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U.S. BANKRUPTCY COURT
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Attorneys for: Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO

In Re:)
)
FRANK CHAPIN and SYDNEY CHAPIN,)
)
Debtors.)
)
)
)
)

Case No. 02-20218
OBJECTION TO FREDERICK
LEAF'S DISCLOSURE STATEMENT

COMES NOW Frank L. Chapin and Sydney Chapin, by and through its bankruptcy counsel, Bruce A. Anderson, of Elsacsser Jarzabek Anderson Marks Elliott & McHugh, Chtd., and in objection to the Disclosurc Statement, states as follows:

HISTORICAL OVERVIEW

1. On page 2, the statement is made that the net fair value of Wilbur Leaf's estate was \$1,982,453.75. This needs to be corrected as that number represented the combined fair nct value of both the Christina Leaf and Wilbur Leaf estates.

2. A narrative in the Historical Overview needs to be made regarding the representation by John Murray, attorney at law located in Spokane, Washington, as to both the Estates of Wilbur

ORIGINAL

Leaf and Christina Leaf. Detail needs to be given about the fact that John Murray represented Christina Leaf while she was alive, and later Frederick Leaf and Frank Chapin. Detail needs to be given regarding John Murray's advice as to distributions from the Wilbur Leaf estate and the fact that John Murray is a named Defendant in the Spokane County Superior Court lawsuits and in the three adversary proceedings pending in this Court.

3. Throughout the Historical Overview section, many statements were made which seem to be inserted for the sole purpose of exculpating Dr. Leaf from any liability to the estates, and directing liability to Frank Chapin. As an example, the last paragraph on page 3 seems to be inserted for defensive purposes and not to advise the reader on the financial condition of the Debtor. The Historical Overview contains many such paragraphs and all should be removed in their entirety. Such paragraphs, are all or in part factually disputed. The Historical Overview should be left to uncolored facts. Narrative that should be removed is as follows:

- a. On page 3, the last paragraph in its entirety;
- b. On page 4, second paragraph, the language "without the knowledge or consent of Dr. Leaf"; and
- c. On page 7, the last sentence of the first paragraph should be removed in its entirety.

4. Reference should be made in the Historical Overview to the adversary proceedings filed by the Estate of Christina Leaf at AP 02-6135 and the Nine Beneficiaries of Christina Leaf at AP 02-6136, as well as the Third-Party Complaints and/or Counterclaims filed against Robert Kovacevich, John Murray and Frederick Leaf.

5. Within the Historical Overview, details need to be given of the two distinct issues that are alleged both in the adversary proceedings and the Spokane Superior Court proceedings, which generally are:

- a. The personal representative's negligent disbursement from the Wilbur Leaf Estate;
- and
- b. Alleged funds transferred to the benefit of Frank Chapin.

ASSETS AND LIABILITIES

6. Sufficient detail needs to be given of the U.S. Tax Court cases that are pending against the Debtor and their entities, their expected outcomes and their effect on the estate.

7. On page 8 under Liabilities, the first paragraph needs to be re-written to remove disputed language regarding "the acts of the Debtor in defrauding the Estates...". Further, all the liabilities regarding the Leaf estates is set forth in the Petition and Schedules, with many duplicate claimants and all are listed as contingent, unliquidated and disputed. To suggest that the Debtor agrees to a direct liability to Frederick Leaf is incorrect.

THE REORGANIZATION CASE

8. Without waiving any objections to the actual Plan of Reorganization/Liquidation, Debtor comments as the Disclosure Statement's plan references below.

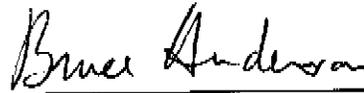
9. On page 12 at Class 1, reference should be made to the fact that the 2000 Ford F250 truck has been surrendered to Ford Motor Credit as part of a previous Stipulation for Stay Relief.

CONFIRMATION OF THE PLAN

10. Explanation needs to be inserted regarding Discharge of the Debtors.

DATED this 7th day of February, 2003.

ELSAESSER JARZABEK ANDERSON
MARKS ELLIOTT & MCHUGH, CIITD.



Bruce A. Anderson, Attorney for Debtors

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 7th day of February, 2003, I caused to be served a true and correct copy of the foregoing OBJECTION TO FREDERICK LEAF'S DISCLOSURE STATEMENT by the method indicated below, and addressed to the following:

U.S. Trustee
P.O. Box 110
Boise, ID 83701

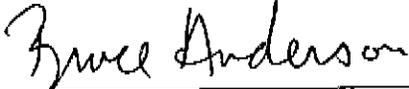
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