

LAW OFFICE OF MARC CHYTILO

ENVIRONMENTAL LAW

June 28, 2013

Santa Barbara County
Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101

By email to sbcob@co.santa-barbara.ca.us
and by hand delivery

2013 JUN 28 AM 10:07
COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

**RE: Santa Barbara Ranch Inland Development Agreement and Consideration of
Consent to Transfer Agreement - July 2, 2013, Item # 4**

Dear Chair Carbajal and Members of the Board,

This letter is submitted by the Environmental Defense Center (EDC) on behalf of EDC and the Santa Barbara Chapter of the Surfrider Foundation, and by the Law Office of Marc Chytilo on behalf of the Naples Coalition.

We urge your Board to take the following actions, for the reasons detailed below:

1. Determine that the County does not consent to the proposed Transfer Agreement because the proposed Transferee, Spectra America, has not provided any evidence of its reputation and financial resources to be able to perform the obligations proposed to be assumed, and deny without prejudice to reapply.
2. Adopt a finding that the Inland Development Agreement approved by Ordinance 4694 is not yet effective, and rescind the Inland Development Agreement.

I. The Proposed Transferee's Failure To Follow Contemplated Procedures Has Prejudiced The Public's Right Of Review, Ability To Investigate, And Participatory Role In The Process

In agreeing to enter into a Development Agreement with the original applicant in 2008, the County acknowledged a vested right to develop and accepted certain limitations on the law applicable to the Project in exchange for various specific environmental and community benefits, including timely planning and restoration of the riparian corridor of Dos Pueblos Creek.

The Inland Development Agreement provides a specific process for both the County's and the public's review of prospective new parties to the Inland Development Agreement. That process is short – limited to 45 days – and implicitly requires the concomitant submittal of an

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applicant's financial records and resume of comparable projects and performance under comparable Development Agreements at the time of the application for the Transfer. Even minor delays in timely submitting this documentation prejudices the integrity and veracity of the County's and public's review of this important decision.

Surprisingly, not only has the applicant Spectra America not submitted its financial credentials and those of its investors nor provided a detailed list of its experience with comparable projects and Development Agreements, but the record indicates the Applicant will be SBR Ventures, LLC. (Letter, D. Rosenthal to Dr. G. Russell, 6/6/13).

This project entails tremendous levels of public interest and involvement. The future of Naples is a topic of intense public scrutiny. The identity, capacity, integrity and history of any prospective purchasers in managing comparable projects and obligations are critical issues to the public.

Further, the proposed Transfer Agreement effectively discharges any obligations of the current owner, SBRHC, and leaves the County and public to look only to the new Applicant to fulfill all obligations under the Development Agreement, including both the aforementioned benefits and obligations under section 8.02(a), which refers to the Inland Project Approvals and Subsequent Inland Approvals. § 8.02(c); see also §§ 2.01, 2.02 ("Obligations of Developer"). Thus, the public's interests are directly affected by the proposed transfer.

Section 8.02(b) of the Development Agreement provides that the County's consent to a proposed Transfer may not be unreasonably withheld, and that if the County fails to respond to such a request within 45 days, the County's consent is deemed to be approved. In previous proceedings on a similar request, the County concluded it lacked sufficient information to make its determination, but the consent was nevertheless deemed approved. That experience should not be repeated.

The Letter requesting the County's consent to the proposed transfer was dated June 6, 2013, and thus the 45 day clock runs on or about July 22, 2013. While the applicant and the current owner have offered to waive the 45 day period and have the matter heard on August 20, there is no authority for such extension on the face of the Development Agreement. The requested extension prejudices the public's participation in this matter, due to both the delay in making information available for inquiry and review as well as the awkward timing during the summer immediately after the Board's summer break, which limits public access to staff's conclusions and decisionmakers themselves. Extending the deadline until the first available hearing date severely constrains the Supervisors' ability to review this information in a systematic matter, including scheduling a hearing well before the deadline to get interim answers to questions and allow the factual issues to be fully developed.

We understand that the applicant has not supplied any evidence or substantive information whatsoever regarding the financial condition and developer's history and reputation. Significantly, the public domain includes evidence that Spectra America has been involved in numerous bankruptcies that had the apparent effect of them avoiding obligations associated with land use development projects. See Exhibits 1 and 2.

In our view, the applicant has failed to participate in this process in good faith.

Since the Applicant has offered no information whatsoever responsive to the §8.02(b) criteria, the Supervisors have a clear factual and legal basis to simply deny consent at this time with the express invitation to reconsider an application at some future time when the information on the proposed transferee's financial condition and reputation is submitted concomitantly.

