

PAUL J. COUCHOT- State Bar No. 131934  
GARRICK A. HOLLANDER - State Bar No. 166316  
**WINTHROP COUCHOT**  
**PROFESSIONAL CORPORATION**  
660 Newport Center Drive, 4<sup>th</sup> Floor  
Newport Beach, California 92660  
Telephone: (949) 720-4100  
Facsimile: (949) 720-4111

{Proposed} General Insolvency Counsel  
for Debtor and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA DIVISION**

In re:

CAMEO HOMES,  
a California corporation,

Debtor and  
Debtor-in-Possession.

Case No. 8:08-13151 RK

Chapter 11

[No Hearing Set]

**NOTICE TO CREDITORS AND PARTIES IN INTEREST OF FILING OF DEBTOR'S APPLICATION TO  
EMPLOY WINTHROP COUCHOT PROFESSIONAL CORPORATION AS GENERAL INSOLVENCY COUNSEL  
TO DEBTORS**

TO THE OFFICE OF THE UNITED STATES TRUSTEE, CERTAIN CREDITORS, AND PARTIES IN INTEREST:

**NOTICE IS HEREBY GIVEN THAT** Cameo Homes, the Debtor and Debtor-in-Possession (the "Debtor") has filed its Application for Authority to Employ Winthrop Couchot Professional Corporation (the "Firm") as its General Insolvency Counsel (the "Application") at the expense of the estate.

In support of the Application, the Debtor respectfully represents as follows:

1. On June 6, 2008, three alleged creditors of the Debtor commenced an involuntary case against the Debtor under chapter 7 of the Bankruptcy Code. On July 1, 2008, the Debtor filed its Consent to the Entry of an Order for Relief and Election to Convert Chapter 7 case to a case under chapter 11 of the Bankruptcy Code. On July 2, 2008, this Court entered an Order for Relief and converted the Debtor's case to one under chapter 11.

2. On July 1, 2008, the Debtor filed its Consent to the Entry of an Order for Relief and Election to Convert Chapter 7 case to a case under chapter 11 of the Bankruptcy Code. On July 2, 2008, this Court entered an Order for Relief and converted the Debtor's case to one under chapter 11.

3. The Debtor owns an interest in a number of single asset real estate ventures that were formed to purchase and develop real estate. James C. Gianulias, the Debtor's sole shareholder, also holds an interest in many of the same real estate ventures in which the Debtor holds an interest. Therefore, Mr. Gianulias has an indirect interest in all of the Debtor's interest in the various real estate entities. The real estate entities owned in part by the Debtor and Mr. Gianulias include both limited liability companies and limited partnerships (collectively, the "Companies").

4. The Debtor and Mr. Gianulias established the Companies to own and operate various real estate assets, including, without limitation, condominiums, residential developments, commercial and retail developments, mixed use developments, and multi-family apartment complexes (the "Properties"). Of those various real estate assets, approximately fourteen (14) single family residence projects, four (4) mixed-use projects, and four (4) multifamily land development projects are not generating income. Three (3) multifamily projects and one (1) commercial/retain project remain under construction or are in the lease-us status, and are not generating sufficient income to cover costs and debt service. Ten (10) multifamily projects and six (6) commercial/retain projects have reached stabilization and are generating income.

5. By the Application, the Debtor seeks to employ the services of Winthrop Couchot Professional Corporation (the "Firm") to serve as its general insolvency counsel in its case, at the expense of the Debtor's estate.

6. The Firm is comprised of attorneys who specialize in insolvency, bankruptcy and corporate reorganization and is well qualified to represent the Debtor in this case. All attorneys comprising or associated with the Firm who will render services in the Debtor's case are duly admitted to practice law in the courts of the State of California and in the United States District Court for the Central District of California.

7. The Firm will render services to the Debtor at the Firm's regular hourly rates, which may be subject to adjustment in the future. The currently hourly rates are set forth in the Declaration of Paul J. Couchot (the "Declaration") filed in support of the Application.

