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3 **WINTHROP COUCHOT**
4 **PROFESSIONAL CORPORATION**
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11 [Proposed] General Insolvency Counsel for
12 Debtor and Debtor in Possession

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

16 In re

17 CAMEO HOMES, a California corporation,

18 Debtor and Debtor-in-Possession.

19 Case No. 8:08-bk-13151-RK

20 Chapter 11

21 **DECLARATION OF PAUL J. COUCHOT RE**
22 **NON-RECEIPT OF OPPOSITION TO**
23 **DEBTOR CAMEO HOMES' APPLICATION**
24 **TO EMPLOY WINTHROP COUCHOT**
25 **PROFESSIONAL CORPORATION AS ITS**
26 **GENERAL INSOLVENCY COUNSEL**

27 [No Hearing Set]

28 I, Paul L. Couchot, declare and state:

I am a shareholder of the law firm of Winthrop Couchot Professional Corporation, counsel to the Debtors and Debtors in Possession herein and am admitted to practice law in the state of California and before this Court. The matters stated herein are within my own personal knowledge and, if called as a witness, I could and would competently testify thereto.

1. On July 29, 2008 the Debtor filed and served its Application for Authority to Employ Winthrop Couchot Professional Corporation as its General Insolvency Counsel; Memorandum of Points and Authorities; and Declaration of Proposed Counsel in Support Thereof (the "Application").

1 A true and complete copy of the Application is attached hereto as Exhibit "1" and incorporated herein
2 by this reference.

3 2. Also on July 29, 2008, the Debtor served its Notice to Creditors and Parties in Interest
4 of Filing of Debtors' Application for Authority to Employ Winthrop Couchot Professional
5 Corporation as its General Insolvency Counsel (the "Notice"). A true and complete copy of the
6 Notice is attached hereto as Exhibit "2" and incorporated herein by this reference.

7 3. The Notice was served on the Debtor's secured creditors or their counsel, the Debtor's
8 twenty largest unsecured creditors and all parties who had, as of the date of service, requested special
9 notice. The Notice provided creditors and parties in interest with the opportunity to object to the
10 relief sought by the Application by filing, within fifteen (15) days of service of the Notice (i.e.,
11 August 15, 2008), an objection and request for hearing thereon to the Application.

12 4. As of the date of the execution of this Declaration, no objections to the Application
13 have been received by the Firm. Further, as of this date, a review of the Court's Proceedings Docket,
14 as maintained through the PACER system, does not reflect the filing of any objections. Therefore, I
15 respectfully request, pursuant to Local Bankruptcy Rule 9013-1(7), that the Court enter its Order
16 granting the Application.

17 I declare under penalty of perjury under the laws of the State of California that the foregoing
18 is true and correct.

19 EXECUTED this 20th day of August 2008 at Newport Beach, California.

20
21 

22 Paul J. Couchot
23
24
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EXHIBIT “1”

COPY

1 PAUL J. COUCHOT State Bar No. 131934
2 **WINTHROP COUCHOT**
3 **PROFESSIONAL CORPORATION**
4 660 Newport Center Drive, Fourth Floor
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Telephone: (949) 720-4100
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ELECTRONICALLY FILED
Date 7/29/08
Docket No. 56

5 [Proposed] General Insolvency Counsel for
6 Debtor and Debtor-in-Possession

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SANTA ANA DIVISION**

11
12 In re:
13 CAMEO HOMES, INC., a California
14 corporation,
15 Debtor and
16 Debtor-in-Possession.

Case No. **8:08-13151 RK**

Chapter 11

**APPLICATION OF DEBTOR AND DEBTOR-
IN-POSSESSION FOR AUTHORITY TO
EMPLOY WINTHROP COUCHOT
PROFESSIONAL CORPORATION AS
GENERAL INSOLVENCY COUNSEL;
MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATION OF
PROPOSED COUNSEL IN SUPPORT
THEREOF**

[11 U.S.C. §§ 327 and 328]

[No Hearing Set]

1 Cameo Homes, Inc., a California corporation, the debtor and debtor-in-possession
2 (“Debtor”), hereby applies to this Court for an order authorizing it to employ Winthrop Couchot
3 Professional Corporation as its general insolvency counsel. This Application is made and based
4 upon the attached Memorandum of Points and Authorities and the Declaration of Paul J. Couchot
5 (the “Declaration”) and upon any additional evidence, both oral and documentary, that may be
6 presented to the Court at or before the time of the hearing on this Application, if any should be
7 held on this Application.

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

9 1. On June 6, 2008, three alleged creditors of the Debtor commenced an involuntary
10 case against the Debtor under chapter 7 of the Bankruptcy Code.

11 2. On July 1, 2008, the Debtor filed its Consent to the Entry of an Order for Relief
12 and Election to Convert Chapter 7 case to a case under chapter 11 of the Bankruptcy Code.

13 3. On July 2, 2008, this Court entered an Order for Relief and converted the Debtor’s
14 case to one under chapter 11.

15 4. The Debtor owns an interest in a number of single asset real estate ventures that
16 were formed to purchase and develop real estate. James C. Gianulias, the Debtor’s sole
17 shareholder, also holds an interest in many of the same real estate ventures in which the Debtor
18 holds an interest. Therefore, Mr. Gianulias has an indirect interest in all of the Debtor’s interest in
19 the various real estate entities. The real estate entities owned in part by the Debtor and Mr.
20 Gianulias include both limited liability companies and limited partnerships (collectively, the
21 “Companies”).

22 5. The Debtor and Mr. Gianulias established the Companies to own and operate
23 various real estate assets, including, without limitation, condominiums, residential developments,
24 commercial and retail developments, mixed use developments, and multi-family apartment
25 complexes (the “Properties”). Of those various real estate assets, approximately fourteen (14)
26 single family residence projects, four (4) mixed-use projects, and four (4) multifamily land
27 development projects are not generating income. Three (3) multifamily projects and one (1)
28 commercial/retain project remain under construction or are in the lease-us status, and are not

1 generating sufficient income to cover costs and debt service. Ten (10) multifamily projects and
2 six (6) commercial/retail projects have reached stabilization and are generating income.

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

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

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

14 9. The Debtor requires the services of the Firm to render to the Debtor the following
15 types of professional services:

16 (a) To advise and assist the Debtor with respect to compliance with the
17 requirements of the Office of the United States Trustee ("U.S. Trustee");

18 (b) To advise the Debtor regarding matters of bankruptcy law, including the
19 rights and remedies of the Debtor in regard to its assets and to the claims of its creditors;

20 (c) To represent the Debtor in any proceedings or hearings in this Court and in
21 any proceedings in any other court where the Debtor's rights under the Bankruptcy Code
22 may be litigated or affected;

23 (d) To conduct examinations of witnesses, claimants, or adverse parties and to
24 prepare, and to assist the Debtor in the preparation of, reports, accounts, and pleadings
25 related to the Debtor's case;

26 (e) To advise the Debtor concerning the requirements of the Bankruptcy Court,
27 the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules;
28

1 (f) To file any motions, applications or other pleadings appropriate to effectuate
2 the reorganization of the Debtor;

3 (g) To review claims filed in the Debtor's case, and, if appropriate, to prepare
4 and file objections to disputed claims;

5 (h) To represent the Debtor in litigation affecting the Debtor, as may be
6 requested by the Debtor;

7 (i) To assist the Debtor in the negotiation, formulation, confirmation, and
8 implementation of a Chapter 11 plan of reorganization; and

9 (j) To take such other action and perform such other services as the Debtor may
10 require of the Firm in connection with its Chapter 11 case.

