/20 - Crystle Lindsey (310)207-1494, has been approved for telephonic appearance on 7/7/20 @ 2pm

7/6/20 - Marsha Houston, (213)457-8067, has been approved for telephonic appearance on 7/7/20 @ 2pm

7/7/20 - Elan Levey, (213)894-3997, has been approved for telephonic appearance on 7/7/20 @ 2pm

**Tentative Ruling:**

Tentative Ruling for September 12, 2019:

Debtor concedes in its opposition that "Debtor has not generated a net profit during the five-month post-petition term," but, on the bright side, debtor notes that it has reduced its losses each month and generated a profit in August of \$5,269. This amount is undoubtedly dwarfed by the attorneys' fees that were incurred during the same period.

Debtor argues that unsecured creditors will have no chance of recovery

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

**Tuesday, July 7, 2020**

**Hearing Room 1539**

2:00 PM

**CONT...**

**J. Robert Scott, Inc.**

**Chapter 11**

unless its operations are permitted to resume. This may be true, but, because the debtor is losing money, it is essentially liquidating the collateral of secured creditors in order to finance its operations. In other words, it is spending the secured creditors' collateral in the hope of producing a distribution for unsecured creditors. Debtor argues that matters would look very different but for the chargebacks from AMEX and Visa, but debtor has not established that these chargebacks are improper. Debtor has not provided any evidence from which the Court can determine that whether the chargebacks in question are impermissible setoffs that violate the automatic stay or permissible recoupments that do not.

Debtor's operations have been losing money. Relief from stay has been granted to permit ADP to terminate its services. Debtor's motion to extend time to assume or reject its lease has been denied. Debtor is deemed to have rejected its lease and must vacate its business premises immediately. Debtor's motion to use cash collateral has been denied. Convert case to chapter 7. Chapter 7 trustee can request that case be dismissed if he or she thinks that would be more appropriate.

-----  
Final Ruling for September 12, 2019:

Continue hearing to September 26, 2019 at 2:00 p.m.

-----  
Tentative Ruling for September 26, 2019:

Is debtor current on its post-petition taxes? Post-petition insurance payments? Post-petition rents for premises other than New York lease? What kinds of post-petition expenses are included within the \$105,000 of post petition accounts receivable that have not been paid, according to the August 2019 operating report? Pages 15 and 16 of the August operating report refer to \$414,593 that includes ""funds owed to Cash Advance Lenders." To what does this refer?

Hearing required.

-----  
Tentative Ruling for December 3, 2019:

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

Tuesday, July 7, 2020

Hearing Room 1539

2:00 PM

CONT...

**J. Robert Scott, Inc.**

**Chapter 11**

Debtor expects influx of cash of \$127,000 from American Express and \$250,000 from insurance carrier. But for these extraordinary receipts, would the debtor anticipate operating profitably from this point forward? Hearing required.

CONTINUE THIS HEARING TO DECEMBER 4, 2019 AT 10:30 A.M.  
APPEARANCES WAIVED ON DECEMBER 3, 2019.

-----  
Final Ruling for December 4, 2019:

Continue hearing to December 18, 2019 at 11:00 a.m. as a holding date.

-----  
Tentative Ruling for December 18, 2019:

Revisit this matter after conclusion of related matters on calendar.

-----  
Tentative Ruling for April 1, 2020:

**PARTIES WISHING TO APPEAR MUST MAKE ARRANGEMENTS TO APPEAR TELEPHONICALLY BY CONTACTING COURT CALL AT 866-582-6878 OR ONLINE.**

Revisit this matter after conclusion of related matters on calendar.

-----  
Tentative Ruling for July 7, 2020:

**PARTIES WISHING TO APPEAR MUST MAKE ARRANGEMENTS TO APPEAR TELEPHONICALLY BY: (1) CONTACTING COURT CALL AT 866-582-6878 OR ONLINE; AND (2) SENDING AN EMAIL TO [CHAMBERS\\_SBLUEBOND@CACB.USCOURTS.GOV](mailto:CHAMBERS_SBLUEBOND@CACB.USCOURTS.GOV) NOT LATER THAN 4 P.M. ON THE DAY PRIOR TO THE HEARING CONTAINING THE INFORMATION SET FORTH UNDER THE TELEPHONIC INSTRUCTIONS TAB ON JUDGE BLUEBOND'S PAGE ON THE COURT'S WEBSITE.**

Revisit this matter after conclusion of related matters on calendar.

**Party Information**

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

**Tuesday, July 7, 2020**

**Hearing Room 1539**

2:00 PM

**CONT... J. Robert Scott, Inc.**

**Chapter 11**

**Debtor(s):**

J. Robert Scott, Inc.

Represented By  
Daniel J Weintraub  
Nina Z Javan  
James R Selth  
Crystle Jane Lindsey

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

**Tuesday, July 7, 2020**

**Hearing Room 1539**

2:00 PM

**2:19-13871 J. Robert Scott, Inc.**

**Chapter 11**

**#200.00** Scheduling and Case Management Conference in a Chapter 11 Case

fr. 5-29-19, 8-28-19(advanced), 8-27-19, 9-12-19, 9-26-19, 12-3-19, 12-4-19,  
12-18-19, 4-1-20, 7-1-20

Docket 1

**Courtroom Deputy:**

4/6/20 - Notice to pay court costs in the amount of **\$700.00** sent to Crystle Lindsey, Attorney for Debtors.

