

CLERK OF COURT  
68.001-5 0012:27  
The Honorable Terry L. Myers  
Chapter 11  
Hearing Date: June 9, 2003  
Hearing Time: 2:00 p.m.

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John R. Rizzardi, WSBA No. 9388  
Admitted Pro Hac Vice  
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UNITED STATES BANKRUPTCY COURT FOR THE  
DISTRICT OF IDAHO

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

NO. 02-20218  
  
DECLARATION AND DISCLOSURE  
STATEMENT OF RICHARD A. HOOPER

Richard A. Hooper declares as follows:

1. I submit this Declaration in connection with the Motion of Frederick A. Leaf, M.D. in this bankruptcy case for an order approving the appointment of Pivotal Solutions, Inc. ("Pivotal") to serve as Liquidating Trustee under the Plan of Reorganization. This disclosure is in compliance with Sections 327, 328, 1103 and 1107 of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") and to provide the disclosure required under Bankruptcy Rule 2014(a).
2. Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein.
3. I am the president and general manager of Pivotal Solutions, Inc.

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DECLARATION AND DISCLOSURE  
STATEMENT OF RICHARD A. HOOPER - 1

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ORIGINAL

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1           4.     I maintain offices at Pivotal Solutions, Inc., 451 West 10<sup>th</sup> Street, Suite 107,  
2 Renton, Washington 98055. My telephone and facsimile numbers are (425) 255-1363 and (425)  
3 255-1368 respectively.

4           5.     I have been in the workout and restructuring field for over 29 years, and I have  
5 been personally involved in hundreds of bankruptcies, workouts and restructurings. I have  
6 worked closely with customers of our members and have dealt with distressed debtors whose  
7 businesses ranged in size from under \$1 million in sales to over \$900 million in revenue and  
8 companies with over 1,000 stores. I have been a negotiator on behalf of the industry with  
9 financial lenders, attorneys, accountants, investment bankers and other committee advisors.  
10 Attached hereto as Exhibit A is reference information for Pivotal, Marcia Frey and me.  
11

12           6.     Neither I, nor Pivotal is a creditor or stockholder of the Debtor.

13           7.     I and/or Pivotal have had no prior involvement whatsoever with Dr. Leaf, the  
14 Debtor, or any of the parties in interest.

15           8.     Neither I, nor Pivotal have any connection with the United States Trustee in this  
16 case or any employee of the office of the United States Trustee.

17           9.     Neither I, nor Pivotal represent any entity having adverse interest in connection  
18 with these cases.

19           10.    I have read the Disclosure Statement and Plan, understand the duties of the  
20 Liquidating Trustee, and Pivotal is prepared to perform such duties.  
21  
22  
23

11. Both the Debtor and the Committee will receive the benefit of Pivotal's services.  
 1 As Liquidating Agent, Pivotal would propose to be compensated at its usual hourly rates as set  
 2 forth below:  
 3

Dick Hooper	\$175.00
Marcia Frey	\$140.00

12. These hourly rates are the customary hourly rates charged by Pivotal and are  
 7 subject to periodic adjustments to reflect economic and other conditions. Any change to the  
 8 hourly rates charged by Pivotal will be promptly disclosed to this Court and the parties  
 9 requesting notice. Pivotal also requests that it receive reimbursement of the actual and necessary  
 10 expenses incurred by Pivotal.  
 11

12. To the extent that any information disclosed herein requires amendment or  
 13 modification upon my completion of further analysis and diligent inquiry of available data, a  
 14 supplemental affidavit will be submitted to the Court reflecting the same.  
 15

16 I declare under the penalty of perjury under the laws of the United States of America that  
 17 the foregoing is true and correct.  
 18

19 Executed this 8 day of May, 2003 at Yakima, Washington.

20   
 21 Richard A. Hooper  
 22  
 23

(00150818.DOC:1)  
 DECLARATION AND DISCLOSURE  
 STATEMENT OF RICHARD A. HOOPER - 3

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**Exhibit A**

Pivotal Solutions Inc.

**Key Assignments January 2000-March 2003**

Consultant to a major fruit packing and orchard operation in Eastern Washington. Successful in obtaining extended credit terms from primary lender while company restructured and returned to profitability. Company has just recently restructured its credit accommodations with a new lender.

Consultant to two family owned fruit packing and orchard operations in Eastern Washington. Worked with both companies to restructure debt and in one case in assisting with cash flows and other financial projections to obtain use of cash collateral and term loans necessary to implement plan of reorganization

Chief Restructuring Officer, StairMaster Sports Medical Products, Inc. Engaged to provide management oversight and facilitate a sale of the assets as part of a Chapter 11 Bankruptcy. Had overall control of company involved in sales of exercise equipment on world wide sales program and manufacturing facilities in two states. Enabled company to continue operations while sale process was organized and auction held. Sale was successful. Following sale retained by the bank group to finalize the residual estate issues including distributions to creditors, filing tax returns, 401K audits, and sale of miscellaneous assets not included in auction sale.