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

15 11. Except as specifically stated in the Declaration, to the best of the Firm's
16 knowledge, neither the Firm, nor any of the attorneys comprising or employed by it, has any
17 connection with the Debtor, its accountants, nor do they have, in this case, any connection with
18 the Debtor's creditors, or any other party-in-interest, or its respective attorneys or accountants.
19 Furthermore, the Firm does not have an interest adverse to the Debtor or its estate (11 U.S.C.
20 § 327). As of the Petition Date, the Firm was not a creditor of the Debtor and was not owed any
21 funds by the Debtor.

22 12. The Firm will render services to the Debtor at the Firm's regular hourly rates,
23 which may be subject to adjustment from time to time, and the Firm understands that any
24 compensation in this case, from funds which are property of the Debtor's estate, is subject to
25 approval of this Court. The Firm intends to apply to this Court, in conformity with 11 U.S.C.
26 §§ 330 and 331, for compensation and reimbursement for fees incurred and costs advanced in the
27 Debtor's case.

28

1 13. The Firm has received a retainer in the amount of \$250,000.00 ("Retainer") prior to
2 the filing of the case. The Firm is informed that the source of this retainer was Silver Oaks
3 Beaumont 72, LLC.

4 14. The Retainer is intended to cover a portion of the Firm's post-petition fees and
5 costs. Prior to the entry of the Order for Relief, thirty thousand dollars was placed in the Firm's
6 general account to cover the Firm's fees and expenses through July 1, 2008. The balance of
7 \$220,000.00 was placed in a trust account. After an accounting for the pre-petition fees and
8 expenses is complete, the balance of the \$220,000.00 will be placed in the trust account, and will
9 be disbursed only pursuant to the provisions of this Application and the Court's order with respect
10 to this Application.

11 15. The Retainer will remain on deposit in the Firm's trust account, and no
12 disbursements will be made therefrom, except only in accordance with the provisions of the Guide
13 to Application for Employment of Professionals and Treatment of Retainers promulgated by the
14 Office of the United States Trustee ("Fee Guide"). The Firm hereby requests that it be authorized
15 to draw down on the Retainer, on a monthly basis, by complying with the provisions of the Fee
16 Guide with respect thereto.

17 16. In accordance with the U.S. Trustee Fee Guide, the Firm will file monthly with the
18 U.S. Trustee a copy of the Firm's monthly invoice (the "Fee Notice") with respect to fees for
19 professional services rendered to the Debtor, and for reimbursement of expenses incurred on
20 behalf of the Debtor, and will serve copies of the Fee Notice upon the Debtor, the U.S. Trustee,
21 the members of the Official Committee of Creditors Holding Unsecured Claims (the
22 "Committee") until such time as the Committee employs counsel, and thereafter on counsel, upon
23 counsel for the Debtor's secured creditors, and upon those parties who request special notice in
24 the Debtor's cases. If no objection to the Fee Notice is filed and served within ten (10) days after
25 the service of the Fee Notice, the Firm will withdraw from its trust account the amount of fees and
26 costs represented by that monthly invoice and will pay itself those sums without further notice,
27 hearing or order of the Court. If a written objection to the Firm's monthly invoice is filed by a
28 party-in-interest, the Firm will refrain from withdrawing the disputed funds from its trust account

1 until the objection has been resolved by the Court. If appropriate, approximately every four (4)
2 months, the Firm will file an application with the Court seeking allowance of its fees and costs
3 incurred to that date and paid pursuant to such monthly payment procedure.

4 17. By this Application, the Firm seeks monthly payment of its fees and costs in
5 amounts not to exceed the amounts allocated in the operating budget therefor.

6 18. The Firm intends to apply to this Court for compensation in conformity with the
7 requirements of Bankruptcy Code Sections 328, 330 and 331. The Firm understands that its
8 compensation in the Debtor's case will be subject to the approval of the Court. No funds paid to
9 the Firm pursuant to the proposed monthly payment procedure will be deemed to be allowed by
10 the Court. All funds paid to the Firm pursuant to the proposed monthly payment procedure will
11 be subject to allowance by the Court, upon appropriate application and noticed hearing.

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

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

23 21. Except as set forth in the Declaration, to the best of the Firm's knowledge, neither
24 the Firm, nor any of the attorneys comprising or employed by it, have any connection with the
25 Debtor, the Debtor's creditors, or any other party-in-interest in the Debtor's case, or their
26 respective attorneys or accountants. The Firm is a disinterested person within the meaning of
27 Section 101(14) of the Bankruptcy Code. Furthermore, the Firm does not have an interest adverse
28

1 to the Debtor or its estate in accordance with the provisions of Section 327 of the Bankruptcy
2 Code. The Firm is not a creditor of the Debtor's estate and is not owed any funds by the Debtor.

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

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

8 **WHEREFORE**, the Debtor prays that the Court enter its order as follows:

9 1. Authorizing the Debtor, based upon the foregoing and pursuant to Sections 327
10 and 328 of the Bankruptcy Code and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure,
11 to employ the Firm as its general insolvency counsel, effective as of the entry of the Order for
12 Relief on July 2, 2008, with the compensation of the Firm to be in accordance with the terms set
13 forth herein;


14 2. Authorizing the Firm to obtain monthly compensation of its fees and costs in the
15 Debtor's case in accordance with the terms set forth herein;

16 3. Authorizing the Firm's employment pursuant to the terms of the Retainer
17 Agreements; and


18 4. Granting to the Firm such other and further relief as the Court deems just and
19 appropriate.

20 DATED: July ____, 2008

CAMEO HOMES, INC.

21
22 
By: David Gianulias
Its: President

23
24 **PRESENTED BY:**
25 **WINTHROP COUCHOT**
26 **PROFESSIONAL CORPORATION**

27 By: /s/ Paul J. Couchot 
28 Paul J. Couchot
[Proposed] General Insolvency Counsel
for Cameo Homes, Inc.,
Debtor and Debtor-in-Possession

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I**

3 **THE BANKRUPTCY CODE AUTHORIZES THE DEBTOR**
4 **TO EMPLOY PROFESSIONALS**

5 Section 327 of the Bankruptcy Code, which governs employment of professional persons,
6 provides, in pertinent part, as follows:

7 . . . the trustee, with the court's approval, may employ one or more
8 attorneys, accountants, appraisers, auctioneers, or other
9 professional persons, that do not hold or represent an interest
10 adverse to the estate, and that are disinterested persons, to
represent or assist the trustee in carrying out the trustee's duties
under this title.

11 11 U.S.C. § 327(a).

12 Except for certain limitations not applicable here, a debtor has all of the rights and powers
13 of, and performs all of the functions and duties of, a trustee in a Chapter 11 case. 11 U.S.C.
14 § 1107(a).

15 Section 330 of the Bankruptcy Code provides standards for a bankruptcy court to award
16 compensation to a professional employed in a bankruptcy case. Section 330 provides, in pertinent
17 part, as follows:

18 (3) In determining the amount of reasonable compensation to be
19 awarded to an examiner, trustee under chapter 11, or professional
20 person, the court shall consider the nature, the extent, and the
value of such services, taking into account all relevant factors,
including -

21 (A) the time spent on such services;

22 (B) the rates charged for such services;

23 (C) whether the services were necessary to the administration
of, or beneficial at the time at which the service was rendered
toward the completion of, a case under this title;

24 (D) whether the services were performed within a reasonable
25 amount of time commensurate with the complexity, importance,
and nature of the problem, issue, or task addressed;

26 (E) with respect to a professional person, whether the person
27 is board certified or otherwise has demonstrated skill and
experience in the bankruptcy field; and
28

1 (F) whether the compensation is reasonable based on the
2 customary compensation charged by comparably skilled
3 practitioners in cases other than cases under this title.

