

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

In re:

Electronic Plus Outlet, Inc.,

Debtor.

Case No. 10-11991-SSM
Chapter 11

MOTION TO DISMISS OR CONVERT CASE TO CHAPTER 7

Comes Now, W. Clarkson McDow, Jr., United States Trustee, and moves the court to convert this case to a case under chapter 7 or to dismiss this case. In support of this motion the following representations are made:

1. The court has jurisdiction of this matter. 28 U.S.C. § 1334.
2. This is a core proceeding. 28 U.S.C. § 157(a)(2)(A).
3. On March 17, 2010, the debtor filed a petition for relief under chapter 11 of the Bankruptcy Code. *Voluntary Petition* [Doc # 1].
4. The petition was signed by Johnny Arnez, President of the debtor. *Voluntary Petition* [Doc # 1, page 3].
5. The attorney representing the debtor in this bankruptcy matter is Thomas Sehler of The Thomas Law Firm PLLC. *Voluntary Petition* [Doc # 1, page 3].
6. The debtor checked it is a small business debtor as defined by 11 U.S.C. § 101(51D) *Voluntary Petition* [Doc # 1, page 1].
7. The court can convert or dismiss this case for cause. 11 U.S.C. § 1112(b).

Office of United States Trustee
Jack Frankel, Attorney
115 South Union Street, Suite 200
Alexandria, VA 22314
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8. Cause exists to convert or dismiss this case to a case under chapter 7.

Cause 1

Unexcused Failure to Satisfy Timely Any Filing
or Reporting Requirement Established by this Title or Any
Rule Applicable to a Case Under Chapter 11 - 11 U.S.C. § 1112(b)(4)(F)

9. In a small business case, the debtor in possession shall append to the voluntary petition its most recent balance sheet, statement of operations, cash-flow statement, and Federal income tax return or a statement under penalty of perjury that no balance sheet, statement of operations, cash-flow statement has been prepared and no Federal income tax return has been filed. The respective documents are to be filed not later than seven days after the order for relief. 11 U.S.C. § 1116(1).

10. The clerk advised the attorney for the debtor on March 18, 2010, that the chapter 11 small business recent balance sheet, statement of operations, cash-flow statement, and Federal income tax return (or statement of none) had not been filed. [Doc # 5].

11. This filing requirement remains unsatisfied.

Cause 2

Absence of a Reasonable Likelihood of Rehabilitation - 11 U.S.C. § 1112(b)(4)(A)

12. The debtor has no real property. *Schedule A - Real Property* [Doc # 1, page 9].

13. The debtor does not know the current value of any its personal property, including a 2007 Dodge Sprinter, and its inventory. *Schedule B - Personal Property*, [Doc # 1, page 12].

14. The debtor had no income for the past two years. *Statement of Financial Affairs* [Doc # 1, page 24].

15. On filing, the debtor had no cash on hand, checking, savings or other financial accounts, accounts receivable, liquidated debts owing to it, stocks, no government or corporate bonds, no contingent or unliquidated claims of every nature, patents, copyrights, or other intellectual property, licenses, franchises or customer lists. *Schedule B-Personal Property* [Doc #1, pages 10-13].

16. There do not appear to be any unusual circumstances in this case that would result in a finding that either dismissal or conversion of this case is not in the best interest of the creditors of the estate

Wherefore, the United States Trustee respectfully requests that the court enter an order converting this case to a case under chapter 7 of the Bankruptcy Code or dismissing this case.

April 8, 2010:

W. CLARKSON MC DOW, JR.
United States Trustee

By: /s/ Jack I. Frankel
Jack I. Frankel, Attorney
Office of the U.S. Trustee
115 S. Union Street, Suite 210
Alexandria, Virginia 22314
(703) 557-7229

Certificate of Service

I hereby certify that on the 8th day of April 2010, I mailed, first class, postage prepaid, United States mail, a copy of the motion to dismiss or convert this case to chapter 7, notice of motion and hearing to:

Electronic Plus Outlet, Inc. 4334 Duncan Drive Annandale, VA 22003	Thomas Sehler, Esq. The Thomas Law Firm, PLLC The Mark Building, Suite 204 6231 Leesburg Pike Falls Church, VA 22044
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/s/ Jack Frankel
Jack Frankel