

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA**

In re: SULLIVAN VINEYARDS CORPORATION  
  
SULLIVAN VINEYARDS PARTNERSHIP

Case No. 17-10065  
JOINTLY ADMINISTERED  
  
**CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)-SVP**

**SUMMARY OF FINANCIAL STATUS**

**MONTH ENDED:** 10/31/2017

**PETITION DATE:** 2/2/2017

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).  
Dollars reported in \$1

| <b>2. Asset and Liability Structure</b> | <b>End of Current Month</b> | <b>End of Prior Month</b> | <b>As of Petition Filing</b> |
|---|-----------------------------|---------------------------|------------------------------|
| a. Current Assets                       | \$210,307                   | \$200,361                 |                              |
| b. Total Assets                         | \$19,129,136                | \$19,107,677              | \$18,994,255                 |
| c. Current Liabilities                  | \$73,700                    | \$42,972                  |                              |
| d. Total Liabilities                    | \$14,335,210                | \$14,304,481              | \$14,273,348                 |

| <b>3. Statement of Cash Receipts &amp; Disbursements for Month</b> | <b>Current Month</b> | <b>Prior Month</b> | <b>Cumulative (Case to Date)</b> |
|--|----------------------|--------------------|----------------------------------|
| a. Total Receipts  | \$30,000             | \$30,000           | \$263,158                        |
| b. Total Disbursements   | \$20,054             | \$27,485           | \$212,869                        |
| c. Excess (Deficiency) of Receipts Over Disbursements (a - b)      | \$9,946              | \$2,515            | \$50,289                         |
| d. Cash Balance Beginning of Month                                 | \$40,849             | \$38,334           | \$506                            |
| e. Cash Balance End of Month (c + d)                               | \$50,795             | \$40,849           | \$50,795                         |

| <b>4. Profit/(Loss) from the Statement of Operations</b> | <b>Current Month</b> | <b>Prior Month</b> | <b>Cumulative (Case to Date)</b> |
|--|----------------------|--------------------|----------------------------------|
|  | (\$34,954)           | (\$24,544)         | (\$263,742)                      |

|  |          |            |  |
|--|----------|------------|--|
| <b>5. Account Receivables (Pre and Post Petition)</b>            | \$50,000 | \$50,000   |  |
| <b>6. Post-Petition Liabilities</b>                              | \$73,700 | (\$42,972) |  |
| <b>7. Past Due Post-Petition Account Payables (over 30 days)</b> | \$1,400  | \$1,400    |  |

**At the end of this reporting month:**

|  | <b>Yes</b> | <b>No</b>  |
|--|------------|------------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____      | X<br>_____ |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)   | _____      | X<br>_____ |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court?  | _____      | _____      |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)                                   | _____      | X<br>_____ |
| 12. Is the estate insured for replacement cost of assets and for general liability?  | X<br>_____ | _____      |
| 13. Are a plan and disclosure statement on file?   | X<br>_____ | _____      |
| 14. Was there any post-petition borrowing during this reporting period?  | _____      | X<br>_____ |

15. Check if paid: Post-petition taxes N/A; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: X.  
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 11/21/2017 0:00