4 Section 328(c) of the Bankruptcy Code provides that, in order for a professional employed
5 under Section 327 to be compensated in a debtor's case, such professional must be disinterested
6 and must not hold an interest adverse to the interests of the estate with respect to the matters on
7 which such professional is employed. 11 U.S.C. § 328(c).

8 Rule 2014 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules") mandates
9 that a professional seeking approval of its employment by the bankruptcy estate disclose "any
10 proposed arrangement for compensation" and "all of the person's connections with the debtor,
11 creditors, any other party in interest, their respective attorneys and accountants, [and] the United
12 States trustee."

13 The disclosure requirements of Section 328(a) of the Bankruptcy Code and Rule 2014 of
14 the Bankruptcy Rules are applicable to those professionals eligible for employment under
15 Section 327(a) of the Bankruptcy Code. Specifically, Section 327(a) requires that any
16 professional person employed by the trustee be free of interests that are adverse to the estate, and
17 be "disinterested." "Disinterested persons" are defined in Section 101(14) as follows:

18 "disinterested person" means [a] person that -
19 (A) is not a creditor, an equity security holder, or an insider . . .

20 * * *

21 (E) does not have an interest materially adverse to the interest of the
22 estate or of any class of creditors or equity security holders, by
23 reason of any direct or indirect relationship to, connection with, or
24 interest in, the debtor . . . or for any other reason . . .

25 11 U.S.C. § 101(14).

26 All facts pertinent to a court's determination of whether the professional is disinterested or
27 holds an interest adverse to the estate must be disclosed. The professional is required to make a
28 full, candid and complete disclosure in its application for employment. See, In re Lotus Properties
LP, 200 B.R. 388, 391 (Bankr. C.D. Cal. 1996) (citing In re Park Helena Corp., 63 F.3d 877, 880-
82 (9th Cir. 1995)); In re Gire, 107 B.R. 739, 746 (Bankr. E.D. Cal. 1989); Fed.R.Bankr.P. 2014.

1 In this case, the Firm has complied fully with the disclosure requirements set forth in the
2 Bankruptcy Code and Bankruptcy Rules. By the Declaration, the Firm provides full and complete
3 disclosure in order to demonstrate that it satisfies all requirements imposed by the Bankruptcy
4 Code and Bankruptcy Rules for employment in this case. Neither the Firm nor any attorneys who
5 are members of the Firm hold any interest materially adverse to the interests of the Debtor's estate.
6 Moreover, the Firm satisfies both the disclosure and the "disinterestedness" requirements for
7 employment in this case. Therefore, this Court may authorize the proposed employment of the
8 Firm as general insolvency counsel to the Debtor pursuant to Bankruptcy Code Section 327(a).

9 II.

10 **THE MONTHLY PAYMENT PROCEDURE PROPOSED BY THE FIRM IS**
11 **APPROPRIATE AND SHOULD BE APPROVED BY THIS COURT**

12 Professionals can be compensated in accordance with monthly payment procedures
13 without a bankruptcy court's prior allowance of the professional's fees and costs. In re Knudsen,
14 84 B.R. 668 (Bankr. 9th Cir. 1988); In re Lotus Properties LP, 200 B.R. at 396-98. In Knudsen,
15 the Ninth Circuit Bankruptcy Appellate Panel ("BAP") reasoned that, since Section 328(a) of the
16 Bankruptcy Code allows a bankruptcy court to authorize professionals to receive as compensation
17 a retainer, which contemplates payment of a lump sum at the beginning of a case or periodically
18 thereafter, "[i]t makes little sense that the court could allow payment of a lump sum or periodic
19 retainer before fees are earned, but not after." Id. at 671. The circumstances under which such
20 arrangements may be approved, as articulated by the BAP in Knudsen, are as follows: (1) the case
21 is unusually large; (2) an extended waiting period for payment would place an undue hardship on
22 counsel; (3) counsel can respond to any reassessment; and (4) the payment procedure itself is
23 subject to a noticed hearing. Id. at 672-73. The Firm believes that the proposed monthly payment
24 procedure in this case is appropriate under Sections 328(a), 330 and 331 of the Bankruptcy Code,
25 and is consistent with the BAP's decision in the Knudsen case.

26 The fact that the Debtor's case may not be as large as the Knudsen case should not
27 preclude the Firm from being able to obtain monthly payment of its fees and costs in the
28 Debtor's case. See, Lotus Properties, 200 B.R. 388 at 397-398 (the "message" behind Knudsen

1 and the intent of the U.S. Trustee Guidelines are satisfied by allowing counsel to obtain monthly
2 post-petition payments, notwithstanding the fact that the size of Chapter 11 case is smaller than
3 Knudsen). Similarly, in In re Jefferson Business Center Associates, the bankruptcy court stated
4 as follows:

5 “While it is often the case that post-petition retainers and the ability to
6 draw against such retainers are granted in large bankruptcy cases, and
7 usually to large law firms, this Court sees no reason to treat smaller law
8 firms any differently where the facts and circumstances of the case
9 warrant the payment of a post-petition retainer. A smaller law firm can
and often does face the same, or perhaps greater, burdens, costs,
inconvenience, and financial strain, as does a larger firm if it is unable to
receive a retainer. A small firm should not be treated any differently, as
long as it meets all of the criteria referenced above.”

10 Jefferson Business Center Associates, 135 B.R. at 680.

11 **A. Requiring The Firm To Wait An Extended Period Of Time For Payment Of**
12 **Its Fees In The Debtor’s Case May Cause Undue Hardship To The Firm.**

13 As set forth in the Declaration, prior to the Petition Date, the Firm received a \$250,000.00
14 retainer. Without a monthly payment procedure in this case, the Firm may suffer undue hardship.
15 As set forth in the Declaration, the Firm anticipates that the Firm will be required to devote
16 significant time to assisting the Debtor to reorganize its affairs. The Firm anticipates two of
17 attorneys and a paralegal to devote a significant amount of time representing the Debtor.

18 Due to the size of the Firm and the nature of the required commitment of the Firm’s
19 resources to the Debtor’s case, requiring the Firm to wait for periods of at least 120 days to obtain
20 payment of its fees pursuant to Section 331 of the Bankruptcy Code may place undue hardship on
21 the Firm. It would be burdensome for the Firm if it were effectively required to “finance” the
22 Debtor’s reorganization efforts in this case, at the Firm’s financial risk. A monthly payment
23 arrangement is necessary to ameliorate the financial hardships that otherwise would be imposed
24 upon the Firm in this case.