This solution protects the rights and position of the public and the County and gives any prospective transferee a clear procedure to apply or reapply for this authorization.

II. The Inland Development Agreement Is Not Effective

According to Ordinance 4694, which adopted the Inland Development Agreement, the Agreement "shall not become effective until . . . the effective date of approval of WA-ACE Easement Exchange Case No. 05AGP-00000-00011." Board Development Agreements Adoption, Attachment B-6, at p. 1 (Oct. 21, 2008). The Board Resolution that would approve the WA-ACE Easement Exchange expressly states that approval of the WA-ACE Easement Exchange is "tentative" and will not become "final" until several conditions are met, including:

- a. The Applicant and landowner of Dos Pueblos Ranch shall finalize and *record* ACE documents encumbering the area described in Exhibit "2-B"
- b. The landowner of Dos Pueblos Ranch shall *execute and record* a replacement Williamson Act Contract covering the area described in Exhibit "2-C."
- c. The Applicant and landowner of Dos Pueblos Ranch shall submit the Rescission Agreement . . . to the Department of Conservation for its approval pursuant to Government Code Section 51256.1 and *record* the Agreement upon its approval.

WA-ACE Easement Exchange, Attachment B-7, at p. 8 (Oct. 21, 2009) (emphasis added). There is no evidence that the landowner(s) of Dos Pueblos Ranch have: (1) finalized and recorded ACE documents; (2) executed and recorded a replacement Williamson Act Contract; or (3) recorded the Rescission Agreement. In fact, none of these documents have been recorded, and it is our belief that none have actually been executed by Dos Pueblos Ranch. Because the landowners of Dos Pueblos Ranch have not satisfied the above conditions precedent to the Board's *final*

approval of the WA-ACE Easement Exchange, the WA-ACE Easement Exchange Case No. 05AGP-00000-00011 is not yet effective.

Because the approval of WA-ACE Easement Exchange Case No. 05AGP-00000-00011 is not yet effective, the ordinance adopting the Inland Development Agreement is not yet effective. Because the Inland Development Agreement is not yet effective, the County is not bound by its terms, and it may be rescinded.¹

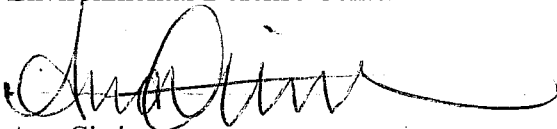
We urge you to adopt a finding that the Inland Development Agreement is not yet effective, and rescind the Development Agreement. We also urge you to adopt staff's proposed recommendation 3 and deny consent to the proposed Transfer Agreement.

Thank you for your consideration of our concerns and requests in this important matter.

Sincerely,

Handwritten signature of Nathan G. Alley in cursive, followed by the text "(by AC)" in parentheses.

Nathan G. Alley, Staff Attorney
Linda Krop, Chief Counsel
Brian Trautwein, Environmental Analyst
Environmental Defense Center

Handwritten signature of Ana Citrin in cursive.

Ana Citrin
Marc Chytilo
Law Office of Marc Chytilo

Exhibits

1. Bankruptcy Court Case Status Conference Report dated March 31, 2009 (Case No. 1:09-bk-10969-KT)
2. Media Accounts of Spectra Bankruptcies and Stalled Development Projects

¹ Because the Inland Development Agreement is not yet effective, the County is not contractually bound by its provisions. The County is therefore not exposed to liability for breach of contract under, for example, *Mammoth Lakes Land Acquisition, LLC v. Town of Mammoth Lakes*, 191 Cal.App.4th 435 (2010).

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7 e-mail: matt@lesnicklaw.com

e-filed

8 Proposed Counsel for Debtors and
9 Debtors in Possession

10 UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 SAN FERNANDO DIVISION

13 In re

14 DILIP K. RAM, aka PHILIP RAM, and HAZEL
15 S. RAM, aka HAZEL S. HOPE

16 Debtors and Debtors in
17 Possession.

Case No. 1:09-bk-10969-KT

Chapter 11

**CASE STATUS CONFERENCE
REPORT**

Date: March 31, 2009
Time: 2:00 p.m.
Place: Courtroom 301
21041 Burbank Blvd.
Woodland Hills, CA 91367

18 Pursuant to the Court's Order: (1) Setting Hearing on Status of
19 Reorganization Case; and (2) Requiring Report on Status of Reorganization Case (the
20 "Scheduling Order"), Dilip K. Ram, aka Philip Ram, and Hazel S. Ram, aka Hazel S. Hope,
21 the debtors and debtors in possession in the above-captioned bankruptcy case (the
22 "Debtors"), hereby submit this Case Status Conference Report.

