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9 UNITED LAW GROUP, INC.

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

13 In re:

14 UNITED LAW GROUP, INC.,

15 Debtor.

16 Case No.: 8:10-bk-18945-RK

17 **EMERGENCY MOTION FOR**
18 **ORDER EXTENDING TIME TO**
19 **COMPLETE SCHEDULES OF**
20 **ASSETS AND LIABILITIES AND**
21 **STATEMENT OF FINANCIAL**
22 **AFFAIRS AND RELATED**
23 **MATERIALS**

24 **Hearing**

25 Date: TBD

26 Time: TBD

27 Crtm: 5D

28 Petition filed: June 30, 2010

29
30 **TO THE HONORABLE ROBERT KWAN, UNITED STATES**
31 **BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES**
32 **TRUSTEE, AND ALL PARTIES ENTITLED TO NOTICE:**

33 United Law Group ("United") hereby moves this Court, on an emergency
34 basis, for entry of an order under *Federal Rules of Bankruptcy Procedure* 1007 (c)
35 to extend, for no more than thirty (30) calendar days the time within which United
36 must file its Schedule of Assets and Liabilities, Schedule of Current Income and

1 Expenditures, Schedule of Executory Contract and Unexpired leases, and
2 Statement of Financial Affairs (collectively, “the Schedules”). In the event this
3 relief requires a hearing, United requests this Court set the hearing at the earliest
4 possible time on whatever notice the Court direct United to provide.

5
6 **1. BACKGROUND FACTS**

7 United Law Group is a professional law corporation organized about August
8 2008 by Sean Rutledge and Omar Ghaddar. United initially aggressively pursued
9 soliciting and securing loan modifications from lenders for clients in California and
10 in other states; Mr. Rutledge was admitted to practice in California, New York, and
11 Florida; Mr. Ghaddar was admitted in Florida.

12 Other attorneys, usually with dual admission, were hired by United. Over
13 time, a need for litigation counsel arose, and Robert Buscho was hired in February
14 2009 as a litigation attorney.

15 United had, in early 2009, over 50 employees and to accommodate the
16 number of employees and work, leased office space at 2525 Campus Drive, Irvine,
17 California (“the Premises”). This lease involves 37,000 square feet of space with a
18 monthly rent of \$37,000.00.

19 Obtaining loan modifications for clients generated controversy and
20 beginning in the Summer of 2009, the State Bar of California initiated an
21 investigation into loan modification practices in general and Mr. Rutledge
22 specifically. The State Bar initiated disciplinary proceedings and sought an order
23 of involuntary inactive enrollment for Mr. Rutledge. Mr. Rutledge voluntarily
24 resigned from the State Bar of California on November 30, 2009.

25 As United had ongoing operations and clients, Mr. Rutledge sold his interest
26 in the corporation to Robert Buscho in mid- November 2009.

27 Since taking control of the corporation, Mr. Buscho has eliminated certain
28 practices and tried to correct some other practices. One net result of these efforts

1 has been to drastically reduce the income to the corporation. Additionally, in some
2 jurisdictions states attorneys general have filed actions challenging United's
3 previous business practices. Starting about February 2010, United began being
4 unable to timely pay its rent obligation. In June, the rent obligation and most
5 employees were not paid. This bankruptcy petition is intended to allow for United
6 either to reorganize its debts or liquidate.

7
8 **2. PREPARATION OF THE SCHEDULES**

9 United is currently managing numerous competing demands. First, it bear
10 emphasis that United is an ongoing law practice and has clients with ongoing
11 litigation and bankruptcies pending throughout California. Second, United is
12 attempting to work out arrangements with its lessor. Third, United is attempting to
13 recover from the conversion of some of its revenue in May 2010 by Mr. Rutledge.
14 (This conversion resulted in an Orange County Superior Court Case, *United Law*
15 *Group v. Rutledge*, #30-2010-00350209-CU-NP-CJC. A default judgment has
16 been entered in favor of United for slightly more than \$50,000.00). Fourth, while
17 many of United's papers are electronically maintained, some were not and it is
18 believed that Mr. Rutledge removed them sometime in December 2009.

19 Even under the best circumstances, analyzing and compiling the information
20 will require significant time. The staff available to accomplish this task is limited.
21 Nonetheless, United believes that it can accomplish this task within a thirty day
22 period.

23
24 **3. BANKRUPTCY RULE 1007**

25 Bankruptcy Rule 1007(c) ordinarily requires debtors file Schedules within
26 fourteen (14) days from the Petition Date. For cause shown, however, a court may
27 extend the time for filing schedules. Specifically, an extension of time may be
28 granted to file schedules "on motion for caus shown and on notice to the United

1 States Trustee and to an [official] committee . . . , trustee, examiner or other party
2 as the court may direct.

3 United is serving this motion on the United States Trustee, its lender, its
4 lessor, and the creditors holding the 20 largest unsecured claims.

5 It will require about three (3) weeks for United to assemble the information
6 needed to complete its Schedules. This requested extension is short and justified
7 by the competing claims for time on the individuals who are needed to generate the
8 information needed to complete the Schedules. United believes that sufficient
9 cause exists for this requested thirty day extension from July 14, 2010 to August
10 13, 2010.

11
12 **4. CONCLUSION**

13 For each of the foregoing reasons, United prays this Court grant this motion
14 and enter an order providing United with a thirty (30) day extension of time within
15 which to complete and file its Schedules, through and including August 14, 2010.

16
17 Dated: July 14, 2010

Respectfully submitted,

18 UNITED LAW GROUP, INC.

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20 By: /s/ - Robert J. Buscho

21 Robert J. Buscho
22 Provisional Attorney for Debtor,
23 UNITED LAW GROUP, INC.
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