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IN THE UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF CALIFORNIA
 FRESNO DIVISION

In re

WEST COAST GROWERS, INC.,

Debtor in Possession.

TAX ID: 77-0345163
 Address: 4087 North Howard
 Kerman, CA 93630

Case No. 15-11079

Chapter 11

DCN: KDG-5

Date: May 28, 2015
 Time: 2:30 p.m.
 Place: 2500 Tulare Street
 Fresno, CA 93721
 Courtroom 12
 Judge: Honorable W. Richard Lee

**REPORT ON MEET AND CONFER AND SUPPLEMENT TO GROWERS' SUPPORT
 OF MOTION FOR ORDER AUTHORIZING DEBTOR IN POSSESSION TO MAKE
 FIRST INTERIM DISTRIBUTION TO 2014 GROWERS**

TO THE HONORABLE W. RICHARD LEE, UNITED STATES BANKRUPTCY JUDGE:

At the preliminary hearing held on May 14, 2015, the Court directed counsel for Growers to convene a meet and confer to address several points raised by the Court at the time of the preliminary hearing.

MEET AND CONFER

Pursuant to the direction of the Court, counsel for Growers invited Gregory Powell, Scott Belden, Ronald Clifford, Kurt Vote and Hagop Bedoyan to participate in an

1 in person meet and confer. Messrs. Bedoyan, Vote and Walter agreed and met in
2 person. Messrs. Clifford and Belden attended by conference call. Mr. Powell did not
3 participate.

4 The meet and confer was held at Walter & Wilhelm Law Group on May 26, 2015
5 at 3:30 p.m.

6 **WHY IS THERE A CREDITORS' COMMITTEE?**

7 At the May 14, 2015 hearing the Court asked the question "Why is there a
8 Creditors' Committee?" This is a good question. There are only two members of the
9 Committee. One is a Grower who received a very large amount of 2014 proceeds on
10 account of the 2013 debt and will have to repay that sum before receiving a distribution.

11 The other member of the Committee is a single relatively small trade creditor who
12 probably has been told it would be a free ride.

13 In the view of the Growers, the appointment of a general unsecured creditor
14 committee in this case is a very bad idea. All of the assets are secured by either the
15 Growers/growers or Central Valley Community Bank. There are no free assets.

16 Even if the avoidance proceeds were to go to the estate, which is disputed, there
17 is between \$500,000 to \$1.4 million in priority claims. It simply does not make sense for
18 there to be a committee under these circumstances.

19 **WHAT IS THE COMMITTEE OBJECTING TO?**

20 At the hearing on May 14th the Court asked counsel for the Committee what the
21 specific objection is. At the meet and confer on May 26, 2015 Mr. Clifford advised he
22 would seek direction from the Committee on this issue so we are still unclear.

23 **WHY IS IT A BAD IDEA?**

24 The Court asked the question of why it is a bad idea to distribute the money to
25 the Growers. Growers, of course, think it is a very good idea and one that is
26 warranted. There is no dispute that the Growers (and other growers) have Producer's
27 Liens. Growers need to have distributions so they can finance the completion of their
28 2015 crop. If there is no dispute as to the liens there should be distributions. In fact, it

1 continues to be the position of Growers that there should be a procedure in place that
2 allows for distributions anytime the funds in the account exceed \$X.

3 RECLASSIFICATION

4 At the hearing held on May 14 the Court asked whether the reclassification of
5 payments made from 2014 proceeds on account of 2013 debts was "binding forever."

6 The current motion before the Court deals only with a distribution of about \$1
7 million. Growers believe that they should confer with the Debtor and come up with an
8 overall mechanism for ongoing distributions which would include the reclassification
9 issue and payment from the bottom up.

10 HOW TO PRESERVE RIGHTS

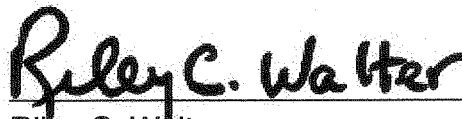
11 At the preliminary hearing the Court asked the question of how the Debtor
12 proposes to make distributions while preserving the right to claw back money. Growers
13 suggest that this can be solved by including a provision in the Order that says that a
14 grower who cashes a distribution check understands and agrees that there may be an
15 effort to recover monies from that grower once further investigation as to any such
16 recovery rights is made by the Debtor.

17 WHEREFORE, Growers pray that the Court hear and consider their position
18 with respect to the first interim distribution and they seek such other and further relief
19 as is just and proper.

20 Dated: May 27, 2015

WALTER & WILHELM LAW GROUP,
a Professional Corporation

21 By:



22 Riley C. Walter,
23 Attorneys for Growers
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