23 **A. INTRODUCTION**

24 The Debtors are natural persons and spouses. Dilip Ram ("Dilip") is a real
25 estate developer and the sole breadwinner in the family. Dilip operates his real estate
26 business through numerous entities. In virtually all of these projects, Dilip is partners or
27 co-investors with his business partner, Norman Salter ("Salter").
28

EXHIBIT 1

1 Dilip and Salter met in or about 1990 at an architect's office in Los Angeles.
2 Dilip had expertise in the development of real property projects, and Salter had expertise in
3 the construction of real property projects. Accordingly, Dilip and Salter decided to work
4 together to develop and build projects. During the 1990s, Dilip and Salter purchased and
5 worked on a number of distressed properties in Southern California. They would either
6 buy the property and complete it or they would be employed by the bank or bonding
7 company on the subject property in order to complete it. As a result, Dilip and Salter built
8 lasting relationships with a number of banks and other lending institutions. Later, Dilip and
9 Salter formed a number of special purpose entities ("SPEs") to develop condominiums,
10 apartment complexes, large homes, and some commercial projects in Southern California
11 from start to finish. Dilip and Salter specialized in multi-level developments with
12 subterranean parking. These projects were funded by banks, other lending institutions,
13 and individual investors. At the height of their operations, Dilip and Salter had
14 approximately 20 projects in various stages of development.

15 Dilip and Salter provided unsecured personal guaranties for virtually all of the
16 funding to their SPEs. As a result of the recent dramatic downturn in the real estate
17 market and tightening of capital markets, the SPE's were ultimately unable meet their
18 financial obligations, and lending parties instituted actions against certain of the SPEs and
19 Dilip and Salter on their guaranties to recover amounts owed.

20 Most, if not all, of the SPE's will also be filing for bankruptcy protection.
21 Chapter 7 cases have been filed in this Court for most, but not all, of the SPEs. The
22 following Affiliated Entities have already filed bankruptcy cases:

Project/ Entity	Ch.	Case No.	Filing Date
Valleyheart LP	7	1:09-bk-10353-KT	1/13/2009
Picadilly Investors LLC	7	1:09-bk-11684 KT	2/17/2009
Eagle Rock Blvd. Partners, LP	7	1:09-bk-11686 KT	2/17/2009
NACL Properties LLC	7	1:09-bk-11687 KT	2/17/2009
Metropolitan NACL Properties LLC	7	1:09-bk-11690 KT	2/17/2009
Metropolitan Malaveri Properties LLC	7	1:09-bk-11692 KT	2/17/2009

1	Malaveri Properties LLC	7	1:09-bk-11693 KT	2/17/2009
2	Aqua Vista Villas LP	7	1:09-bk-11694 KT	2/17/2009
3	Acama Villas LP	7	1:09-bk-11695 KT	2/17/2009
4	West Hills Townhouse Partners	7	1:09-bk-11696 KT	2/17/2009
5	Beach Lofts LP	7	1:09-bk-12332 KT	3/3/2009
6	Lunita Partnes, LLC	7	1:09-bk-12333 KT	3/3/2009
7	ND Torance LLC	7	1:09-bk-12337 KT	3/3/2009
8	2910 Sycamore	7	1:09-bk-12341 KT	3/3/2009
9	7249 Franklin Partners, LLC	7	1:09-bk-12348 KT	3/3/2009
10	Norman J Salter Inc	7	1:09-bk-12336 KT	3/3/2009
11	Bridgeway Mills, L.P.	7	1:09-bk-12340 KT	3/3/2009
12	Mix Lofts Silverlake, L.P	7	1:09-bk-12343 KT	3/3/2009
13	Honolulu Development Company, LLC	7	1:09-bk-12345 KT	3/3/2009

14 An additional 10 – 20 Affiliated Entities are expected to file bankruptcy cases
15 in the coming weeks.

16 Salter has filed a chapter 11 case in this Court (Case No. 1:09-bk-11653-KT).
17 Dilip and Salter intend to reorganize around the SPEs that have value and to use the
18 income therefrom to make payments to creditors in their personal chapter 11 cases.