7/6/20 - Kenneth G. Lau (818) 794-7430, has been approved for telephonic appearance on 7/7/20 @ 2pm

7/6/20 - Crystle Lindsey, (310)207-1494, has been approved for telephonic appearance on 7/7/20 @ 2pm

7/6/20 - Marsha Houston, (213)457-8067, has been approved for telephonic appearance on 7/7/20 @ 2pm

7/7/20 - Elan Levey, (213)894-3997, has been approved for telephonic appearance on 7/7/20 @ 2pm

**Tentative Ruling:**

How has the debtor been doing with regard to meeting its projections? Are quotes converting to orders at the rate the debtor had anticipated? Has debtor succeeded in operating in accordance with its cash collateral budget or have there been significant variances? If so, in what areas?

Hearing required.

-----  
6/6/19 -- Court approved scheduling order setting following dates:

Cont'd status conference -- August 28, 2019 at 11:00 a.m.  
L/D to file updated status report -- August 16, 2019

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

**Tuesday, July 7, 2020**

**Hearing Room 1539**

2:00 PM

**CONT... J. Robert Scott, Inc.**

**Chapter 11**

L/D to serve notice of bar date -- June 7, 2019  
Bar date -- August 9, 2019

-----  
Tentative Ruling for August 27, 2019:

Where is the status report that debtor was to have filed by August 16, 2019?  
Based on US Trustee's status report, issue OSC why case should not be  
dismissed or converted. Set expedited hearing on OSC.

-----  
Tentative Ruling for September 12, 2019:

Take case status conference off calendar due to conversion of case to  
chapter 7.

-----  
Tentative Ruling for December 3, 2019:

Revisit status of case after conclusion of related matters on calendar.

**CONTINUE THIS HEARING TO DECEMBER 4, 2019 AT 10:30 A.M.  
APPEARANCES WAIVED ON DECEMBER 3, 2019.**

-----  
Tentative Ruling for December 18, 2019:

Does the debtor have anything new to report since the hearings held  
December 4, 2019?

-----  
Tentative Ruling for April 1, 2020:

**PARTIES WISHING TO APPEAR MUST MAKE ARRANGEMENTS TO  
APPEAR TELEPHONICALLY BY CONTACTING COURT CALL AT  
866-582-6878 OR ONLINE.**

Revisit this matter after conclusion of related matters on calendar.

-----  
Tentative Ruling for July 1, 2020:

**PARTIES WISHING TO APPEAR MUST MAKE ARRANGEMENTS TO**

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

Tuesday, July 7, 2020

Hearing Room 1539

2:00 PM

CONT...

J. Robert Scott, Inc.

Chapter 11

**APPEAR TELEPHONICALLY BY: (1) CONTACTING COURT CALL AT 866-582-6878 OR ONLINE; AND (2) SENDING AN EMAIL TO [CHAMBERS\\_SBLUEBOND@CACB.USCOURTS.GOV](mailto:CHAMBERS_SBLUEBOND@CACB.USCOURTS.GOV) NOT LATER THAN 4 P.M. ON THE DAY PRIOR TO THE HEARING CONTAINING THE INFORMATION SET FORTH UNDER THE TELEPHONIC INSTRUCTIONS TAB ON JUDGE BLUEBOND'S PAGE ON THE COURT'S WEBSITE.**

Revisit this matter after conclusion of related matters on calendar.

-----  
Tentative Ruling for July 7, 2020:

**PARTIES WISHING TO APPEAR MUST MAKE ARRANGEMENTS TO APPEAR TELEPHONICALLY BY: (1) CONTACTING COURT CALL AT 866-582-6878 OR ONLINE; AND (2) SENDING AN EMAIL TO [CHAMBERS\\_SBLUEBOND@CACB.USCOURTS.GOV](mailto:CHAMBERS_SBLUEBOND@CACB.USCOURTS.GOV) NOT LATER THAN 4 P.M. ON THE DAY PRIOR TO THE HEARING CONTAINING THE INFORMATION SET FORTH UNDER THE TELEPHONIC INSTRUCTIONS TAB ON JUDGE BLUEBOND'S PAGE ON THE COURT'S WEBSITE.**

At hearings held July 1, 2020, Court denied debtor's financing motion and granted Wells Fargo relief from the automatic stay (without waiver of Rule 4001(a)(3)) to exercise setoff rights with regard to PPP loan proceeds. (Court granted motion for authority to use cash collateral as to funds other than PPP loan proceeds.) Court continued hearing to give debtor an opportunity to consider its options, which could include, for example, dismissal of its bankruptcy case to make it eligible for a PPP loan or bringing an action for declaratory relief that it is improper of SBA to deny PPP loans to debtors in bankruptcy.

Has debtor had an opportunity to consider how it would like to proceed?

<b>Party Information</b>
--------------------------

**Debtor(s):**

J. Robert Scott, Inc.

Represented By  
Daniel J Weintraub  
Nina Z Javan  
James R Selth  
Crystle Jane Lindsey

**United States Bankruptcy Court  
Central District of California  
Los Angeles  
Judge Sheri Bluebond, Presiding  
Courtroom 1539 Calendar**

**Tuesday, July 7, 2020**

**Hearing Room 1539**

2:00 PM

**CONT... J. Robert Scott, Inc.**

**Chapter 11**