25 **B. The Firm Will Be Able To Respond To Any Reassessment Of Fees Ordered**
26 **By This Court.**

27 As set forth in the Declaration, the Firm will be able to respond to any order entered by
28 this Court reassessing fees paid to the Firm pursuant to the requested monthly payment

1 procedure. The Firm and the shareholders of the Firm have the ability to respond to any such
2 reassessment of fees paid to the Firm. The Firm is one of the preeminent bankruptcy law firms
3 in Southern California, and has operated continuously in Orange County since January 1995.
4 Paul J. Couchot of the Firm has approximately 21 years of experience in the local bankruptcy
5 community. The Firm has never been unable to respond to any court-ordered reassessments of
6 its fees. The Firm understands that its ultimate compensation in this case is subject to the
7 provisions of Sections 330 and 331 of the Bankruptcy Code, and is prepared to respond to any
8 such reassessment. In short, the Firm's longevity and financial stability attest to the fact that it
9 will be able to respond to any Court-ordered reassessment of fees in this case.

10 **C. The Fee Procedures Will Be The Subject Of Notice to Creditors.**

11 As is evidenced by the proof of service submitted concurrently with the Notice to
12 Creditors of this Application, notice of the monthly payment procedures requested by this
13 Application was provided to certain creditors and to all parties who request special notice. Such
14 parties have been provided with an opportunity to obtain a hearing on this Application if they
15 object to the relief requested hereby.

16 The monthly payment procedure provided for by this Application is very similar to the
17 monthly payment procedure approved by the BAP in the Knudsen case and meets the
18 requirements established by the BAP in the Knudsen case for authorizing monthly payment
19 procedures. First, the monthly payment procedure provided for by this Application allows for
20 ample scrutiny of the Firm's fees and costs by creditors and by this Court. The fees and costs
21 paid to the Firm on a monthly basis are not automatically deemed allowed by this Court.
22 Instead, the Firm is required to apply for allowance of its fees and costs in accordance with the
23 requirements of the Bankruptcy Code. The scrutiny of the Firm's fees by creditors and this
24 Court, therefore, remains undiminished by the monthly payment procedure proposed herein.
25 Second, in the event that any fees and costs paid on a monthly basis to the Firm are not
26 ultimately allowed by this Court, the Firm can and will repay to the Debtor the amount thereof.
27 See, the Declaration.

28

1 By virtue of the foregoing, the Debtor believes that the monthly payment procedure
2 provided for by this Application satisfies the requirements articulated by the Knudsen decision.

3 III.

4 **NOTICE OF THE APPLICATION IS APPROPRIATE, AND NO**
5 **FURTHER HEARING IN RESPECT OF THE APPLICATION IS**
6 **REQUIRED, UNLESS SUCH HEARING IS ORDERED BY THIS**
7 **COURT OR SPECIFICALLY REQUESTED BY A PARTY-IN-INTEREST**

8 Notice of the relief requested by this Application has been provided to certain creditors of
9 the estate, including those appointed to the Creditors' Committee, secured creditors or their
10 counsel, and all parties who have requested special notice in this case. Thus, creditors have been
11 provided with an opportunity to obtain a hearing on this Application, should they object to the
12 relief requested hereby. Consequently, the Firm has complied fully with the "notice and hearing"
13 requirements set forth in Rules 2014-1(2)(b) and 9013-1(g) of the Local Bankruptcy Rules for the
14 Central District of California ("Local Bankruptcy Rules").

15 Rule 2014-1(b)(1) of the Local Bankruptcy Rules provides that, where an application for
16 the employment of a professional is submitted in conformity with the provisions thereof, "no
17 hearing shall be required unless requested by the United States trustee, a party in interest, or
18 otherwise ordered by the court." Bankr. L.R. 2014-1(b)(1). Consequently, unless this Court
19 orders otherwise, or unless the U.S. Trustee or another party-in-interest specifically requests a
20 hearing in respect of this Application, this Court may approve this Application without a hearing.

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II.

CONCLUSION

Based upon the foregoing, the Debtor respectfully submits that good cause exists for this Court to authorize the Debtor to employ the Firm as its general insolvency counsel in this Chapter 11 case on the terms and conditions set forth herein.

DATED: July ____, 2008

WINTHROP COUCHOT
PROFESSIONAL CORPORATION

By: 

Paul J. Couchot
[Proposed] General Insolvency Counsel for
Cameo Homes, Inc.,
Debtor and Debtor-in-Possession

DECLARATION OF PAUL J. COUCHOT

I, Paul J. Couchot, declare and state as follows:

1. The matters stated herein are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto. I am a shareholder of Winthrop Couchot Professional Corporation (the "Firm"), and am authorized to and make this declaration on behalf of the Firm.

2. This Declaration is provided in support of the Application of Debtor and Debtor in Possession for Authority to Employ Winthrop Couchot Professional Corporation as General Insolvency Counsel ("Application"). I have reviewed the Application and, to the best of my knowledge, the factual representations contained therein are materially true and correct.

3. On June 6, 2008, three alleged creditors of the Debtor commenced an involuntary case against the Debtor under chapter 7 of the Bankruptcy Code.

4. 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.

5. On July 2, 2008, this Court entered an Order for Relief and converted the Debtor's case to one under chapter 11.

6. No request has been made for the appointment of a trustee or examiner in this case.

7. 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").

8. 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

1 development projects are not generating income. Three (3) multifamily projects and one (1)
2 commercial/retain project remain under construction or are in the lease-us status, and are not
3 generating sufficient income to cover costs and debt service. Ten (10) multifamily projects and
4 six (6) commercial/retail projects have reached stabilization and are generating income.

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

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

13 11. The Firm will render services to the Debtor at the Firm's regular hourly rates,
14 which may be subject to adjustment in the future. A list of such rates is set forth in the
15 Declaration.

16 12. The Debtor requires the services of the Firm to render to the Debtor the following
17 types of professional services:

18 (a) To advise and assist the Debtor with respect to compliance with the
19 requirements of the Office of the United States Trustee ("U.S. Trustee");

20 (b) To advise the Debtor regarding matters of bankruptcy law, including the
21 rights and remedies of the Debtor in regard to its assets and to the claims of its creditors;

22 (c) To represent the Debtor in any proceedings or hearings in this Court and in
23 any proceedings in any other court where the Debtor's rights under the Bankruptcy Code
24 may be litigated or affected;

25 (d) To conduct examinations of witnesses, claimants, or adverse parties and to
26 prepare, and to assist the Debtor in the preparation of, reports, accounts, and pleadings
27 related to the Debtor's case;

28

1 (e) To advise the Debtor concerning the requirements of the Bankruptcy Court,
2 the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules;

3 (f) To file any motions, applications or other pleadings appropriate to effectuate
4 the reorganization of the Debtor;

5 (g) To review claims filed in the Debtor's case, and, if appropriate, to prepare
6 and file objections to disputed claims;

7 (h) To represent the Debtor in litigation affecting the Debtor, as may be
8 requested by the Debtor;

9 (i) To assist the Debtor in the negotiation, formulation, confirmation, and
10 implementation of a Chapter 11 plan of reorganization; and

11 (j) To take such other action and perform such other services as the Debtor may
12 require of the Firm in connection with its Chapter 11 case.

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

17 14. Except as specifically stated herein, to the best of the Firm's knowledge, neither
18 the Firm, nor any of the attorneys comprising or employed by it, has any connection with the
19 Debtor, its accountants, nor do they have, in this case, any connection with the Debtor's
20 creditors, or any other party-in-interest, or its respective attorneys or accountants. Furthermore,
21 the Firm does not have an interest adverse to the Debtor or its estate (11 U.S.C. § 327). As of
22 the Petition Date, the Firm was not a creditor of the Debtor and was not owed any funds by the
23 Debtor.