19 **B. RESPONSES TO ISSUES IDENTIFIED BY COURT**

20 The following paragraphs respond to the issues and questions identified by
21 the Court in the Scheduling Order.

22 **1. Employment of Counsel**

23 The Debtors have retained the Law Offices of Matthew A. Lesnick ("Lesnick")
24 as their general bankruptcy reorganization counsel. The Debtors filed an application for
25 authority to employ Lesnick as their counsel on February 13, 2009. On February 27, the
26 United States Trustee ("UST") filed a limited objection to Lesnick's employment application
27 on the grounds that the retainer paid to Lesnick was too large. No other objections were
28 filed. The hearing on Lesnick's employment application and the UST's limited objection is
set for hearing concurrently with this Case Status Conference. Lesnick has agreed to
reduce his retainer to the amount suggested by the UST and return the balance of the
retainer to the Debtors to be deposited in their Debtor in Possession account. Accordingly,

1 the Debtors anticipate Lesnick's employment being approved at or before the Case Status
2 Conference.

3 **2. Employment of Other Professionals**

4 The Debtors intend to file an application to employ the accounting firm of
5 Howard & Howard, Certified Public Accountants, Inc. ("H&H") as accountants for the
6 Debtors. The Debtors anticipate filing the H&H employment application prior to the Case
7 Status Conference. The Debtors need H&H to assist them with the following items:

8 (a) preparing the Debtors' monthly operating reports required to be filed by the Debtor with
9 the Office of the United States Trustee; (b) assisting the Debtors with preparation of
10 financial information for a plan of reorganization; including an insolvency analysis and
11 financial projections; (c) consulting with the Debtors regarding tax issues; and
12 (d) performing any other services that may be appropriate for an accounting firm during the
13 Debtors' bankruptcy case.

14 **3. Compliance with UST Filing Requirements**

15 The Debtors are in full compliance with the filing requirements of the UST.
16 The Debtors have filed their 7-Day Package and all Monthly Operating Reports. The
17 Debtors' § 341(a) meeting of creditors was held and deemed concluded by the UST on
18 March 12, 2009.

19 **4. Single Asset Real Estate Status**

20 The Debtors' case does not qualify as a single asset real estate case within
21 the meaning of 11 U.S.C. § 101(51B).

22 **5. Status of Debtors' Postpetition Operations**

23 Dilip is currently working with Salter to identify which projects have value
24 going forward and bring in new sources of capital to invest in these projects on a
25 restructured basis. In addition, Dilip and Salter are in discussions with owners of
26 distressed properties and construction projects to be hired to complete and/or manage
27
28

1. these projects. Dilip is also operating Spectra America Corp., a real estate consulting and
2 brokerage company owned 50% by Salter and 50% by Dilip.

3 The Debtors intend to quickly propose plans of reorganization whereby they
4 will attempt to reorganize around one or two successful SPEs and new construction and
5 property management opportunities.

6 **6. Litigation**

7 The Debtors were named as defendants in numerous lawsuits filed
8 prepetition in state and federal court. The Debtors filed notices of bankruptcy in each of
9 those cases, giving the parties notice of this bankruptcy case. No adversary proceedings
10 have been filed against the Debtors in the Bankruptcy Court. The Debtors are not plaintiffs
11 in any pending actions in any court.

12 **7. Claims Bar Date**

13 The Debtors propose that the Court fix a deadline for filing of proofs of claim
14 of on or about May 22, 2009. Assuming a scheduling order is entered and notice of the
15 bar date conforming to L.B.R. 3001-1 is served by March 7, 2009, creditors will have 45
16 days to file proofs of claim.

17 **8. Claims Objections**

18 The Debtors propose that the Court fix a deadline for filing objections to
19 claims of 90 days following the effective date of a confirmed plan or reorganization. This
20 will allow the Debtors to concentrate on their core business and formulating a plan of
21 reorganization in order to get through the bankruptcy process as quickly as possible.

22 **9. Avoidance Actions**

23 The Debtors propose that the Court adopt the statutory deadline for filing
24 avoidance actions of two years following the bankruptcy petition date (i.e., January 21,
25 2011).

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10. Plan

The Debtors propose that the Court adopt the statutory deadlines for filing an exclusive plan of reorganization of 120 days following the bankruptcy petition date, or May 21, 2009.

DATED: March 23, 2009

LAW OFFICES OF MATTHEW A. LESNICK

By: /s/ Matthew A. Lesnick
Matthew A. Lesnick
Proposed Counsel for Debtors and
Debtors in Possession

In re:
DILIP K. RAM, aka PHILIP RAM, and HAZEL S.
RAM, aka HAZEL S. HOPE
Debtor(s).