/s/ Timothy W. Hoffman  
Chapter 11 Trustee

**STATEMENT OF OPERATIONS**  
**(General Business Case)**

For the Month Ended 10/31/2017

| <b>Current Month</b> |                 |                 |   | <b>Cumulative</b>     | <b>Next Month</b> |
|----------------------|-----------------|-----------------|---|-----------------------|-------------------|
| <b>Actual</b>        | <b>Forecast</b> | <b>Variance</b> |   | <b>(Case to Date)</b> | <b>Forecast</b>   |
| \$30,000             | \$30,000        | \$0             | <b>Revenues:</b>  |                       |                   |
| \$0                  | \$0             | \$0             | 1 Gross Sales   | \$270,000             | \$30,000          |
| \$30,000             | \$30,000        | \$0             | 2 less: Sales Returns & Allowances                                | \$0                   | \$0               |
| \$0                  |                 | \$0             | 3 Net Sales   | \$270,000             | \$30,000          |
| \$30,000             | \$30,000        | \$0             | 4 less: Cost of Goods Sold (Schedule 'B')                         | \$0                   |                   |
|                      |                 | \$0             | 5 Gross Profit  | \$270,000             | \$30,000          |
|                      |                 | \$0             | 6 Interest  |                       |                   |
|                      |                 | \$0             | 7 Other Income:   |                       |                   |
|                      |                 | \$0             | 8   |                       |                   |
|                      |                 | \$0             | 9   |                       |                   |
| \$30,000             | \$30,000        | \$0             | 10 <b>Total Revenues</b>  | \$270,000             | \$30,000          |
|                      |                 |                 | <b>Expenses:</b>  |                       |                   |
| \$0                  |                 | \$0             | 11 Compensation to Owner(s)/Officer(s)                            |                       |                   |
| \$0                  |                 | \$0             | 12 Salaries   |                       |                   |
|                      |                 | \$0             | 13 Commissions  |                       |                   |
| \$33,636             | \$35,000        | \$1,364         | 14 Contract Labor   | \$223,432             | \$20,000          |
|                      |                 | \$0             | Rent/Lease:   |                       |                   |
|                      |                 | \$0             | 15 Personal Property  |                       |                   |
|                      |                 | \$0             | 16 Real Property  |                       |                   |
|                      |                 | \$0             | 17 Insurance  |                       |                   |
|                      |                 | \$0             | 18 Management Fees  |                       |                   |
| \$6,044              | \$6,044         | \$0             | 19 Depreciation   | \$54,392              | \$6,044           |
|                      |                 | \$0             | Taxes:  |                       |                   |
| \$0                  | \$0             | \$0             | 20 Employer Payroll Taxes   |                       |                   |
| \$0                  | \$0             | \$0             | 21 Real Property Taxes  | \$11,839              | \$0               |
|                      |                 | \$0             | 22 Other Taxes  |                       | \$0               |
| \$4,659              | \$4,100         | (\$559)         | 23 Other Selling  |                       |                   |
|                      |                 | \$0             | 24 Other Administrative   | \$45,197              | \$3,600           |
|                      |                 | \$0             | 25 Interest   |                       |                   |
| \$19,640             | \$19,640        | (\$0)           | 26 Other Expenses:  |                       |                   |
|                      |                 | \$0             | 27 Amortization   | \$176,761             | \$19,640          |
|                      |                 | \$0             | 28  |                       |                   |
|                      |                 | \$0             | 29  |                       |                   |
|                      |                 | \$0             | 30  |                       |                   |
|                      |                 | \$0             | 31  |                       |                   |
|                      |                 | \$0             | 32  |                       |                   |
|                      |                 | \$0             | 33  |                       |                   |
|                      |                 | \$0             | 34  |                       |                   |
| \$63,979             | \$64,784        | \$805           | 35 <b>Total Expenses</b>  | \$511,622             | \$49,284          |
| (\$33,979)           | (\$34,784)      | \$805           | 36 <b>Subtotal</b>  | (\$241,622)           | (\$19,284)        |
|                      |                 |                 | <b>Reorganization Items:</b>                                      |                       |                   |
| \$0                  | \$0             | \$0             | 37 Professional Fees  | \$19,845              | \$0               |
|                      |                 | \$0             | 38 Provisions for Rejected Executory Contracts                    |                       |                   |
|                      |                 | \$0             | 39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case |                       |                   |
| \$975                | \$975           | \$0             | 40 Gain or (Loss) from Sale of Equipment                          |                       |                   |
|                      |                 | \$0             | 41 U.S. Trustee Quarterly Fees                                    | \$2,275               | \$0               |
|                      |                 | \$0             | 42  |                       |                   |
| \$975                | \$975           | \$0             | 43 <b>Total Reorganization Items</b>                              | \$22,120              | \$0               |
| (\$34,954)           | (\$35,759)      | \$805           | 44 <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>      | (\$263,742)           | (\$19,284)        |
|                      |                 | \$0             | 45 Federal & State Income Taxes                                   |                       |                   |
| (\$34,954)           | (\$35,759)      | \$805           | 46 <b>Net Profit (Loss)</b>                                       | (\$263,742)           | (\$19,284)        |

