

**United States Bankruptcy Court  
Central District of California  
Northern Division  
Ronald A Clifford III, Presiding  
Courtroom 201 Calendar**

Friday, April 19, 2024

Hearing Room 201

9:00 AM

9: -

**HEARING VIA ZOOM**

**Chapter**

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Docket 0

**Tentative Ruling:**

4/17/2024 4:01:18 PM

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**Chapter**

- NONE LISTED -

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9:23-10945 Jeffrey Dennis Peppard

Chapter 11

#1.00 CONT'D Hearing RE: Chapter 11 Status Conference (Via ZOOM)

FR. 12-12-23, 2-20-24, 4-10-24

Docket 1

**Tentative Ruling:**

**April 10, 2024**

**Appearances required.**

**February 20, 2024**

**Appearances required.**

The Court has reviewed *Debtor's Chapter 11 Status Conference Report*, and that *First Interim Report of Patient Care Ombudsman Pursuant to 11 U.S.C. § 333(b)(2)*. See Docket Nos. 58 and 64, respectively.

On February 9, 2024, Jeffrey D. Peppard (the "Debtor") filed that *Original Chapter 11 Plan* (the "Plan") and that *Original Disclosure Statement Describing Original Chapter 11 Plan* (the "Disclosure Statement"). See Docket Nos. 60 and 59, respectively. On their face, the Disclosure Statement and the Plan have disclosure and confirmation issues. The descriptions of which classes of creditors are impaired, and which are not under the Plan differ in the Disclosure Statement as compared to the Plan. This is significant in that impairment determines the voting rights of creditors. The interest holders are described as Class 8 when in-fact the Debtor's interests comprise Class 10. It is unclear why there are two (2) separate classes of unsecured creditors, Classes 8 and 9, only one of which will be paid in full under the Plan. The Debtor runs a dental practice with employees, but the Debtor shows wages as being stagnant for the life of the Plan. Perhaps there is an explanation, but it seems odd that there are no increases in wages over the life of the Plan. This is significant because even a modest increase of 3% year over year has a material impact on feasibility of the

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**CONT... Jeffrey Dennis Peppard**  
Plan.

**Chapter 11**

The Court will set the Disclosure Statement for hearing as to its adequacy for April 10, 2024, at 2:00 p.m. The Disclosure Statement and Plan, and notice of the hearing on the approval of the adequacy of the Disclosure Statement must be served on or before February 28, 2024. The notice of the hearing on the Disclosure Statement, with proof of service, must be filed on or before February 28, 2024, and said proof of service shall include proof of the proper service of the Disclosure Statement and Plan. The notice of the hearing on the adequacy of the Disclosure Statement shall include notice of the opposition deadlines contained in this Court's Local Rule 3017-1.

The Court will inquire with the Office of the U.S. Trustee as to the Debtor's compliance with those *Guidelines and Requirements for Chapter 11 Debtors in Possession*.

**December 12, 2023**

**Appearances required.**

The Court has reviewed the *Debtor's Chapter 11 Status Conference Report* (the "Report"). See Docket No. 41. In reviewing the Debtor's past and projected income, it appears to the Court that the Debtor loses money each month. See *id.* at *Exhibit 1*. What is more, the past and projected income does not seem to account for the accruing of the fees and expenses of general insolvency counsel to the Debtor, an ombudsman, or the to-be employed insolvency accountant. The quarterly payments due to the Office of the United States Trustee appear lower than required. It is unclear to the Court whether the estate is currently administratively insolvent, but all signs point to the affirmative, and unless there are facts not highlighted in the Report, any current administrative insolvency will only deepen in the coming months.

Perhaps the Court is unaware of assets or an income stream that will allow the Debtor to fund its exit strategy from Chapter 11, but at this stage the Court is inclined to convert or dismiss this case to prevent what the Court understands to be an administratively insolvent debtor.

**Party Information**

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9:00 AM

**CONT... Jeffrey Dennis Peppard**

**Chapter 11**

**Debtor(s):**

Jeffrey Dennis Peppard

Represented By  
Jeffrey S Shinbrot