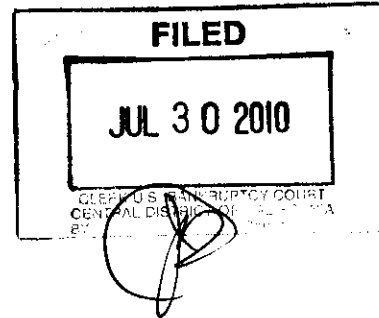


DEPARTMENT OF TAXATION,
STATE OF HAWAII
P. O. Box 259
Honolulu, HI 96809
Attn: Bankruptcy Unit
Telephone: (808) 587-1672



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

SANTA ANA DIVISION

In re

JAMES C. GIANULIAS AND
CAMEO HOMES, a California
corporation,

Debtors and Debtors-
in-Possession.

CASE NO. 8:08-bk-13150-RK
(Chapter 11)
(Substantively Consolidated
With: Case No. 8:08-bk-
13151-RK)

Hearing:

Date: August 10, 2010
Time: 2:30 p.m.
Judge: Honorable Robert
Kwan

385434

DECLARATION OF DEBRA SAKAI REGARDING
DEPARTMENT OF TAXATION, STATE OF HAWAII'S
RESPONSE TO DEBTORS' THIRD OMNIBUS MOTION FOR
ORDER DISALLOWING CERTAIN CLAIMS ASSERTED AGAINST
THE DEBTORS BASED ON THE DEBTORS' BOOKS AND RECORDS:
(5) DEPARTMENT OF TAXATION, STATE OF HAWAII (CLAIM
NO. 13-1); (6) STATE OF HAWAII, DEPARTMENT OF
TAXATION (CLAIM NO. 14-1); EXHIBITS "A" - "B"

DEBRA SAKAI, pursuant to 28 U.S.C. 1746

declares:

1. I am a Delinquent Tax Collection Assistant II, Collection Division, for the First Taxation District (Oahu), Department of Taxation, State of Hawaii (also known as "Hawaii State Tax Collector"). As such, I am authorized and empowered to compute and collect all general excise, income, and other tax liabilities due the State of Hawaii, to file tax liens upon property and rights to property belonging to any person liable to pay tax, to monitor payment of JAMES C. GIANULIAS's (the "Debtor") outstanding tax liabilities, to file proofs of claim for outstanding tax liabilities of the Debtor, and to enforce such claims, liens, and other rights of the State of Hawaii in respect thereof.

2. As part of my duties, I have been assigned to monitor the above-captioned bankruptcy case to determine whether the Debtor's obligations regarding tax liabilities are being satisfied.

3. I have reviewed the records of the Department of Taxation, State of Hawaii (hereinafter

"Hawaii"), relating to and am competent to testify as to the matters stated herein upon my personal knowledge.

4. Hawaii is informed and believes that a case concerning the Debtor was originally filed under Chapter 7 on June 6, 2008 and was converted to a case under Chapter 11 on July 2, 2008.

5. Response to Objection to Claim No. 13-1.
The Debtor filed an objection to Claim No. 13-1, for which Hawaii filed an administrative request for payment. The \$181.00 difference between the Debtor's calculation of what he owes, \$2,512.80, and the amount in the request for administrative payment, \$2,693.81, is the total amount of the accrued penalty, accrued interest, and stop payments for nsf checks charged on the unpaid taxes. A true and accurate copy of the request for administrative payment is attached hereto as Exhibit "A."

6. The Debtor has not provided any documentation to support adjustment of Hawaii's claims.

"A claim filed pursuant to § 501 enjoys prima facie validity." In the Matter of Missionary Baptist Found. of Amer., 712 F.2d 206, 212 (5th Cir. 1983); Fed. Bankr. R. 3001(f)(1). Unless the Debtor can provide proof that the amount in Hawaii's proof of claim is erroneous, Hawaii's claim is valid and should be allowed.

7. Response to Objection to Claim No. 14-1.

The Debtor filed an objection to Claim No. 14-1, for which Hawaii filed a proof of claim. The \$150.00 difference between the Debtor's calculation of what he owes, \$11,581.58, and the amount in the proof of claim, \$13,390.22, is the total amount of the fees for stop payments on nsf checks submitted with the Debtor's returns. A true and accurate copy of the proof of claim is attached hereto as Exhibit "B."

8. The Debtor has not provided any documentation to support adjustment of Hawaii's claims. "A claim filed pursuant to § 501 enjoys prima facie validity." In the Matter of Missionary Baptist Found.

of Amer., 712 F.2d 206, 212 (5th Cir. 1983); Fed. Bankr.
R. 3001(f)(1). Unless the Debtor can provide proof
that the amount in Hawaii's proof of claim is
erroneous, Hawaii's claim is valid and should be
allowed.

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

DATED: Honolulu, Hawaii, JUL 29 2010.



DEBRA SAKAI

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re

JAMES C. GIANULIAS AND
CAMEO HOMES, a California
corporation,

Debtors and Debtors-
in-Possession.

CASE NO. 8:08-bk-13150-RK
(Chapter 11)
(Substantively Consolidated
With: Case No. 8:08-bk-
13151-RK)

Hearing:

Date: August 10, 2010

Time: 2:30 p.m.