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 10/31/17

**Assets**

**From Schedules**

**Market Value**

**Current Assets**

|   |  |   |           |
|---|--|---|-----------|
| 1 | Cash and cash equivalents - unrestricted |   | \$50,795  |
| 2 | Cash and cash equivalents - restricted   |   |           |
| 3 | Accounts receivable (net)                | A | \$50,000  |
| 4 | Inventory                                | B | \$0       |
| 5 | Prepaid expenses                         |   | \$109,512 |
| 6 | Professional retainers                   |   | \$0       |
| 7 | Other: _____                             |   |           |
| 8 | _____                                    |   |           |
| 9 | <b>Total Current Assets</b>              |   | \$210,307 |

**Property and Equipment (Market Value)**

|    |  |   |              |
|----|--|---|--------------|
| 10 | Real property                          | C | \$16,000,000 |
| 11 | Machinery and equipment                | D | \$175,716    |
| 12 | Furniture and fixtures                 | D | \$11,533     |
| 13 | Office equipment                       | D | \$0          |
| 14 | Leasehold improvements                 | D | \$0          |
| 15 | Vehicles                               | D | \$0          |
| 16 | Other: <u>Sullivan Brand Trademark</u> | D | \$670,000    |
| 17 | _____                                  | D |              |
| 18 | _____                                  | D |              |
| 19 | _____                                  | D |              |
| 20 | _____                                  | D |              |
| 21 | <b>Total Property and Equipment</b>    |   | \$16,857,249 |

**Other Assets**

|    |                           |  |              |
|----|---------------------------|--|--------------|
| 22 | Loans to shareholders     |  |              |
| 23 | Loans to affiliates       |  |              |
| 24 | Due from SVC              |  | \$2,061,580  |
| 25 | _____                     |  | \$0          |
| 26 | _____                     |  |              |
| 27 | _____                     |  |              |
| 28 | <b>Total Other Assets</b> |  | \$2,061,580  |
| 29 | <b>Total Assets</b>       |  | \$19,129,136 |

**NOTE:**

Real property market value is abased on appraisal. Furniture, Machinery, and Equipment market value are based on comparable market prices. Trademark market value is based on book value.

**Liabilities and Equity**  
(General Business Case)

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

|    |  |   |                 |
|----|--|---|-----------------|
| 30 | Salaries and wages   |   |                 |
| 31 | Payroll taxes  |   |                 |
| 32 | Real and personal property taxes                                       |   |                 |
| 33 | Income taxes   |   |                 |
| 34 | Sales taxes  |   |                 |
| 35 | Notes payable (short term)   |   |                 |
| 36 | Accounts payable (trade)   | A | \$32,131        |
| 37 | Real property lease arrearage  |   |                 |
| 38 | Personal property lease arrearage                                      |   |                 |
| 39 | Accrued professional fees  |   | \$21,570        |
| 40 | Current portion of long-term post-petition debt (due within 12 months) |   |                 |
| 41 | Other: <u>Due to Kelleen Sullivan (advance for farming costs)</u>      |   | \$20,000        |
| 42 |  |   |                 |
| 43 |  |   |                 |
| 44 | <b>Total Current Liabilities</b>                                       |   | <b>\$73,700</b> |

**Long-Term Post-Petition Debt, Net of Current Portion**

|    |  |  |                 |
|----|--|--|-----------------|
| 46 | <b>Total Post-Petition Liabilities</b> |  | <b>\$73,700</b> |
|----|--|--|-----------------|

**Pre-Petition Liabilities (allowed amount)**

|    |                                       |   |                     |
|----|---------------------------------------|---|---------------------|
| 47 | Secured claims                        | F | \$14,146,393        |
| 48 | Priority unsecured claims             | F | \$0                 |
| 49 | General unsecured claims              | F | \$115,116           |
| 50 | <b>Total Pre-Petition Liabilities</b> |   | <b>\$14,261,509</b> |
| 51 | <b>Total Liabilities</b>              |   | <b>\$14,335,210</b> |

**Equity (Deficit)**

|    |  |  |                     |
|----|--|--|---------------------|
| 52 | Retained Earnings/(Deficit) at time of filing          |  | (\$310,311)         |
| 53 | Capital Stock  |  |                     |
| 54 | Additional paid-in capital                             |  |                     |
| 55 | Cumulative profit/(loss) since filing of case          |  | (\$263,742)         |
| 56 | Post-petition contributions/(distributions) or (draws) |  | (\$1,519,700)       |
| 57 |  |  |                     |
| 58 | Market value adjustment                                |  | \$6,887,680         |
| 59 | <b>Total Equity (Deficit)</b>                          |  | <b>\$4,793,927</b>  |
| 60 | <b>Total Liabilities and Equity (Deficit)</b>          |  | <b>\$19,129,136</b> |