CHAPTER 11

CASE NUMBER 1:09-bk-10969-KT

NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

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:

Law Offices of Matthew A. Lesnick, 185 Pier Avenue, Suite 103, Santa Monica, CA 90405

The foregoing document described **CASE STATUS CONFERENCE REPORT** 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 March 23, 2009, 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:

SEE ATTACHED SERVICE LIST

☒ Service information continued on attached page

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

On March 23, 2009 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.*

SEE ATTACHED SERVICE LIST

☒ Service information continued on attached page

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 _____

____ 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.*

☐ Service information continued on attached page

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

March 23, 2009

Matthew A. Lesnick

/s/ Matthew A. Lesnick

Date

Type Name

Signature

In re DILIP K. RAM, aka PHILIP RAM, and HAZEL S. RAM, aka HAZEL S. HOPE
Case No. 1:09-bk-10969-KT
Service List

I. Parties to be Served by the Court via Notice of Electronic Filing ("NEF"):

Counsel for Debtors in Possession

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Office of the United States Trustee

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pcoates@mckennalong.com

Kirsten A Roe
kroe@wthf.com
dfunsch@wthf.com

II. Parties Served via U.S. Mail:

Debtors in Possession

Dilip K. Ram and Hazel S. Ram
517 12th Street
Manhattan Beach, CA 90266

20 Largest Unsecured Creditors:

Cathay Bank
Attn: Eddie Chang
250 S. Atlantic Blvd, 2d Floor
Monterey Park, CA 91754

Countrywide Financial
Attn: David Kegaries
333 S. Hope St., 11th Floor
Los Angeles, CA 90071-1046

Countrywide Financial
4500 Park Granada
Calabasas, CA 91302

John Nixon
Preferred Bank
601 S. Figueroa St., 29th Floor
Los Angeles, CA 90017

Wells Fargo Bank
420 Montgomery Street
San Francisco, CA 94104

Wells Fargo Bank
Attn: John Ferguson
2030 Main St., Suite 800
Irvine, CA 92614

1	Bank of America 101 N. Tyron Charlotte, NC 28255	Bank of America Attn: David Kegaries 333 S. Hope St.. 11th Floor Los Angeles, CA 90071-1046
3	Macquarie Bank Jaybin Henderson 10100 Santa Monica Blvd, 2nd Floor, Suite 250 Los Angeles, CA 90067	Mark Fogel Arbor Realty Mortgage Securities 2005-1 Ltd. 333 Earle Ovington Blvd., Suite 900 Uniondale, NY 11553
7	America First Credit Union 1344 W. 4675 S. Riverdale, UT 84405	America First Credit Union Attn: Dave Christensen 4646 South 1500 West Ogden, UT 84409
9	Gray1 CPB, LLC [Electronic Notice]	Pacific Commerce Bank [Electronic Notice]
11	Wachovia Bank 15750 Alton Parkway Irvine, CA 92618	<u>Counsel for Wachovia Bank</u> Kenneth D. Fox Sheppard, Mullin et al. LLP 650 Town Center Drive, 4th Fl. Costa Mesa, CA 92626
14	Chinatrust Bank USA 22939 Hawthorne Blvd. Torrance, CA 90505	Chinatrust Bank USA Attn: Frank Chen 17851 A1 Colima Rd. Rowland Heights, CA 91748
16	First Community Bank Attn: Mark Paterson 438 First St. Santa Rosa, CA 95401	San Luis Trust Bank Attn: Paul White 1001 Marsh Street San Luis Obispo, CA 93401
19	First Republic Bank 111 Pine St. San Francisco, CA 94111	Robert Nolan 211 Culver Blvd, Ste T Playa Del Rey, CA 90293
21	First Republic Bank Attn: Lisa Lemons 1888 Century Park East, 16th Floor Los Angeles, CA 90067	Six Point Co. Attn: Nate Walker 20525 Chatsboro Dr. Woodland Hills, CA 91364
23	MR Development Co., LLC Attn: Nate Walker 19456 Ventura Blvd. Tarzana, CA 91356	Abraham Iny 15910 Ventura Blvd., Suite 1729 Encino, CA 91436
25	Neil Miller 2790 Forrester Dr Los Angeles, CA 90064	<u>Counsel for Abraham Iny & Neil Miller</u> Lawrence C. Ecoff Law & Salomons, LLP 280 S. Beverly Dr., Suite 504 Beverly Hills, CA 90212
28		