8. The Debtor requires the services of the Firm to render to the Debtor the following types of professional services:

- i. To advise and assist the Debtor with respect to compliance with the requirements of the Office of the United States Trustee ("U.S. Trustee");
- ii. To advise the Debtor regarding matters of bankruptcy law, including the rights and remedies of the Debtor in regard to its assets and to the claims of its creditors;
- iii. To represent the Debtor in any proceedings or hearings in this Court and in any proceedings in any other court where the Debtor's rights under the Bankruptcy Code may be litigated or affected;
- iv. To conduct examinations of witnesses, claimants, or adverse parties and to prepare, and to assist the Debtor in the preparation of, reports, accounts, and pleadings related to the Debtor's case;
- v. To advise the Debtor concerning the requirements of the Bankruptcy Court, the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules;
- vi. To file any motions, applications or other pleadings appropriate to effectuate the reorganization of the Debtor;
- vii. To review claims filed in the Debtor's case, and, if appropriate, to prepare and file objections to disputed claims;
- viii. To represent the Debtor in litigation affecting the Debtor, as may be requested by the Debtor;
- ix. To assist the Debtor in the negotiation, formulation, confirmation, and implementation of a Chapter 11 plan of reorganization; and
- x. To take such other action and perform such other services as the Debtor may require of the Firm in connection with its Chapter 11 case.

9. The Debtor and the Firm have agreed, subject to the Court's approval, to the terms of the Firm's employment in this case. These terms are set forth in the legal services retainer agreement ("Retainer Agreement"), entered into by and between the Debtor and the Firm. A true and complete copy of the Retainer Agreement is attached as Exhibit "1" to the Declaration.

10. The Firm will render services to the Debtor at the Firm's regular hourly rates, which may be subject to adjustment from time to time, and the Firm understands that any compensation in this case, from funds which are property of the Debtor's estate, is subject to approval of this Court. The Firm intends to apply to this Court, in conformity with 11 U.S.C. §§ 330 and 331, for compensation and reimbursement for fees incurred and costs advanced in the Debtor's case.

11. The Firm has received a retainer in the amount of \$250,000.00 ("Retainer") prior to the filing of the case. The Firm is informed that the source of this retainer was Silver Oaks Beaumont 72, LLC. The Retainer is intended to cover a portion of the Firm's post-petition fees and costs. Prior to the entry of the Order for Relief, thirty thousand dollars was placed in the Firm's general account to cover the Firm's fees and expenses through July 1, 2008. The balance of \$220,000.00 was placed in a trust account. After an accounting for the pre-petition fees and expenses is complete, the balance of the \$220,000.00 will be placed in the trust account, and will be disbursed only pursuant to the provisions of this Application and the Court's order with respect to this Application.

12. The Retainer will remain on deposit in the Firm's trust account, and no disbursements will be made therefrom, except only in accordance with the provisions of the Guide to Application for Employment of Professionals and Treatment of Retainers promulgated by the Office of the United States Trustee ("Fee Guide"). The Firm requests that it be authorized to draw down on the Retainer, on a monthly basis, by complying with the provisions of the Fee Guide with respect thereto. In accordance with the U.S. Trustee Fee Guide, the Firm will file monthly with the U.S. Trustee a copy of the Firm's monthly invoice (the "Fee Notice") with respect to fees for professional services rendered to the Debtor, and for reimbursement of expenses incurred on behalf of the Debtor, and will serve copies of the Fee Notice upon the Debtor, the U.S. Trustee, the members of the Official Committee of Creditors Holding Unsecured Claims (the "Committee") until such time as the Committee employs counsel, and thereafter on counsel, upon counsel for the Debtor's secured creditors, and upon those parties who request special notice in the Debtor's cases. If no objection to the Fee Notice is filed and served within ten (10) days after the service of the Fee Notice, the Firm will withdraw from its trust account the amount of fees and costs represented by that monthly invoice and will pay itself those sums without further notice, hearing or order of the Court. If a written objection to the Firm's monthly invoice is filed by a party-in-interest, the Firm will refrain from withdrawing the disputed funds from its trust account until the objection has been resolved by the Court. If appropriate, approximately every four (4) months, the Firm will file an application with the Court seeking allowance of its fees and costs incurred to that date and paid pursuant to such monthly payment procedure.