**SCHEDULES TO THE BALANCE SHEET  
(General Business Case)**

**Schedule A**

**Accounts Receivable and (Net) Payable**

| <b>Receivables and Payables Agings</b> | <b>Accounts Receivable<br/>[Pre and Post Petition]</b> | <b>Accounts Payable<br/>[Post Petition]</b> | <b>Past Due<br/>Post Petition Debt</b> |
|--|--|---|--|
| 0 -30 Days                             | \$0  | \$30,731                                    |  |
| 31-60 Days                             | \$0  | \$0   |  |
| 61-90 Days                             | \$0  | \$0   | \$1,400                                |
| 91+ Days                               | \$50,000   | \$1,400                                     |  |
| Total accounts receivable/payable      | \$50,000   | \$32,131                                    |  |
| Allowance for doubtful accounts        |  |   |  |
| Accounts receivable (net)              | \$50,000   |   |  |

**Schedule B**

**Inventory/Cost of Goods Sold**

| <b>Types and Amount of Inventory(ies)</b>  | <b>Inventory(ies)<br/>Balance at<br/>End of Month</b> | <b>Cost of Goods Sold</b>  |
|--|---|--|
|  |   | <b>Inventory Beginning of Month</b> <span style="float:right">0</span> |
|  |   | <b>Add -</b>   |
| Retail/Restaurants -<br>Product for resale |   | Net purchase   |
|  |   | Direct labor   |
| Distribution -<br>Products for resale      |   | Manufacturing overhead   |
|  |   | Freight in   |
|  |   | Other:   |
| Manufacturer -<br>Raw Materials            |   |  |
| Work-in-progress                           |   |  |
| Finished goods                             |   |  |
| Other - Explain                            |   |  |
|  |   | <b>Less -</b>  |
|  |   | Inventory End of Month   |
|  |   | Shrinkage  |
|  |   | Personal Use   |
| <b>TOTAL</b>                               | \$0   | <b>Cost of Goods Sold</b> <span style="float:right">\$0</span>         |

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?  
Yes  No

How often do you take a complete physical inventory?

Weekly   
 Monthly   
 Quarterly   
 Semi-annually   
 Annually

Date of last physical inventory was \_\_\_\_\_

Date of next physical inventory is \_\_\_\_\_

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost   
 LIFO cost   
 Lower of cost or market   
 Retail method   
 Other   
 Explain

**Schedule C  
Real Property**

| Description | <u>Cost</u> | <u>Market Value</u> |
|-------------|-------------|---------------------|
|             | \$0         |                     |
| Property    | \$6,039,547 | \$16,000,000        |
|             | \$0         |                     |
|             | \$0         |                     |
|             | \$0         |                     |
|             | \$0         |                     |
| Total       | \$6,039,547 | \$16,000,000        |

**Schedule D  
Other Depreciable Assets**

| Description                                      | <u>Cost</u> | <u>Market Value</u> |
|--|-------------|---------------------|
| Machinery & Equipment -                          |             |                     |
| Machinery & Equipment (including Kubota Tractor) | \$175,716   | \$175,716           |
|  |             |                     |
|  |             |                     |
| Total  | \$175,716   | \$175,716           |
| Furniture & Fixtures -                           |             |                     |
| Office Furniture                                 | \$10,783    | \$10,783            |
| Painting   | \$750       | \$750               |
|  |             |                     |
| Total  | \$11,533    | \$11,533            |
| Office Equipment -                               |             |                     |
|  |             |                     |
|  |             |                     |
| Total  | \$0         | \$0                 |
| Leasehold Improvements -                         |             |                     |
|  |             |                     |
|  |             |                     |
| Total  | \$0         | \$0                 |
| Vehicles -                                       |             |                     |
|  |             |                     |
|  |             |                     |
| Total  | \$0         | \$0                 |