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

28 (b) The Firm has acted as special counsel to Placentia 422, L.P., a California

1 limited partnership (the "Placentia Partnership"), and its general partner, Placentia 422,
2 LLC, a Delaware limited liability company ("LLC"). LLC is the sole general partner of the
3 Placentia Partnership, and owns one percent (1%) of the beneficial interest in the
4 Partnership. The Placentia Partnership has four limited partners: James C. Gianulias, as
5 "Trustee" of The James Chris Gianulias 1998 Trust (the "1998 Trust"), Gus C. Gianulias,
6 as Trustee of the Gus C. and Julie M. Gianulias Family Revocable Trust established
7 January 20, 1983 (the "1983 Trust"), Victor Mahony ("Mahony") and David J. Gianulias
8 ("David Gianulias"). The 1998 Trust owns sixty-nine percent (69%) of the beneficial
9 interests in the Placentia Partnership. The 1983 Trust owns five percent (5%) of the
10 beneficial interests in the Placentia Partnership. David Gianulias owns seven percent (7%)
11 of the beneficial interests in the Placentia Partnership. Mahony owns eighteen percent
12 (18%) of the beneficial interests in the Partnership.

13 (c) The Firm has acted as special counsel to Apartments at La Quinta Village,
14 L.P., a California limited partnership (the "La Quinta Placentia Partnership") and its
15 general partner, Apartments at La Quinta Village, LLC, a Delaware previously limited
16 liability company ("LLC"). LLC is the sole general partner of the Partnership, and owns
17 one percent (1%) of the beneficial interest in the La Quinta Partnership.
18 The La Quinta Partnership has five limited partners: James C. Gianulias, as "Trustee" of
19 The James Chris Gianulias 1998 Trust (the "1998 Trust"), Gus C. Gianulias, as Trustee of
20 the Gus C. and Julie M. Gianulias Family Revocable Trust established January 20, 1983
21 (the "1983 Trust"), E. James Murar ("Murar"), Harold Lynch Jr. Enterprises, LLC ("Harold
22 Lynch"), and JAMS Management Company ("JAMS"). The 1998 Trust owns fifty-five
23 and one quarter percent (55.5%) of the beneficial interests in the La Quinta Partnership.
24 The 1983 Trust owns three and three quarter of a percent (3.75%) of the beneficial interests
25 in the La Quinta Partnership. Murar owns twelve and one half percent (12.5%) of the
26 beneficial interests in the La Quinta Partnership. Harold Lynch owns twelve and one half
27 percent (12.5%) of the beneficial interests in the Partnership. JAMS owns fifteen percent
28 (15%) of the beneficial interests in the La Quinta Partnership. Murar, Harold Lynch and

1 JAMS are not "Affiliates" of, or related to, the LLC, the 1998 Trust, the 1983 Trust, any
2 beneficiary of these trusts, James Gianulias, or Gus Gianulias.

3 (d) The Firm has previously acted as special counsel to Murrieta 492
4 Apartments, LLC, a Delaware limited company and its sole member, Murrieta 492 L.P., a
5 California limited partnership, "Murrieta 492 Partnership"). The Murrieta 492 Partnership
6 has three limited partners: James C. Gianulias, as "Trustee" of The James Chris Gianulias
7 Trust dated October 14, 2003 (the "Trust"), Victor Mahony and David J. Gianulias. The
8 Trust owns seventy-four percent (74%) of the partnership interests in the Partnership,
9 Victor Mahony owns eighteen percent (18%) and David J. Gianulias owns seven percent
10 (7%). Murrieta 492 Apartment Village, a California limited liability company (the "LLC"),
11 is the general partner of the Murrieta 492 Partnership. It owns a one percent (1%) interest
12 in the Murrieta 492 Partnership. The Debtor is the sole member of LLC.

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

17 15. The Firm will render services to the Debtor at the Firm's regular hourly rates,
18 which may be subject to adjustment from time to time, and the Firm understands that any
19 compensation in this case, from funds which are property of the Debtor's estate, is subject to
20 approval of this Court. The Firm intends to apply to this Court, in conformity with 11 U.S.C.
21 §§ 330 and 331, for compensation and reimbursement for fees incurred and costs advanced in
22 the Debtor's case.

23 16. The Firm has received a retainer in the amount of \$250,000.00 ("Retainer") prior to
24 the filing of the case. The source of the retainer was Silver Oaks Beaumont 72, LLC ("Silver
25 Oaks"). Silver Oaks is an entity which had been loaned money by Mr. Gianulias. As Cameo had
26 insufficient funds with which to pay a retainer, Mr. Gianulias directed that \$250,000 of the funds
27 which Silver Oaks was going to repay to Mr. Gianulias, on account of his loan, be paid to the Firm
28 as Cameo's retainer. All other sums owing to Mr. Gianulias by Silver Oaks were repaid to him.

1 Thus, the ultimate source of the Firm's retainer was Mr. Gianulias, and both the books and records
2 of Cameo and Mr. Gianulias reflect this.

3 17. The Retainer is intended to cover a portion of the Firm's post-petition fees and
4 costs. Thirty thousand dollars was placed in the Firm's general account to cover fees and
5 expenses incurred through July 1, 2008. The balance of \$220,000.00 was placed in the Firm's trust
6 account. After an accounting for the pre-petition fees and expenses is complete, the balance of the
7 \$220,000.00 will be placed in the trust account, and will be disbursed only pursuant to the
8 provisions of this Application and the Court's order with respect to this Application. Pursuant to
9 its fee agreements, the Firm claims a security interest in any unused portion of the retainer.

10 18. The Firm's Retainer Agreement requests payment of the Firm's fees and costs on a
11 monthly basis. The Firm intends to comply with the provisions of the U.S. Trustee Fee Guide,
12 and file monthly with the U.S. Trustee a copy of the Firm's monthly invoice (the "Fee Notice")
13 with respect to fees for professional services rendered to the Debtor, and for reimbursement of
14 expenses incurred on behalf of the Debtor, and will serve copies of the Fee Notice upon the
15 Debtor, upon the creditors holding the twenty largest general unsecured claims in the Debtor's
16 case, and upon those parties who request special notice in the Debtor's case. If no objection to the
17 Fee Notice is filed and served within ten (10) days after the service of the Fee Notice, the Debtor
18 will pay to the Firm the amount of the fees and costs represented by that monthly invoice without
19 further notice, hearing or order of the Court. If a written objection to the Firm's Fee Notice is
20 filed by a party-in-interest, the objecting party and the Firm will attempt to resolve such objection
21 consensually. If such objection cannot be resolved consensually, no payment of the disputed
22 amount of the Fee Notice will be paid to the Firm until the objection has been resolved by the
23 Court. Any failure to serve timely an objection to a Fee Notice will be deemed to be a waiver of
24 any objection to the payment of the fees and costs requested by such Fee Notice, but will not be
25 deemed to be a waiver of any objection to the allowance by the Court of such fees and costs.

26 19. If appropriate, approximately every four (4) months, the Firm will file an
27 application with the Court seeking allowance of its fees and costs incurred to that date and paid
28 pursuant to such monthly payment procedure.

1 20. No portion of the funds on deposit in the Firm's trust account will be deemed to
2 have been allowed by the Court unless and until such time as the Court enters an order expressly
3 allowing such fees and costs in accordance with the requirements of 11 U.S.C. §§ 330 and 331.
4 The Firm understands that any compensation to be received hereafter by the Firm from funds that
5 are property of the Debtor's estate, is subject to approval by this Court, upon appropriate
6 application and hearing in conformity with 11 U.S.C. §§ 330 and 331.

