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Judge: Thomas T. Glover
Chapter: 7
Location: Seattle
Date: May 21, 2010
Time: 9:30 a.m.

7 **UNITED STATES BANKRUPTCY COURT**
8 **FOR THE WESTERN DISTRICT OF WASHINGTON**
9 **AT SEATTLE**

10 INMEDIARES PRODUCTIONS, *dba*) Case Number: 10-14343-TTG
11 CATALYST GAME LABS,)
12 Debtor.) DECLARATION OF JAMES A.
13) SANTUCCI IN OPPOSITION TO
14) MOTION FOR ORDER OF RELIEF
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15 JAMES A. SANTUCCI, declares as follows:

16 1. I am counsel for the Debtor InMediaRes Productions, LLC, (“IMR”) and base this
17 declaration upon my own personal knowledge and am competent to testify to the matters
18 contained herein.

19 2. Loren Coleman and Heather Coleman are the members of IMR. Mr. Coleman and
20 I initially spoke on the telephone May 6, 2010 concerning this bankruptcy matter. I wasn’t able
21 to meet with Mr. Coleman until May 11, 2010.

22 3. In her declaration, Ms. Carey, counsel for the Petitioners, somewhat
23 mischaracterizes our phone conversation of Monday, May 10, 2010. She is correct in that I did
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25 DECLARATION OF JAMES A. SANTUCCI IN OPPOSITION TO
MOTION FOR RELIEF.
G:\LETTER\JAS\Inmediare Productions\Declaration of James A.
Santucci In Opposition to Motion For Relief..docof Relief

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1 not ask for or indicate that I would be seeking an extension of time to answer. While on the
2 phone, and with her file in front of her, we discussed the filing date, mailing date, the additional
3 time for mailing and the last day falling on a weekend. In the course of our discussion about the
4 due date for the answer she indicated, "You're good to Monday." that being May 17, 2010. That
5 was sufficient time for me to answer. This conversation was also conducted within the context
6 that I thought it would reasonable to explore the possibility of resolving this matter during the
7 balance of the week. I would be meeting with my client the next morning and get back to her.

8 4. After our conversation, I confirmed the filings, mailings and due dates as set out
9 in the Debtor's "Response in Opposition to Motion for Order of Relief" filed herein.

10 5. On Friday, May 14, 2010 Ms. Carey and I spoke again as I pursued one last
11 chance to settle. She indicated she'd talk to her clients and get back to me. On May 17, 2010 I
12 waited for a response regarding settling this matter. By 3:00p.m. I directed my assistant to file
13 our Answer. After she concluded what she working on, she filed it at 3:13 p.m. About the same
14 time, Ms. Carey apparently sent me an email at 3:05 p.m. acknowledging that her clients did not
15 wish to settle.
16

17 6. The attempt to settle and hold off until the last day to file the answer was
18 predicated on the premise that this simply isn't a case for Chapter 7 bankruptcy and that
19 resolution seemed the reasonable way to proceed.

20 7. IMR is a small local publishing company, dealing with sci-fi and fantasy books,
21 and board games. It is also licensed from the Topps company who holds the publishing rights to
22 several popular electronic computer games. The established branding of these games also
23 translates to print books and board game sales. IMR deals with the print version only of these
24 licensed games and books. Its licensing also allows it distribute to companies outside the United
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1 States, where other translation rights are granted. The company has gross yearly sales of
2 \$1,100,000 to 1,200,000. It is a viable company. It has over 12 creditors. It generally pays its
3 bills and would not otherwise be a candidate for Chapter 7 bankruptcy but for these Petitioners
4 claims.

5 8. Each of the Petitioner's claims are disputed and are detailed more specifically in
6 the Answer filed May 17, 2010 on behalf of IMR.

7 9. The claim of J.P. Sugarbroad is for about \$2,900 – which IMR was ready to pay
8 when he signed off on a contract to formalize IMR standard releases. He refused to do so and
9 joined in the bankruptcy petition instead.

10 10. The claim of Paul Stansel is for a \$18,551.54 payment on a promissory note
11 which has no due date. IMR has paid the required interest only on the note for about 3 years.
12 Earlier this year, the parties amended payment arrangement to include principal and interest so
13 the loan could amortize. Additionally, Paul Stansel was given an additional \$1,500 on March 31,
14 2010. IMR planned to this pay the note off by October, 2010 at the earliest, and December 2010
15 at the latest.
16

17 11. The claim of Wildfire, LLC is disputed. This is a contingent claim based on a
18 accounting for royalties and set-offs for inventory IMR allowed it to take. The claim stated for
19 \$37,000 does not account for the \$10,000 payment it accepted from IMR at the time the
20 involuntary petition was filed. On its face, there would be no more than \$27,000 owed. After
21 further accounting IMR disputes a substantial portion of this claim.

22 12. The Petitioners do not appear to be viable creditors to this bankruptcy and the
23 actions are simply a circumvention of the normal collection process one would undertake at the
24 state level.
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2 I CERTIFY OR DECLARE UNDER PENALTY OF PERJURY UNDER THE
3 LAWS OF THE STATE OF WASHINGTON AND UNITED STATES, THAT
4 THE FOREGOING IS TRUE AND CORRECT.

5 Dated at Seattle, Washington this 21st day of May, 2010.

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7 THE LANZ FIRM, P.S.:

8
9 By: /s/ James A. Santucci
10 James A. Santucci, WSBA #7393
11 Attorney for Debtor
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