Receiver for Plywood Mill in Vancouver, Washington

Walt's Radiator and Muffler, Inc. Regional automotive repair company with 24 stores in Puget Sound area. Engaged by both the creditor's committee and debtor to facilitate a sale of the assets as a competing plan alternative to debtor's plan of reorganization. Located potential buyers and conducted an auction sale of the assets. Sale was successful and accepted by the court as the best alternative. Retained by the creditors committee to finalize the residual estate including distributions to creditors, filing tax returns.

Farm Management. Engaged by international insurance company initially as consultant on agricultural issues and debtor plans for restructuring of current debt. Debtors were unable to perform under their proposed restructuring. Lenders took possession of several hundred acres of producing orchard, row crop, and grass lands. Retained by lenders to provide daily oversight of farm management company including budgets, daily operations, sales of product, and control of assets including farm equipment, labor housing and farm management housing.

Contract workout officer for two regional banks in State of Washington. Involved with meeting with customers, determining best course of action, making recommendations to management of the respective banks and providing loan management as restructure is tested.

## Resume

Richard A. Hooper  
451 SW 10<sup>th</sup> Street  
Suite 107  
Renton, WA 98055

**January 2000 to Present** President, and co-founder, Pivotal Solutions, Inc., a financial consulting firm dealing with both debtors and creditors covering a wide range of industries and markets. Debtor engagements involve working with companies experiencing cash flow problems, insolvency, lender issues, and restructuring of debt. Creditor engagements involve work as chief restructuring officer, receiver, farm management oversight, financial consultant, agent for lenders providing workout and collection expertise.

**July 1991-January 2000** Vice President, Union Bank of California, Seattle. Senior Workout Officer. Responsibilities included regional and national credits and were typically large dollar or complex accounts. Responsible for collections in excess of \$200 Million during this period. Workouts involved meetings with customers, legal counsel and other professionals to determine the best course and alternative courses of action. Provided additional financing as necessary, including DIP financing, and in some cases long range (1-3 years) loans.

**October 1987 to July 1991** Vice President, Key Bank of Alaska. Began as Manager of newly formed Special Credits Department. Department formed as bank experienced a large portfolio of non performing loans due to economic downturn in the State of Alaska. Formed department including hiring personnel; developed training and education for department staff and other bank loan officers; developed a procedures manual; and served as a member of the senior loan committee. Department exceeded budget for collections by 300% during first year. Bank portfolio of non performing assets was reduced to industry levels within a 5 year period, while other banks continued to be closed by regulators in the State of Alaska. Department was reduced in staff to 3 from a maximum of 20.

**August 1981 to October 1987** Vice President, Bank of California. Started in commercial real estate division as loan production officer making interim construction loans for income properties and to large scale real estate developers. Also supervised three mortgage banking company revolving warehouse lines. Transferred to workout department after real estate market softened.

**July 1972 to August 1981** Peoples National Bank. Began as management trainee, and was promoted to branch manager for Peoples Mortgage Company after 4 months. Developed new business in mortgage loans for warehousing and sale in secondary market. Held various assignments including staff appraiser, internal auditor, and purchasing and facilities manager. In 1979 transferred to Peoples Leasing Company in the marketing department responsible for a variety of duties.

**1967 to 1972** United States Army. Captain, Signal Corps. Aviator, aviation safety officer, company commander, Ranger, Viet Nam veteran.

**Education**

Eastern Washington State College, 1967, B.S.

School of Mortgage Banking, Northwestern University, 1979

Pacific Coast Banking School, University of Washington, 1986

Numerous professional courses, seminars, training sessions, in all phases of lending, management, and banking.

## Resume

Marcia A. Frey  
451 SW 10<sup>th</sup> Street  
Suite 107  
Renton, Washington 98055

**January 2000 to Present** Vice President, and co-founder, Pivotal Solutions, Inc., a financial consulting firm dealing with both debtors and creditors covering a wide range of industries and markets. Debtor engagements involve working with companies experiencing cash flow problems, insolvency, lender issues, and restructuring of debt. Creditor engagements involve work as chief restructuring officer, receiver, farm management oversight, financial consultant, agent for lender providing workout and collection expertise.

**June 1971 to January 2000** Bank of California, Began in Redding, California as an operations trainee and worked at increasingly more complex positions, including senior operations positions. Progressed into lending and was a loan officer for small and medium sized companies. Transferred to Seattle, Washington branch of bank in 1990 to manage and supervise administrative staff for workout group for the northwest region. This group provided support for workout and non-performing loans in Washington, Oregon, and Alaska, as well as several national accounts. Responsibilities included supervision of staff of 6, documentation review of all newly assigned credits to verify proper loan documentation and customer compliance with all terms and conditions of the loans. Supervised documentation of revised loan agreements ensuring bank was adequately protected and documents met operational and fiscal control standards. Prepared cash flow analysis, financial statement analysis, tax statement analysis, and assisted borrowers in preparation of budgets and pro forma operational statements. Reviewed operations and financial statements of companies to ensure compliance with terms and conditions of loan agreements with bank and with other lenders.

Managed control of collateral including lien position perfection issues, scheduling and administering auctions, and sale of collateral at public sale. Coordinated sale of assets at private sale as necessary. Assigned individual credits as a loan workout officer in addition to above duties.

### Education

Shasta College, AA degree, 1971  
University of Phoenix, Business Administration, scheduled graduation, 2004  
Numerous courses, seminars, programs, and training in all aspects of finance and banking.