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City **LOS ANGELES**

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Search Curbed LA

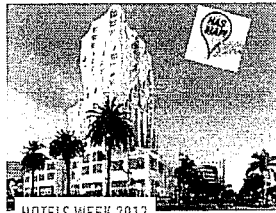


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Liveblog



PRICEUPPER

Lloyd Wright Studio and
Residence Back With \$1MM
Price Jump



HOTELS WEEK 2013

Mapping Los Angeles's 21
Hotels Under Development
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Brockman Bankruptcy? West Millennium Busy Reorganizing

Thursday, March 26, 2009, by Dakota Smith

Attorney Craig Rankin of Levene, Neale, Bender, Rankin & Brill L.L.P., who is representing the principals of developer West Millennium Group, is warning that the Brockman building will file for Chapter 7 bankruptcy on Monday if the lender—in this case, Countrywide—doesn't negotiate the loan. "Their only objective is to foreclose," he told us yesterday, expressing his frustration with the situation. "We will file for Chapter 7 on Monday if the banks don't work with us." The fact that the Brockman, an adaptive re-use project at 7th and Grand, is close to bankruptcy isn't surprising: The building turned rental in December and then went completely dark soon after. A week and half ago, the *Wall Street Journal* dropped the news that the principals of West Millennium (Norman Salter and Dilip Ram) are going through bankruptcy proceedings, and last Friday, the *Downtown News* reported that Countrywide had initiated foreclosure proceedings. If there's a bigger story here, it's what's going on with West Millennium. Since January, West Millennium principals have filed Chapter 7 bankruptcy on 19 either planned or completed projects, developments ranging from that abandoned Eagle Rock mixed-use project at 3901 Eagle Rock Blvd to Acama Villas, a Studio City condo development that held an auction last August. Additionally, at least 10 more affiliated entities are expected to file Chapter 7, according to papers filed this past Tuesday.

---Who they are: According to their now defunct web site, West Millennium Group has developed more than 20 projects around Los Angeles. They have offices on Sawtelle Blvd. Salter Construction, founded by Norman Salter, is part of West Millennium.



LOS ANGELES

BANKRUPTCY

THE BROCKMAN

11 COMMENTS

Like 0

CURBED'S GUIDE TO BUYING AND RENTING



Curbed University delivers insider tips and non-boring advice on how to buy or rent a house or apartment.

- The Eternal Debate: Renting vs. Buying
- Five Possible Financial Incentives for Buying
- Some Reasons You Might Want to Keep Renting
- Getting Pre-Approved for a Homebuying Loan
- Finding the Right Real Estate Agent
- Standard, Foreclosure, Short and Probate Sales
- Here's the Lowdown on Mortgages
- Tricks the Pros Use to Find Great Rentals

FOLLOW CURBED LA

NEWS BY NEIGHBORHOOD

Altadena
Antelope Valley, Palmdale, Lancaster
Arcadia
Arlington Heights
Atwater Village
Baldwin Hills
Bel-Air
Beverly Area
Beverly Crest
Beverly Hills Post Office
Beverly Hills/ BeverlyGrove
Beverly Park
Boyle Heights
Brentwood
Brookside
Burbank/Glendale
Calabasas

EXHIBIT 2

--- According to filings in U.S. Bankruptcy Court, Central District Of California, both principals of West Millennium have filed for Chapter 11. The reason they're filing for bankruptcy protection is because they personally guaranteed the loans that funded their projects. Both their bankruptcy filing numbers are referenced: Ram filed in January (1:09-bk-10969-KT) and Salter filed in February (1:09-bk-11653-KT)

--Additionally, 19 of their projects are now in Chapter 7. These projects are referred to as "SPEs" in the most recent filings (short for special purpose entities "SPEs") Here's the list so far, a screen shot from a filing (from another attorney) this past week. (Presumably because each development gets a loan, it's considered its own entity.) Some of these projects are recognizable. For instance, Eagle Rock Partners is 3901 Eagle Rock Blvd, that mixed-use project that was discussed back on the site last fall. Other projects listed are finished. For instance, why is Bridgeway Mills, a sold-out Playa Vista development on the list? Attorney Rankin writes in an email: "We are filing Chapter 7s for all the ownership entities as well as most "dead" entities just to put all entities that are no longer viable to bed."