Judge: Honorable Robert
Kwan

CERTIFICATE OF SERVICE

I hereby certify that on JUL 29 2010, a
copy of DECLARATION OF DEBRA SAKAI REGARDING DEPARTMENT
OF TAXATION, STATE OF HAWAII'S RESPONSE TO DEBTORS'
THIRD OMNIBUS MOTION FOR ORDER DISALLOWING CERTAIN
CLAIMS ASSERTED AGAINST THE DEBTORS BASED ON THE
DEBTORS' BOOKS AND RECORDS: (5) DEPARTMENT OF TAXATION,
STATE OF HAWAII (CLAIM NO. 13-1); (6) STATE OF HAWAII,
DEPARTMENT OF TAXATION (CLAIM NO. 14-1); EXHIBITS "A" -
"B" was duly served by depositing same in the United
States mail, postage prepaid, addressed as follows:

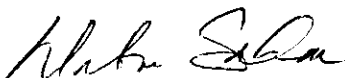
WILLIAM N. LOBEL, ESQ.
MIKE D. NEUE, ESQ.
The Lobel Firm, LLP
840 Newport Center Drive, Suite 750
Newport Beach, CA 92660

ALAN J. FRIEDMAN, ESQ.
KERRI A. LYMAN, ESQ.
Irell & Manella LLP
840 Newport Drive, Suite 400
Newport Beach, CA 92660

Attorneys for Debtors and Debtors-in-Possession

MICHAEL HAUSER, ESQ.
Office of the United States Trustee
411 W. Fourth Street, #9041
Santa Ana, CA 92701-4593

DATED: Honolulu, Hawaii, August 2, 2010 .



DEBRA SAKAI

**Request for Payment of
State of Hawaii Taxes**

(Bankruptcy Code Cases –Administrative Expenses)

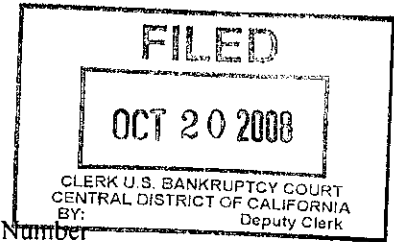
Department of Taxation, State of Hawaii

To: United States Bankruptcy Court for the CENTRAL
District of CALIFORNIA

In the Matter of:

JAMES C. GIANULIAS

1105 QUAIL ST.
NEWPORT BEACH CA 92660-2705



Case Number

08-13150

Type of Bankruptcy Case
Chapter 11

Taxpayer Identifying Number

id# W01606986-01

Social Security Number

1701

Federal Employer Identification Number

1. The Undersigned, whose business address is P.O. Box 259, Honolulu, HI 96809, is the agent of the Department of Taxation, State of Hawaii, and is authorized to make this request for payment on behalf of the State of Hawaii.
2. This request is made for payment of taxes and any interest or penalty due under the tax laws of the State of Hawaii.
3. The ground of liability is taxes due under the tax laws of the State of Hawaii.

Administrative Claims:

Tax Account Number	Tax Type	Tax Period	Tax Due	Accrued Penalty	Accrued Interest	Fees	Balance Due
sl 9/4/2008	General Excise	June 2008	232.00	11.60	4.87	25.00	273.47
sl 9/4/2008	General Excise	July 2008	661.44	33.07	9.26	0.00	703.77
sl 8/12/2008	TAT	June 2008	420.50	21.03	8.83	25.00	475.36
sl 8/12/2008	TAT	July 2008	1,200.21	0	16.00	25.00	1,241.21

TOTALS 2,514.15 65.70 38.96 75.00 2,693.81

* Post-petition returns filed with no remittance & fees for bounced checks

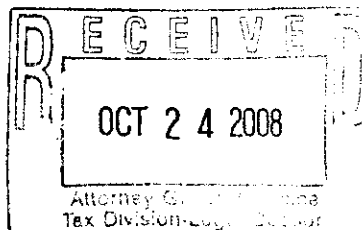
Amount due as of October 9, 2008..... \$ 2,693.81

Interest accrues at 2/3 of 1% per calendar month under H.R.S. §231-39. Contact the Bankruptcy Unit at (808) 587-1672 for balance due if paid after 10/31/08 or for any further information or questions. Late payment penalties will be charged under H.R.S. §231-39.

Signature *Lynne M. Kaneta*
LYNNE M. KANETA, Tax Collector (DS)

October 9, 2008
Date

EXHIBIT "A"



B 10 (Official Form 10) (12/07)

UNITED STATES BANKRUPTCY COURT Central District of California		PROOF OF CLAIM
Name of Debtor: JAMES C. GIANULIAS		Case Number: 08-13150
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>		
Name of Creditor (the person or other entity to whom the debtor owes money or property): STATE OF HAWAII, DEPARTMENT OF TAXATION		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: STATE TAX COLLECTOR, PO BOX 259, HONOLULU, HI 96809 ATTN: BANKRUPTCY UNIT		Court Claim Number: _____ (If known)
Telephone number: (808) 587-1672		Filed on: _____
Name and address where payment should be sent (if different from above): CLERK U.S. BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA BY: _____ Deputy Clerk		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Telephone number: _____		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ <u>13,390.22</u>		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		Specify the priority of the claim.
2. Basis for Claim: <u>TAXES</u> (See instruction #2 on reverse side.)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).
3. Last four digits of any number by which creditor identifies debtor: <u>1701</u>		<input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).
3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate: _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ <u>1,797.77</u>		<input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		<input checked="" type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: \$ <u>11,592.45</u>
Date: <u>10/09/2008</u> Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. LYNNE M. KANETA, TAX COLLECTOR <i>Lynne M Kaneta</i> (DS)		FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

EXHIBIT "B"

