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CLERK OF DISTRICT COURT
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DENNIS M. DAVIS
L. VICTORIA MEIER
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Attorneys for Certain Creditor/Beneficiaries
of Estate of Paul A. Van Schravendyk

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO

In Re:
FRANK L. CHAPIN and SYDNEY L.
GUTIERREZ-CHAPIN,
Debtors.

Case No. 02-20218
OBJECTION TO CONFIRMATION OF
CREDITORS PLAN OF REORGANIZATION

NORTHWEST CHILDREN'S HOME, INC. and SHRINER'S HOSPITALS FOR CRIPPLED
CHILDREN, ("Claimants") by and through their attorneys of record, Witherspoon, Kelley, Davenport
& Toole, P.S. hereby object to the confirmation of the Creditors' Plan of Reorganization ("Plan")
submitted to the Court on December 31, 2002, for the following reasons:

1) Claimants are the remainder beneficiaries of a residuary, testamentary trust created under
the Will of the deceased, Paul A. Van Schravendyk. The Debtor, Frank Chapin, is the trustee of the
residuary trust and is also the appointed trustee of the remainder trust administered for the benefit of the
Claimants.

2) Claimants have an estimated, contingent, part secured and part unsecured, claim against
Debtors arising from Debtors' administration and management of the trust in which they hold an interest.
Because of the Debtors' failure to make the necessary estate and trust administration filings, Claimants
have been unable to determine the value of such claim, and whether such claim would be classified as
non dischargeable under U.S. Bankruptcy Code, Title 11, §523(a)(2), (a)(4), (a)(6) and §1141(d)(2).

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1 3) Claimants are currently unscheduled in the Debtors' disclosure schedules and therefore
2 are not provided for in the Debtors' Plan. Claimants have concurrently herewith filed their MOTION OF
3 CREDITOR REQUESTING EXTENSION OF TIME TO FILE PROOF OF CLAIM AND TO
4 REQUEST A DISCHARGEABILITY DETERMINATION. The proposed Plan seeks to bind all of
5 Debtors' creditors to the provisions of the Plan whether or not the claim(s) of a creditor was scheduled,
6 (Plan of Reorganization, Article X)¹;

7 4) The proposed Plan provides that the Debtors' equity interest in their various business
8 entities will be liquidated, but does not indicate the manner in which the Debtors' equity interests will
9 be liquidated, whether the assets of the entities will be liquidated, whether the entities themselves will
10 be dissolved and, if so, whether the liquidation and dissolution of those entities will be made according
11 to the Idaho General Business Corporations Act. In particular, the Disclosure Statement provides for
12 this liquidation, and indicates that the proceeds of such liquidation "will be dispersed first to payment of
13 any transactional tax obligations or reserves for capital gains taxes, then to creditors holding an allowed
14 secured claim collateralized by the asset(s) liquidate, then to the creation of a fund for payment of other
15 allowed claims."² Additionally, there is no provision in the Plan protecting those assets held in trust by
16 the Debtors or the Debtors' business entities for the benefit of Claimants, (or the life beneficiary of the
17 Van Schravendyk residuary trust) from being improperly distributed to Debtors' creditors. Therefore
18 the Plan fails to provide enough information to reasonably determine whether it adequately protects the
19 interests of Claimants (and/or the life beneficiary of the Van Schravendyk residuary trust) and to
20 determine its feasibility.

21 Claimants request a hearing on their objection to the Creditors' Plan of Reorganization, the
22 opportunity to later have the Plan modified to include any potential claim they may have, and/or to such
23 other relief as to which they may be entitled.

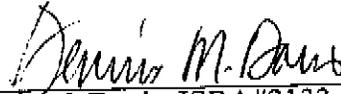
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26 ¹ See Plan of Reorganization which provides in Article X thereof as follows:
27 **ARTICLE X - SATISFACTION OF INDEBTEDNESS AND INJUNCTION**

28 10. The distribution ...etc.

² See Disclosure Statement, **THE REORGANIZATION CASE**, General Description of the Plan, pp. 9 - 10.

1 DATED this 30th day of April 2003.

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4 Dennis M. Davis, ISBA#2133
5 L. Victoria Meier, ISBA#6435
6 Witherspoon, Kelley, Davenport & Toole, P.S.

7 Attorneys for Certain Creditor/Beneficiaries
8 of the Estate of Paul A. Van Schravendyk, Deceased

9 CERTIFICATE OF MAILING

10 I HEREBY CERTIFY this 30th day of April, 2003, that I caused to be served the within and
11 foregoing OBJECTION TO CONFIRMATION OF CREDITORS PLAN OF REORGANIZATION on
12 the parties as shown below by causing true and correct copies thereof to be deposited in the U.S. Mail,
13 postage prepaid thereon, addressed as follows:

13 Frank L. Chapin
14 P.O. Box 781
15 Sandpoint Idaho 83864

Sydncy L. Gutierrez-Chapin
aka Sydney L. Gutierrez
P.O. Box 2028
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16 Lewis M. Wilson, Esq.
17 1519 W. Broadway
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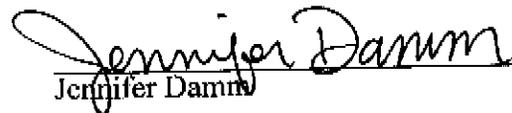
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26 Jennifer Damm