13. By the Application, the Firm seeks monthly payment of its fees and costs in amounts not to exceed the amounts allocated in the operating budget therefor. The Firm intends to apply to this Court for compensation in conformity with the requirements of Bankruptcy Code Sections 328, 330 and 331. The Firm understands that its compensation in the Debtor's case will be subject to the approval of the Court. No funds paid to the Firm pursuant to the proposed monthly

payment procedure will be deemed to be allowed by the Court. All funds paid to the Firm pursuant to the proposed monthly payment procedure will be subject to allowance by the Court, upon appropriate application and noticed hearing.

14. At the conclusion of this case, the Firm will file an appropriate application seeking final allowance of all fees and costs, regardless of whether interim compensation has been paid to the Firm. Upon allowance of such fees and costs, the Debtor will pay to the Firm the difference between the amounts allowed to the Firm and any interim compensation paid to the Firm.

15. The Debtor and the Firm understand and agree that the proposed compensation arrangement is subject to the provisions of Section 328 of the Bankruptcy Code, which authorizes this Court to allow compensation different from what is provided herein if the fee arrangement provided for herein appears, in retrospect, to have been improvident in light of developments unanticipated at the outset of the case. [11 U.S.C. §328(a)]. The Firm understands and agrees that, if aggregate interim payments made to the Firm exceed the amount that is ultimately allowed to the Firm, the Firm will be required to, and will, promptly repay to the Debtor such difference.

16. Except as set forth in the Declaration, to the best of the Firm's knowledge, neither the Firm, nor any of the attorneys comprising or employed by it, have any connection with the Debtor, the Debtor's creditors, or any other party-in-interest in the Debtor's case, or their respective attorneys or accountants. The Firm is a disinterested person within the meaning of Section 101(14) of the Bankruptcy Code. Furthermore, the Firm does not have an interest adverse to the Debtor or its estate in accordance with the provisions of Section 327 of the Bankruptcy Code. The Firm is not a creditor of the Debtor's estate and is not owed any funds by the Debtor.

(a) The Firm is general insolvency counsel for Murrieta 180 Apartments, L.P., a California limited partnership ("Murrieta") and M.S., LLC ("MS"). The secured lender is the same in each of the cases, California National Bank. James C. Gianulias holds an ownership interest in Murrieta and MS.

(b) The Firm has acted as special counsel to Placentia 422, L.P., a California limited partnership (the "Placentia Partnership"), and its general partner, Placentia 422, LLC, a Delaware limited liability company ("LLC"). LLC is the sole general partner of the Placentia Partnership, and owns one percent (1%) of the beneficial interest in the Partnership. The Placentia Partnership has four limited partners: James C. Gianulias, as "Trustee" of The James Chris Gianulias 1998 Trust (the "1998 Trust"), Gus C. Gianulias, as Trustee of the Gus C. and Julie M. Gianulias Family Revocable Trust established January 20, 1983 (the "1983 Trust"), Victor Mahony ("Mahony") and David J. Gianulias ("David Gianulias"). The 1998 Trust owns sixty-nine percent (69%) of the beneficial interests in the Placentia Partnership. The 1983 Trust owns five percent (5%) of the beneficial interests in the Placentia Partnership. David Gianulias owns seven percent (7%) of the beneficial interests in the Placentia Partnership. Mahony owns eighteen percent (18%) of the beneficial interests in the Partnership.

(c) The Firm has acted as special counsel to Apartments at La Quinta Village, L.P., a California limited partnership (the "La Quinta Placentia Partnership") and its general partner, Apartments at La Quinta Village, LLC, a Delaware previously limited liability company ("LLC"). LLC is the sole general partner of the Partnership, and owns one percent (1%) of the beneficial interest in the La Quinta Partnership.