7 21. At the conclusion of this case, the Firm will file an appropriate application seeking
8 final allowance of the Firm's fees and costs, regardless of whether interim compensation has been
9 paid to the Firm. Upon allowance of such fees and costs, the Debtor will pay to the Firm the
10 difference between the amounts allowed to the Firm and any interim compensation paid to the
11 Firm.

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

19 23. The Firm has not shared or agreed to share any compensation to be received by it in
20 this case with any other person, except as among members of the Firm.

21 24. To the best of the Firm's knowledge, and as set forth herein, none of the attorneys
22 comprising or employed by the Firm is related to any judge of the United States Bankruptcy Court
23 for the Central District of California, the United States Trustee, or any person employed in the
24 Office of the United States Trustee.

25 ///

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25. Immediately below is a list of the professionals employed by the Firm and their current hourly rates:

<u>Attorneys</u>	<u>Hourly Rates</u>
Marc J. Winthrop	\$ 625.00
Robert E. Opera	595.00
Sean A. O'Keefe, Of Counsel	575.00
Paul J. Couchot	575.00
Richard H. Golubow	425.00
Peter W. Lianides	425.00
Garrick A. Hollander	425.00
Charles Liu	395.00
Kavita Gupta, Of Counsel	325.00
<u>Legal Assistants</u>	
P.J. Marksbury	195.00
Legal Assistant Associates	95.00

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 29 day of July 2008 at Newport Beach, California.


/s/ Paul J. Couchot
PAUL J. COUCHOT

EXHIBIT “1”



Paul J. Couchot
Richard H. Golubow
Kavita Gupta*
Garrick A. Hollander
Peter Lianides
Sean A. O'Keefe*
Robert E. Opera
Marc J. Winthrop

*Of Counsel

660 NEWPORT CENTER DRIVE, FOURTH FLOOR • NEWPORT BEACH • CALIFORNIA • 92660 • TEL: (949) 720-4100 • FAX: (949) 720-4111

June 2, 2008

VIA EMAIL – jim@gcompanies.com
rlegault@gcompanies.com

Cameo Homes, Inc.
Attn: James Gianulias, President
1105 Quail Street
Newport Beach, CA 92660

RE: Chapter 11 Representation

Dear Mr. Gianulias:

This will confirm the financial terms pursuant to which Winthrop Couchot Professional Corporation (the "Firm") has agreed to represent Cameo Homes (the "Debtor" or "Cameo") as its general insolvency legal counsel including, but not limited to, representation during a potential involuntary and/or voluntary bankruptcy case.

The Firm's retention as general insolvency counsel to the Debtor does not include the following: appearances before any court or agency, other than the Bankruptcy Court and the Office of the United States Trustee; litigation in the Bankruptcy Court with respect to matters which are, primarily disputes involving issues of nonbankruptcy law; or the providing of advice outside the insolvency area, such as in the areas of corporate, partnership, consumer protection, tax, securities, tort, insurance, environmental, labor, regulatory, health care, intellectual property, criminal, administrative, suretyship or real estate law. The limited scope of our employment does not include giving attention to, forming professional opinions as to, or advising the Debtor with respect to, its obligations, if any, under federal or state securities laws or other nonbankruptcy laws or agreements.

We have advised you that Cameo is an entity that is legally distinct from any of the officers, directors, shareholders, or employees of the Debtor. As counsel for the Debtor, the Firm cannot represent cannot any of the other officers, directors,

shareholders or employees of Cameo. However, the Firm believes it can and will continue to represent certain entities of which Cameo has an ownership interest therein such as M.S.LLC and Murieta 180 Apartments, LP.

The Debtor agrees to make its officers, directors, principals, and other insiders available to the Firm to assist in factual inquiries and factual determinations, court determinations, transactions and dealings in relation to the subject matters with regard to which the Debtor have retained the Firm. The Firm reserves the right to terminate its representation of the Debtor if the Debtor does not adequately cooperate with the Firm in the accomplishment of the objectives with regard to which the Debtor has retained the Firm.

The Firm's charges for legal fees are based upon the hourly rate of the particular attorney, paralegal or case assistant involved, with the range of hourly rates in the Firm being between \$95 and \$595 per hour. A schedule of the Firm's 2008 rates is attached hereto. The Firm's billing rates are reviewed by the members of the Firm on a semi-annual basis and are subject to adjustment. Detailed billing statements are prepared by computer from the case assistant's, paralegal's or attorney's daily time sheets. In addition to professional fees, the Firm's billing statement will include itemized entries for costs and expenses incurred on the Debtor's behalf, such as facsimile charges, telephone charges, copying charges, deposition fees, computerized legal research fees, messenger service fees, travel expenses and filing fees.

The Debtor will receive a copy of the Firm's invoice with respect to the Debtor's case on a monthly basis. The Firm urges the Debtor to review the invoices carefully and to raise with the Firm any questions that the Debtor may have with regard to any aspect of the invoice. It is the Firm's desire not only to represent the Debtor in a professional manner concerning the legal aspects of the Debtor's case, but also to have the financial aspects of the case handled in a manner which is satisfactory to both the Debtor and the Firm. If no written objection is received by the Firm with respect to the amount of the Firm's monthly invoice within ten (10) days of the sending of the invoice to you and any other requisite parties-in-interest, the Firm will withdraw from its trust account the amount of fees and costs represented by that monthly invoice and will pay to itself those sums.

The Firm requests from the Debtor a retainer payment in the amount of \$250,000 ("Retainer") to pay for the Firm's fees and costs with the Firm's representation of the Debtor. The Retainer will be held in trust by the Firm and will be disbursed by the Firm. The Firm will have a security interest in any portion of the Retainer which is not earned at any given time and it is our mutual agreement that the Retainer will be used solely for the purpose of paying the fees and costs owed to the Firm in connection with its representation of the Debtor.

When the Retainer has been exhausted, the Debtor will fund, on a monthly basis, the amount of the Firm's accruing fees and costs in accordance with the terms

set forth herein. In this regard, the Firm will require that the Debtor place in the Firm's trust account, on a monthly basis, the amount of the Firm's monthly fees and costs. The Firm will file each month, in accordance with the U.S. Trustee Guidelines, the Firm's Professional Fee Statements in order to draw down on such replenished Retainer. The Debtor agrees that the Firm's projected fees will be reflected in the Debtor's operating budgets which will be submitted in compliance with the U.S. Trustee's Notices and Guides.

The Firm charges ten percent (10%) per annum interest on unpaid fees and costs. Interest begins accruing on the first (1st) day of the month following non-payment of a monthly invoice. If, at any time, the interest rate provided for herein should exceed the highest rate permissible under any law applicable hereto ("Maximum Legal Rate"), the rate of interest payable hereunder will be equal to the Maximum Legal Rate.

The Firm maintains a policy that it does not provide opinion letters to its clients or to others who may desire to rely on such letters.

While confidential communications between the Debtor and its counsel are privileged, the filing of a bankruptcy case may have an impact upon the attorney-client privilege. Specifically, if a trustee is appointed in the Debtor's bankruptcy case, the trustee may be able to obtain from the Firm information communicated between the Debtor and the Firm.

