



ORDERED in the Southern District of Florida on May 20, 2011.

John K. Olson, Judge
United States Bankruptcy Court

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION**
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IN RE:

P&E SOLUTIONS COMPANY, *et al.*¹

Case No. 11-13244-JKO

Debtor.

Chapter 11
(Jointly Administered)

**ORDER GRANTING TRUSTEE KAPILA'S EXPEDITED
MOTION TO CONVERT CHAPTER 11 CASES TO CHAPTER 7 CASES**

THIS MATTER came before the Court for hearing on May 19, 2011 at 9:30AM upon the Expedited Motion to Convert Chapter 11 Cases to Chapter 7 Cases ("Motion") (ECF No. 111) filed by Suresh R. Kapila, the duly appointed, authorized, qualified and acting Chapter 11

¹ The jointly administered Debtors are: P & E Solutions Company, Case No. 11-13244; Werbesold Corporation, Case No. 11-13248-JKO; and Safe Trust Financial, Inc., Case No., 11-3252-JKO.

Trustee ("**Trustee Kapila**"), pursuant to 11 U.S.C. § 1112, Bankruptcy Rule 1017 and Local Rule 1017-1.

In the Motion, Trustee Kapila seeks conversion of three Chapter 11 cases to Chapter 7 cases: (i) *In re P & E Solutions Company*, Case No. 11-13244-JKO; (ii) *In re Vertexsoft Corporation*, Case No. 11-13248, JKO; and (ii) *In re Safe Trust Financial, Inc.*, Case No. 11-13252-JKO. Because these cases were not commenced as involuntary cases under Chapter 11, nor have these cases been converted to cases under Chapter 11 other than on the Debtors' requests, and for the reasons stated on the record, which are incorporated in this order, the Court finds that cause exists to convert these three Chapter 11 cases to Chapter 7 cases and that conversion is in the best interests of the Debtors' creditors. Therefore, it is—

ORDERED as follows:

1. These three cases are converted to cases under Chapter 7.
2. Upon conversion of these cases, the Chapter 7 trustee is authorized to operate the Debtors' businesses under 11 U.S.C. § 721 for a period of sixty days from his or her appointment. Should the Chapter 7 trustee choose to operate the Debtors' businesses, he or she: (i) shall file monthly reports; and (ii) is authorized to pay non-insider payroll related expenses during operation. To the extent not previously paid pre-conversion, the Chapter 7 trustee is authorized to pay non-insider pre-conversion employee payroll.
3. If applicable, the Debtors in each case shall immediately remit to the Clerk of the Court the \$15.00 trustee surcharge fee prescribed by the Judicial Conference of the United States (if not previously paid by the Debtors). Failure to pay this fee will result in dismissal of these cases.
4. The Debtors, shall:

- a. Forthwith turn over to the Chapter 7 trustee all records and property of these estates under his custody and control as required by Bankruptcy Rule 1019(4);
- b. Within 30 days of the date of this order, file an accounting of all receipts and distributions made. A copy of this report must be served on the U.S. Trustee; and
- c. File, within 14 days of the date of this order, a schedule of unpaid debts incurred after the commencement of the chapter 11 cases as required by Bankruptcy Rule 1019(5) and a supplemental matrix and certification in the format required by Local Rule 1019-1(B). The Debtors or their counsel are required to provide notice to those creditors pursuant to Local Rule 1019-1(B). Failure to comply may also result in sanctions being imposed by the Court. Debts not listed or noticed timely will not be discharged. A copy of this schedule shall be served on the Chapter 7 trustee.

5. The Debtors shall:

- a. file, within 14 days of the date of this order, the statements and schedules required by Bankruptcy Rule 1019(1)(A) and Bankruptcy Rule 1007(c) and in accordance with Local Rule 1019-1(B).

6. Pursuant to Local Rule 2016-1(C)(2), any persons employed under 11 U.S.C. § 327 or 1103 shall file, within 90 days after the date of the post-conversion meeting, an application for compensation for outstanding fees and expenses incurred during the Chapter 11 administration including an application justifying retention or any retainer received which has not been approved by a prior award. Any retainers received which are not approved will be subject to turnover to the Chapter 7 trustee. The Debtors shall notify all such professionals of this deadline by serving them with a copy of this order.

7. The Debtors shall provide notice to affected parties of the deadline set pursuant to Local Rule 2009-1(F)(1) for filing by a nongovernmental unit a request for payment of an administrative expense.

8. Failure of the Debtors to comply with the provisions of this order may result in dismissal of these cases without further hearing or notice.

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Submitted by:

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Attorney Pearson shall serve a copy of the signed order on all parties required by the Order Limiting Notice (ECF No. 115) and file a certificate of service conforming with Local Rule 2009-1(F)(1).