The La Quinta Partnership has five limited partners: James C. Gianulias, as "Trustee" of The James Chris Gianulias 1998 Trust (the "1998 Trust"), Gus C. Gianulias, as Trustee of the Gus C. and Julie M. Gianulias Family Revocable Trust established January 20, 1983 (the "1983 Trust"), E. James Murar ("Murar"), Harold Lynch Jr. Enterprises, LLC ("Harold Lynch"), and JAMS Management Company ("JAMS"). The 1998 Trust owns fifty-five and one quarter percent (55.5%) of the beneficial interests in the La Quinta Partnership. The 1983 Trust owns three and three quarter of a percent (3.75%) of the beneficial interests in the La Quinta Partnership. Murar owns twelve and one half percent (12.5%) of the beneficial interests in the La Quinta Partnership. Harold Lynch owns twelve and one half percent (12.5%) of the beneficial interests in the Partnership. JAMS owns fifteen percent (15%) of the beneficial interests in the La Quinta Partnership. Murar, Harold Lynch and JAMS are not "Affiliates" of, or related to, the LLC, the 1998 Trust, the 1983 Trust, any beneficiary of these trusts, James Gianulias, or Gus Gianulias.

(d) The Firm has previously acted as special counsel to Murrieta 492 Apartments, LLC, a Delaware limited company and its sole member, Murrieta 492 L.P., a California limited partnership, "Murrieta 492 Partnership"). The Murrieta 492 Partnership has three limited partners: James C. Gianulias, as "Trustee" of The James Chris Gianulias Trust dated October 14, 2003 (the "Trust"), Victor Mahony and David J. Gianulias. The Trust owns seventy-four percent (74%) of the partnership interests in the Partnership, Victor Mahony owns eighteen percent (18%) and David J. Gianulias owns seven percent (7%). Murrieta 492 Apartment Village, a California limited liability company (the "LLC"), is the general partner of the Murrieta 492 Partnership. It owns a one percent (1%) interest in the Murrieta 492 Partnership. The Debtor is the sole member of LLC.

(e) The Firm has previously acted as special counsel to Murrieta 144, L.P., which is owned by three parties: James C. Gianulias (74%), Pony Express (25%), and Murrieta 144 Apartments, LLC (1%). Murrieta 144 Apartments, LLC is owned by the Debtor.


17. As set forth in the Declaration, none of the attorneys comprising or employed by the Firm is related to any judge of the United States Bankruptcy Court for the Central District of California, the U.S. Trustee, or to any person employed by the U.S. Trustee.

18. The Firm has not agreed to share with any person or entity any compensation received by the Firm in the Debtor's case, except as among the members of the Firm.

**IF YOU DO NOT OPPOSE THE RELIEF REQUESTED IN THE APPLICATION ABOVE, YOU NEED TAKE NO FURTHER ACTION. HOWEVER, IF YOU OBJECT TO THE RELIEF REQUESTED BY THE APPLICATION, PURSUANT TO LOCAL BANKRUPTCY RULE 9013-1, OBJECTIONS MUST BE FILED WITH THE COURT WITHIN FIFTEEN (15) DAYS OF THE DATE OF SERVICE OF THIS NOTICE. YOU MUST FILE YOUR OBJECTION AND REQUEST FOR A HEARING WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT, LOCATED AT 411 WEST FOURTH STREET, SANTA ANA, CA 92701. YOU MUST SERVE A COPY OF YOUR OBJECTION TO THE APPLICATION AND REQUEST FOR A HEARING UPON DEBTOR'S PROPOSED COUNSEL AT THE MAILING ADDRESS INDICATED IN THE UPPER LEFT CORNER OF THIS NOTICE, AND UPON THE OFFICE OF THE UNITED STATES TRUSTEE LOCATED AT 411 WEST FOURTH STREET, SUITE 9041, SANTA ANA, CA 92701. UPON RECEIPT OF A WRITTEN OBJECTION AND REQUEST FOR A HEARING, DEBTOR'S PROPOSED COUNSEL WILL OBTAIN A HEARING DATE AND GIVE APPROPRIATE NOTICE HEREOF. ANY FAILURE TO TIMELY FILE AND SERVE OBJECTIONS MAY RESULT IN SUCH OBJECTION BEING WAIVED.**