After the conclusion of this matter, the Firm will retain the files and records pertaining thereto for a period of three (3) months, after which time the Firm may have such files and records destroyed. If the Debtor desire to have their files and records maintained beyond three (3) months after the Debtor's matter is concluded, separate arrangements with the Firm must be made.

The Firm may refer the Debtor to professionals, service providers, product vendors or others who may provide to the Debtor goods or render services to the Debtor in connection with the matters in relation to which the Debtor have retained the Firm ("Third Party Providers"). The Debtor may select Third Party Providers other than those referred or recommended to the Debtor by the Firm. We do not guarantee the performance of the Third Party Providers and it is understood that the Debtor agree to hold the Firm harmless from any misfeasance, malfeasance, nonfeasance and the like of Third Party Providers recommended to the Debtor by the Firm.

The Debtor may discharge the Firm at any time. The Firm may withdraw at any time with the Debtor's consent or for good cause without the Debtor's consent. Good cause includes the breach of this agreement (including the failure to pay any statement when due), the failure or refusal to cooperate with us, or any fact or circumstance that would render our continuing representation of the Debtor unlawful or unethical.

The Firm maintains errors and omissions insurance coverage applicable to the services to be rendered hereunder. That coverage complies with the requirements

imposed by California Business and Professions Code Sections 6147(a)(6) and 6148(a)(4).

Please acknowledge that, on the Debtor's behalf, you have read and agree with the terms and conditions set forth herein by executing the enclosed copy of this letter, and by returning the same to the Firm. We look forward to the opportunity to represent the Debtor in connection with these matters and will do everything in our power to assist the Debtor in achieving a successful result in its case.

Yours very truly,

**WINTHROP COUCHOT
PROFESSIONAL CORPORATION**

/s/ Paul J. Couchot

PAUL J. COUCHOT

PJC:PJ

ACCEPTANCE

On behalf of Cameo Homes, Inc., I hereby acknowledge receipt of this legal services retainer letter and acknowledge that I have carefully read it and understand it fully.

Based upon this understanding, Cameo Homes, Inc. desires to retain Winthrop Couchot Professional Corporation to perform the requested legal services and also expressly agrees to comply with and be fully bound by each and every term and condition set forth in this letter.

DATED: June ____, 2008

CAMEO HOMES, INC.

By: 

James C. Gianulias

Its: President

WINTHROP COUCHOT
Professional Corporation
Hourly Billing Rates

ATTORNEYS, LEGAL ASSISTANTS AND LAW CLERKS
EFFECTIVE: May, 2008

Attorneys

Hourly Rates

Marc J. Winthrop	\$ 595.00
Robert E. Opera	575.00
Sean A. OKeefe, Of Counsel	550.00
Paul J. Couchot	550.00
Richard H. Golubow	395.00
Peter W. Lianides	395.00
Garrick A. Hollander	395.00
Kavita Gupta, Of Counsel	325.00

Legal Assistants

P.J. Marksbury	195.00
Legal Assistant Associates	95.00

NOTICE: The Firm is entitled to charge 10% per annum interest on unpaid monthly invoice balances or on fees and costs awarded and ordered paid by the Court, but which remain unpaid. In fee application cases, interest begins accruing on the first day of the month following the date upon which a fee order becomes effective if payment is not received by then, either from retainer funds or from other funds of the debtor.

CERTIFICATE OF SERVICE

I, Mayra J. 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, California 92660, in said County and State.

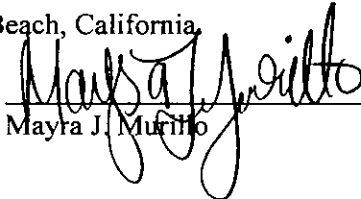
On July 29, 2008 I served the following document: **DEBTOR'S APPLICATION FOR AUTHORITY TO EMPLOY WINTHROP COUCHOT PROFESSIONAL CORPORATION AS GENERAL INSOLVENCY COUNSEL; MEMORANDUM OF POINTS AND AUTHORITIES; AND DECLARATION IN SUPPORT THEREOF** on each of the interested parties as follows:

SEE ATTACHED SERVICE LIST

by the following means of service:

<input checked="" type="checkbox"/>	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. It is deposited with the U.S. Postal Service on that same day in the ordinary course of business. 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.
<input checked="" type="checkbox"/>	I am employed in the office of Winthrop Couchot Professional Corporation; Paul J. Couchot is a member of the bar of this court.
<input checked="" type="checkbox"/>	(FEDERAL) I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 29, 2008 at Newport Beach, California


Mayra J. Murillo

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SERVICE LIST

Debtor Cameo Homes, Inc. Mr. James C. Gianulias 1105 Quail St Newport Beach, CA 92660	Office of the U.S. Trustee Michael Hauser, Esq. 411 W. Fourth St., #9041 Santa Ana, CA 92701-4593
Committee Counsel Elissa D. Miller, Esq. SulmeyerKupetz 333 South Hope Street, 35th Floor Los Angeles, CA 90071	
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

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COMMENTS OF THE OFFICE OF THE UNITED STATES TRUSTEE

	THE UNITED STATES TRUSTEE TAKES NO POSITION.
	THE UNITED STATES TRUSTEE HAS NO OBJECTION.
	THE UNITED STATES TRUSTEE OBJECTS AND REQUESTS A HEARING.
	AN OBJECTION IS RAISED AS SET FORTH BELOW.

COMMENTS:

DATED: _____ OFFICE OF THE UNITED STATES TRUSTEE

By: _____

Name: _____

CASE NAME:	Cameo Homes, Inc.
CASE NO.	8:08-13151 RK
NAME OF DOCUMENT	Application of Debtor for Authority to Employ Winthrop Couchot Professional Corporation as General Insolvency Counsel; Declaration of Proposed Counsel in Support Thereof

EXHIBIT “2”

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

COPY

ELECTRONICALLY FILED
Date 7/29/8
Docket No. 57

{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/retail 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.

#122981 v2 - CameoNotCredAppEmpWC

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 "I" 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.

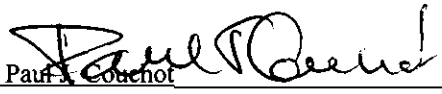
17. As set forth in the Declaration, none of the attorneys comprising or employed by the Firm is related to any judge of the United States Bankruptcy Court for the Central District of California, the U.S. Trustee, or to any person employed by the U.S. Trustee.

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: 

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:

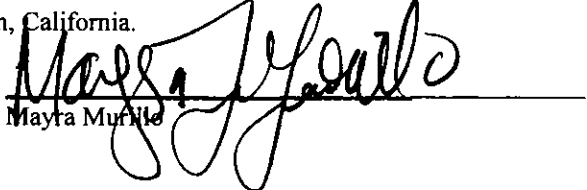
I am employed in the County of Orange, State of California; I am over the age of eighteen years and am not a party to this action; my business address is 660 Newport Center Drive, Fourth Floor, Newport Beach, California 92660, in said County and State. On July 29, 2008, I served the following document: **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

RSN 7/29/08

PNC Bank, NA
McKenna Long & Aldridge LLP
Jean-Paul Menard, Esq.
444 S. Flower St., 8th Fl.
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PNC Bank, NA
Polsinelli Shalton Flanigan Suelthaus PC
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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
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Petitioning Creditor
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James Herbst
27675 Chapala
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Famille Holdings LP
c/o Jess R Bressi , Esq.
Cox, Castle & Nicholson
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1620 16th Street, 6th Fl.
Santa Monica, CA 90404-4013