Project/ Entity	Ch.	Case No.	Filing Date
Valleyheart LP	7	1:09-bk-10353-KT	1/13/2009
Picadilly Investors LLC	7	1:09-bk-11684 KT	2/17/2009
Eagle Rock Blvd. Partners, LP	7	1:09-bk-11686 KT	2/17/2009
NACL Properties LLC	7	1:09-bk-11687 KT	2/17/2009
Metropolitan NACL Properties LLC	7	1:09-bk-11690 KT	2/17/2009
Metropolitan Malaveri Properties LLC	7	1:09-bk-11692 KT	2/17/2009

2



Malaveri Properties LLC	7	1:09-bk-11693 KT	2/17/2009
Aqua Vista Villas LP	7	1:09-bk-11694 KT	2/17/2009
Acama Villas LP	7	1:09-bk-11695 KT	2/17/2009
West Hills Townhouse Partners	7	1:09-bk-11696 KT	2/17/2009
Beach Lofts LP	7	1:09-bk-12332 KT	3/3/2009
Lunita Partnes, LLC	7	1:09-bk-12333 KT	3/3/2009
ND Torance LLC	7	1:09-bk-12337 KT	3/3/2009
2910 Sycamore	7	1:09-bk-12341 KT	3/3/2009
7249 Franklin Partners, LLC	7	1:09-bk-12348 KT	3/3/2009
Norman J Salter Inc	7	1:09-bk-12336 KT	3/3/2009
Bridgeway Mills, L.P.	7	1:09-bk-12340 KT	3/3/2009
Mix Lofts Silverlake, L.P	7	1:09-bk-12343 KT	3/3/2009
Honolulu Development Company, LLC	7	1:09-bk-12345 KT	3/3/2009

---So is this just how things shake out, ie, is it normal to see so many different projects filing Chapter 7? We asked that question of Robert P. Goe, a Newport Beach-based lawyer who specializes in bankruptcy filings. "It is somewhat unusual for the projects to file Chapter 7 as they do not receive a discharge in bankruptcy," he writes in an email. "There may be a lot of trade creditors in addition to the banks who are unpaid so Ch 7 may just be a way of bringing closure to the matters."

---Meanwhile, according to that filing on Tuesday, at least 10 more entities are expected to file for Chapter 7 protection. The same filing also gives some history of West Millennium and what the strategy is for the two principals going forward. You can download the PDF of the filing here.

---So what happens now to the SPEs ? "If no equity, the bank will

Carthay Circle
Catalina Island
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Cheviot Hills
Chinatown
Claremont/Pomona/Upland
Compton
Conejo Valley
Culver City/Mar Vista/Marina del Rey
Cypress Park
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El Segundo
El Sereno
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Exposition Park
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Inland Empire
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Northridge
Orange
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Pacific Palisades
Palm Springs
Palms
Pasadena
Pico-Robertson
Pico-Union
Playa Del Rey/Westchester/LAX
Rancho Palos Verdes
Riverside County
San Bernardino County
San Diego County

foreclose and take back [the property] in next 120 days or so," writes Goe in an email. Meanwhile, we'll be watching to see what happens to all these properties going forward. And since the Brockman is our favorite downtown building, we will be watching to see what happens to her.

- CurbedWire: West Millennium Exploring All Options, Santa Monica Homeless Count [Curbed LA]
- Market Blues: Downtown's Brockman Goes Rental [Curbed LA]

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1951 Santa Fe-Style Hacienda in Eagle Rock

by Taboola

COMMENTS (11 EXTANT)

all and in the end you get a lot of things. Horrible people to deal with. Can't help but be moving out of there. And you deal with people all over the place of these things.



What happens to Bottega Louie, which is supposed to open on April 6?



Yeah, they did a terrible job with the place. Great job outside, horrible job inside.

AND they were two years late to boot What do you expect?

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rich 4: 490 comments
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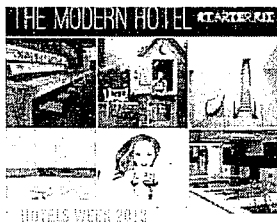
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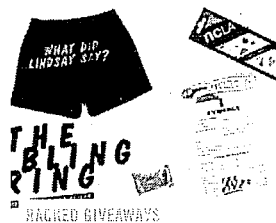
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6/28/13

Brockman Bankruptcy? West Millennium Busy Reorganizing - Curbed LA

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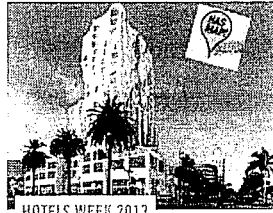
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West Millennium Developers Start Over in Marina Del Rey

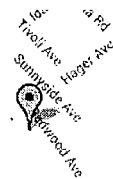
Monday, July 12, 2010, by Dakota Smith



They say when developers file for bankruptcy, they just eventually start over again, with a newly formed company. Case in point: Meet Spectra America, born of the ashes of West Millennium. The developer behind the still-dark Brockman project in downtown, West Millennium filed for Chapter 7 in May 2009. West Millennium's former principals, Dilip Ram and Norman Salter, are now running a new company--the jauntily named Spectra America--and developing this condo project, Redwood Flats, located right around the corner from the West End project.