DATED/SERVED: July 29, 2008

**WINTHROP COUCHOT  
PROFESSIONAL CORPORATION**

By: /s/ Paul J. Couchot   
Paul J. Couchot  
Garrick A. Hollander  
[Proposed] General Insolvency Counsel for Debtor  
and Debtor in Possession

**CERTIFICATE OF SERVICE**

I, Mayra Murillo, declare as follows:

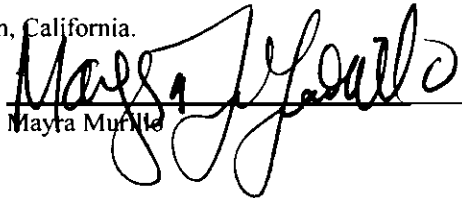
I am employed in the County of Orange, State of California; I am over the age of eighteen years and am not a party to this action; my business address is 660 Newport Center Drive, Fourth Floor, Newport Beach, California 92660, in said County and State. On July 29, 2008, I served the following document: **NOTICE TO CREDITORS AND PARTIES IN INTEREST OF FILING OF DEBTOR'S APPLICATION TO EMPLOY WINTHROP COUCHOT PROFESSIONAL CORPORATION AS GENERAL INSOLVENCY COUNSEL TO DEBTORS** on each of the following interested parties:

**SEE ATTACHED SERVICE LIST**

by the following means of service:

- BY MAIL:** I placed a true copy in a sealed envelope addressed as indicated above, on the above-mentioned date. I am familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same date with postage thereon fully prepaid at Newport Beach, California in the ordinary course of business I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
- I am employed in the office of Winthrop Couchot Professional Corporation; Paul J. Couchot is a member of the bar of this court.
- (FEDERAL)** I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 29, 2008 at Newport Beach, California.

  
\_\_\_\_\_  
Mayra Murillo

\_\_\_\_\_  
Initials

**SERVICE LIST**

***Debtor***

Cameo Homes, Inc.  
Mr. James C. Gianulias, President  
1105 Quail St  
Newport Beach, CA 92660

United States Trustee  
411 W Fourth St., Suite 9041  
Santa Ana, CA 92701-4593

Cameo Homes  
Special Notice List/Secured/Committee  
Document 122485

Committee Counsel  
Elissa D. Miller, Esq.  
SulmeyerKupetz  
333 South Hope Street, 35th Floor  
Los Angeles, CA 90071

RSN 7/29/08  
PNC Bank, NA  
McKenna Long & Aldridge LLP  
Jean-Paul Menard, Esq.  
444 S. Flower St., 8<sup>th</sup> Fl.  
Los Angeles, CA 90071-2901

RSN 7/29/08  
PNC Bank, NA  
Polsinelli Shalton Flanigan Suelthaus PC  
Daniel J. Flanigan, Esq.  
700 W. 47<sup>th</sup> St., #1000  
Kansas City, MO 64112

Petitioning Creditor  
California National Bank  
Attn: Jyotsna Desai  
221 South Figueroa Street  
Los Angeles, CA 90012-2552

California National Bank  
c/o Joshua D Wayser  
~~300 S Grand Ave 8th Fl~~  
~~Los Angeles, CA 90071-3119~~  
6/26/08 SubOfAtty

Petitioning Creditor  
M.W. Housing Partners III LP  
Lori Scott  
1301 Fifth Ave Ste 3100  
Seattle, WA 98101

Petitioning Creditor  
Famille Holdings L.P.  
James Herbst  
27675 Chapala  
Mission Viejo, CA 92692

Famille Holdings LP  
c/o Jess R Bressi , Esq.  
Cox, Castle & Nicholson  
19800 MacArthur Blvd Ste 500  
Irvine, CA 92612-2435

Counsel to Committee Member  
MW Housing Partners III, LP  
c/o Perkins Coie LLP  
Steven G.F. Polard, Esq.  
1620 16th Street, 6th Fl.  
Santa Monica, CA 90404-4013

Housing Capital Company  
c/o Loeb & Loeb  
Lance N. Jurich, Esq.  
Derrick Talerico, Esq.  
10100 Santa Monica Blvd., #2200  
Los Angeles, CA 90067