Housing Capital Company
c/o Loeb & Loeb
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Derrick Talerico, Esq.
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Committee Member
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Alan J. Friedman, Esq.
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Pacific Western Bank 6/23/08 RSN
c/o Parker Milliken, etc.
Larry G. Ivanjack, Esq.
David K. Eldan, Esq.
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Los Angeles, CA 90071-2440

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

California National Bank 6/26/08 SubOf
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Joshua D. Wayser, Esq.
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RSN 7/15/08 e-mail
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Costa Mesa, CA 92627

7/15/08 RSN
Lucas Companies
Goe & Forsythe LLP
Robert P. Goe, Esq.
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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
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Costa Mesa, CA 92626

Committee Member
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Attn: Lou Ann Frederick
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Irvine, CA 92602

Committee Member
David Evans & Associates, Inc,
Attn: Erin F. Austin
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Bend, OR 97702

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

RSN 7/29/08

RSN 7/29/08

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Polsinelli Shalton Flanigan Suelthaus PC
Daniel J. Flanigan, Esq.
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Kansas City, MO 64112

Secured Creditors

Bank Midwest
David Lasae
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Kansas City, MO 64105

Bank Of The West
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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
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Secured Creditors

Wachovia Bank
Garrett Mitton
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Irvine, CA 92618

Weyerhaeuser Realty
Mark Ellett
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Irvine, CA 92618

Pacific Western
Jim Trevino
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Newport Beach, CA 92660

Secured Creditors

Interwest
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

File a Notice:8:08-bk-13151-RK Cameo Homes **CASE CONVERTED on 07/02/2008**

Type: bk

Chapter: 11 i

Office: 8 (Santa Ana)

Judge: RK

Assets: y

Case Flag: JNTADMN,
MEMBER, CONVERTED**U.S. Bankruptcy Court****Central District Of California****Notice of Electronic Filing**

The following transaction was received from Couchot, Paul J entered on 7/29/2008 at 3:51 PM PDT and filed on 7/29/2008

Case Name: Cameo Homes**Case Number:** 8:08-bk-13151-RK**Document Number:** 57**Docket Text:**

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 Filed by Debtor Cameo Homes. (Couchot, Paul)

The following document(s) are associated with this transaction:

Document description:Main Document**Original filename:**C:\Documents and Settings\mmurillo\Desktop\Cameo NotCredAppWC.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=1106918562 [Date=7/29/2008] [FileNumber=21041386-0] [336fb9db23613e5dfa4eb1b1d0eb5276d3eccd644a4bd315094d5448c9421b544d54ef2ceb02f21bc872624c41c0a3581f24a9799b4084f4c3ef00d0c0c2ae4d]]

8:08-bk-13151-RK Notice will be electronically mailed to:

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Lei Lei Wang Ekvall lekvall@wglp.com

David K Eldan malvarado@pmcos.com

Robert P Goe kmurphy@goeforlaw.com

Marsha A Houston mhouston@reedsmith.com

<https://ecf.cacb.uscourts.gov/cgi-bin/Dispatch.pl?946816828610262>

7/29/2008

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Steven G Polard spolard@perkinscoie.com

Derrick Talerico dtalerico@loeb.com, kpresson@loeb.com;ljurich@loeb.com

United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

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Joshua D Wayser joshua.wayser@kattenlaw.com

8:08-bk-13151-RK Notice will not be electronically mailed to:

PNC Bank, National Association
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Daniel J Flanigan
700 W 47th St Ste 1000
Kansas City, MO 64112

Lori Scott
1301 Fifth Ave Ste 3100
Seattle, WA 98101

File a Notice:8:08-bk-13151-RK Cameo Homes **CASE CONVERTED on 07/02/2008**

Type: bk

Chapter: 11 i

Office: 8 (Santa Ana)

Judge: RK

Assets: y

Case Flag: JNTADMN,
MEMBER, CONVERTED**U.S. Bankruptcy Court****Central District Of California**

Notice of Electronic Filing

The following transaction was received from Couchot, Paul J entered on 7/29/2008 at 3:47 PM PDT and filed on 7/29/2008

Case Name: Cameo Homes**Case Number:** 8:08-bk-13151-RK**Document Number:** 56**Docket Text:**

Notice /Application of Debtor and Debtor-in-Possession for Authority to Employ Winthrop Couchot Professional Corporation as General Insolvency Counsel; Memorandum of Points and Authorities and Declaration of Proposed Counsel in Support Thereof Filed by Debtor Cameo Homes. (Couchot, Paul)

The following document(s) are associated with this transaction:

Document description:Main Document**Original filename:**C:\Documents and Settings\mmurillo\Desktop\CameoAppEmpWC.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=1106918562 [Date=7/29/2008] [FileNumber=21041264-0] [3204f97b2bd37255386c3e350baf4758bd4786fc4c1505d7806af6eb7297916e33de599703faee439ec5dfcee3a8e49a21f96eb5da552b9332f11d2402c3fd6f]]

8:08-bk-13151-RK Notice will be electronically mailed to:

Jess R Bressi jbressi@coxcastle.com

Frank Cadigan frank.cadigan@usdoj.gov

Paul J Couchot pcouchot@winthropcouchot.com, pj@winthropcouchot.com

Lei Lei Wang Ekvall lekvall@wglp.com

David K Eldan malvarado@pmcos.com

Robert P Goe kmurphy@goeforlaw.com

Marsha A Houston mhouston@reedsmith.com

<https://ecf.cacb.uscourts.gov/cgi-bin/Dispatch.pl?445316287313293>

7/29/2008

Penelope Parmes pparmes@rutan.com

Steven G Polard spolard@perkinscoie.com

Derrick Talerico dtalerico@loeb.com, kpresson@loeb.com;ljurich@loeb.com

United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

Matthew S Walker matthew.walker@pillsburylaw.com,
sue.hodges@pillsburylaw.com;pamela.breeden@pillsburylaw.com

Joshua D Wayser joshua.wayser@kattenlaw.com

8:08-bk-13151-RK Notice will not be electronically mailed to:

PNC Bank, National Association
Polsinelli Shalton Flanigan Suelthaus PC
Daniel J Flanigan
700 W 47th St Ste 1000
Kansas City, MO 64112

Lori Scott
1301 Fifth Ave Ste 3100
Seattle, WA 98101

CERTIFICATE OF SERVICE

I, Mayra J. 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, 4th Floor, Newport Beach, California 92660, in said County and State. On August 20, 2008 I served the following document:
DECLARATION OF PAUL J. COUCHOT RE NON-RECEIPT OF OPPOSITION TO DEBTOR CAMEO HOMES' APPLICATION TO EMPLOY WINTHROP COUCHOT PROFESSIONAL CORPORATION AS ITS GENERAL INSOLVENCY COUNSEL on each of the interested parties :

Michael.Hauser@usdoj.gov
U.S. Trustee's Office
Michael J. Hauser, Esq.
411 West Fourth St., #9041
Santa Ana, CA 92701

by the following means of service:

- ☒ **BY ELECTRONIC MAIL:** On the date set forth above, from Newport Beach, California, I caused each such document to be transmitted electronically to the parties at the e-mail address indicated. To the best of my knowledge, the transmission was reported as complete, and no error was reported that the electronic transmission was not completed. A return receipt was requested at the time of the transmission of each such document and I did not receive a notice of failure of receipt of each such document.
- ☒ 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 August 20, 2008 at Newport Beach, California


Mayra J. Murillo