Minimal work started on this building, a 47-unit condo project at 4211 Redwood Avenue, three or four years ago, before the project was shut down. Construction re-started earlier this year (according to Salter, the duo owned the land independently, so apparently it wasn't part of the bankruptcy proceedings). Preferred Bank is the lender, according to Salter.

As far as price points: "We're hoping for the low to mid 400,000s," said



REDWOOD FLATS
4211 Redwood Avenue,
los angeles

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Boyle Heights
Brentwood
Brookside
Burbank/Glendale
Calabasas

Salter. Salter's own Salter Construction also filed for Chapter 7 last year, and his new construction company is called Bridge Point Construction. As far as more projects: "We're looking at three or four jobs, but it's tough [out there]," said Salter. Local firm Albert Group is the architect on this project, and that's always been their name as far as we know.

• Brockman Bankruptcy? West Millennium Busy Reorganizing-[Curbed LA]

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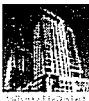


Kate Upton's Boobs Are Getting Her in Trouble Again Racked



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COMMENTS (14 EXTANT)



... and that's how we have real estate bubbles. Greedy banks lend to the same shysters with no integrity (or business sense) and they go out and build boxes of crap like this. Ugh.

Although to be fair, in this case, tough to tell if the Preferred Bank loan predated their other BKs or is a new loan. If it's a new loan, I sure as hell hope they're charging default interest rates

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#1. 07/12/10 03:38 PM
WhatsthrPoint: 290 comments
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Koreatown Retailer In MDR Development Deal
LAT
July 12, 2010

Just weeks after emerging out a bankruptcy leaving several, Southland beauty suppliers, on the hook for over \$37,000 in unpaid merchandise, the newly, re-branded Kim Woo Wig Shop LLC, formally known as Kim Woo Wig Emporium, LLC, has announced today, a major equity stake in a 47 unit, Marina Del Ray, condominium development. According to an unidentified worker at their store on Vermont Ave, "This morning we were negotiating with bankers about a loan to replenish our supply of Jerri-Curl. By lunchtime, we were Westside developers. I think it had something to do with us having a completely unblemished, credit report. It's too bad, because now we'll need to delay our next bankruptcy, which means it'll be months before we can burn a new bunch of vendors."

#2. 07/12/10 03:53 PM
Kurt Eckhardt: 415 comments
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It looks like the rendering is a lot better than the built product. I like the rendering a whole lot more than the built product.

#3. 07/12/10 03:53 PM
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great



I like the rendering a whole lot more than the built product.

#4. 07/12/10 03:59 PM
BobLee: 739 comments
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It looks much worse in person. Seriously. The back end is done already.

#5. 07/12/10 04:57 PM
digitalrhino: 295 comments
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Thanks to the Google map fail, I now know there is a Redwood Ave in Paulina Iowa. Very close to one of the Dakotas actually... hemm.



Replace the some or all of that colored stucco with stone facing... (as long as it isn't too dated/90's looking, or better yet... go for limestone/even 'Eldorado' type stone or best yet...white marble, for that ultimate touch of mid-mod classic class ;)...and the developer could maybe get an extra 12k+ per unit?

As a realtor, I'd have to say that anything of a decent (800'+) size with reasonable HOA dues, and in the high 3's/low 400's in this immediate area is a great value.

and I know what I'd like to see in the area

@Richard Crowley You said I don't give up that now you are a realtor. I was the design work in the architecture.

Kurt instead of slamming everyones projects why dont you get out there and build something better since your such a mastermind.

I'm not a developer nor an agent, but I'm sick of reading all your negative comments. Be happy things are actually getting built.

I wonder when they would open up a site.

They put up a website but no prices are shown. Anyone know the prices? www.4211redwood.com. What about floorplans?

The 4211 Redwood is a 100% new development. It's a 100% new development. It's a 100% new development.

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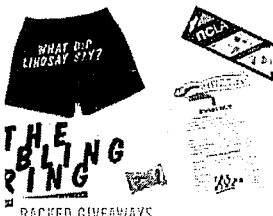
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