Committee Member  
Wachovia Bank, NA  
c/o Reed Smith LLP  
Marsha A. Houston, Esq.  
Christopher R\O. Rivas, Esq.  
355 S. Grand Ave., #2900  
Los Angeles, CA 90071

Counsel to James C. Gianulias  
Irell & Manella  
William N. Lobel, Esq.  
Alan J. Friedman, Esq.  
840 Newport Center Dr., #400  
Newport Beach, CA 92660

Pacific Western Bank 6/23/08 RSN  
c/o Parker Milliken, etc.  
Larry G. Ivanjack, Esq.  
David K. Eldan, Esq.  
555 South Flower St., 30<sup>th</sup> Fl.  
Los Angeles, CA 90071-2440

Bank of the West 6/23/08 RSN  
Pillsbury Winthrop etc.  
Suc J. Hodges, Esq.  
Matthew S. Walker  
12255 El Camino Real, #300  
San Diego, CA 92130-4088

6/26/08 SubOf  
California National Bank  
Katten Muchin Rosenman LLP  
Joshua D. Wayser, Esq.  
2029 Century Park East, #2600  
Los Angeles, CA 90067-3012

RSN 7/15/08 e-mail  
Phillip D. Hamilton, Esq.  
760 West 16th Street Suite C  
Costa Mesa, CA 92627

7/15/08 RSN  
Lucas Companies  
Goe & Forsythe LLP  
Robert P. Goe, Esq.  
660 Newport Center Dr., #320  
Newport Beach, CA 92660

RSN 7/22/08  
Marilyn Robbins Gianulias  
c/o Rutan & Tucker, LLP  
Penelope Parmes, Esq.  
611 Anton Blvd., 14th Fl.  
Costa Mesa, CA 92626-1931

Committee Member  
Housing Capital Company  
Attn: William Wells & Dave Prowse  
3200 Bristol St., #500  
Costa Mesa, CA 92626

Committee Member  
Hall & Forman, Inc.  
Attn: Lou Ann Frederick  
420 Exchange, #100  
Irvine, CA 92602

Committee Member  
David Evans & Associates, Inc,  
Attn: Erin F. Austin  
320 SW Upper Terrace Dr., #200  
Bend, OR 97702

Committee Member  
California National Bank  
Attn: Jyotsna Desai  
221 S. Figueroa St., #310  
Los Angeles, CA 90012

RSN 7/29/08  
PNC Bank, NA  
McKenna Long & Aldridge LLP  
Jean-Paul Menard, Esq.  
444 S. Flower St., 8<sup>th</sup> Fl.  
Los Angeles, CA 90071-2901

RSN 7/29/08  
PNC Bank, NA  
Polsinelli Shalton Flanigan Suelthaus PC  
Daniel J. Flanigan, Esq.  
700 W. 47<sup>th</sup> St., #1000  
Kansas City, MO 64112

Secured Creditors

Bank Midwest  
David Lasae  
1100 Main, Ste 350  
Kansas City, MO 64105

Bank Of The West  
Jon Ely  
4041 Macarthur Blvd , Ste 100  
Newport Beach, CA 92660

California National Bank  
~~Andrew Zinn~~  
~~1301 Dove #101~~  
~~Newport Beach, CA 92660~~  
Per Wayser e-mail, send to LA

Virtual Realty  
Henry Warshaw  
700 Corporate Park Dr , Ste 310  
Clayton, MO 63105

Secured Creditors

Wachovia Bank  
Garrett Mitton  
15750 Alton Pkwy, 3rd Floor  
Irvine, CA 92618

Weyerhaeuser Realty  
Mark Ellett  
8105 Irvine Center Dr , Ste 420  
Irvine, CA 92618

Pacific Western  
Jim Trevino  
895 Dove St., Ste 100  
Newport Beach, CA 92660

Secured Creditors

Interinvest  
Carl Natalizia  
~~Two Park Plaza, Ste 470~~  
~~Irvine, CA 92614~~  
7/23/08 Company Closed per Fedex

Universal Bank  
Yuki Koyano  
3455 Nogales Street, 2nd Floor  
West Covina, CA 91792