**Schedule E**  
**Aging of Post-Petition Taxes**  
(As of End of the Current Reporting Period)

| <b>Taxes Payable</b>                 | <u>0-30 Days</u> | <u>31-60 Days</u> | <u>61-90 Days</u> | <u>91+ Days</u> | <u>Total</u> |
|--------------------------------------|------------------|-------------------|-------------------|-----------------|--------------|
| <b>Federal</b>                       |                  |                   |                   |                 |              |
| Income Tax Withholding               |                  |                   |                   |                 | \$0          |
| FICA - Employee                      |                  |                   |                   |                 | \$0          |
| FICA - Employer                      |                  |                   |                   |                 | \$0          |
| Unemployment (FUTA)                  |                  |                   |                   |                 | \$0          |
| Income                               |                  |                   |                   |                 | \$0          |
| Other (Attach List)                  |                  |                   |                   |                 | \$0          |
| <b>Total Federal Taxes</b>           | \$0              | \$0               | \$0               | \$0             | \$0          |
| <b>State and Local</b>               |                  |                   |                   |                 |              |
| Income Tax Withholding               |                  |                   |                   |                 | \$0          |
| Unemployment (UT)                    |                  |                   |                   |                 | \$0          |
| Disability Insurance (DI)            |                  |                   |                   |                 | \$0          |
| Empl. Training Tax (ETT)             |                  |                   |                   |                 | \$0          |
| Sales                                |                  |                   |                   |                 | \$0          |
| Excise                               |                  |                   |                   |                 | \$0          |
| Real property                        |                  |                   |                   |                 | \$0          |
| Personal property                    |                  |                   |                   |                 | \$0          |
| Income                               |                  |                   |                   |                 | \$0          |
| Other (Attach List)                  |                  |                   |                   |                 | \$0          |
| <b>Total State &amp; Local Taxes</b> | \$0              | \$0               | \$0               | \$0             | \$0          |
| <b>Total Taxes</b>                   | \$0              | \$0               | \$0               | \$0             | \$0          |

**Schedule F**  
**Pre-Petition Liabilities**

| <u>List Total Claims For Each Classification -</u> | <u>Claimed Amount</u> | <u>Allowed Amount (b)</u> |
|--|-----------------------|---------------------------|
| Secured claims (a)                                 | \$14,146,393          | \$14,146,393              |
| Priority claims other than taxes                   |                       |                           |
| Priority tax claims                                | \$11,839              | \$0                       |
| General unsecured claims                           | \$115,116             | \$115,116                 |

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G**  
**Rental Income Information**  
Not applicable to General Business Cases

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

|   | <u>Account 1</u> | <u>Account 2</u> | <u>Account 3</u> | <u>Account 4</u> |
|---|------------------|------------------|------------------|------------------|
| Bank  | Umpqua Bank      | Mechanics Bank   |                  |                  |
| Account Type                                | Checking         | Checking         |                  |                  |
| Account No.                                 | x5581            | x6546            |                  |                  |
| Account Purpose                             |                  |                  |                  |                  |
| Balance, End of Month                       | \$0              | \$50,795         |                  |                  |
| <b>Total Funds on Hand for all Accounts</b> | <u>\$50,795</u>  |                  |                  |                  |

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**Increase/(Decrease) in Cash and Cash Equivalents**

**For the Month Ended 10/31/17**

|   | Actual<br>Current Month | Cumulative<br>(Case to Date) |
|---|-------------------------|------------------------------|
| <b>Cash Receipts</b>  |                         |                              |
| 1 Rent/Leases Collected   | 30,000                  | 240,000                      |
| 2 Cash Received from Sales                                      | -                       | -                            |
| 3 Interest Received   |                         | -                            |
| 4 Borrowings  |                         |                              |
| 5 Funds from Shareholders, Partners, or Other Insiders          |                         |                              |
| 6 Capital Contributions   |                         |                              |
| 7 Payment received from JoAnna Sullivan for receivables balance | -                       | 21,500                       |
| 8 Refund received from legal fees                               | -                       | 1,658                        |
| 9   |                         |                              |
| 10  |                         |                              |
| 11  |                         |                              |
| 12 <b>Total Cash Receipts</b>                                   | <b>30,000</b>           | <b>263,158</b>               |
| <b>Cash Disbursements</b>                                       |                         |                              |
| 13 Payments for Inventory                                       |                         |                              |
| 14 Selling  |                         |                              |
| 15 Administrative   | 975                     | 3,956                        |
| 16 Capital Expenditures   | -                       |                              |
| 17 Principal Payments on Debt                                   |                         |                              |
| 18 Interest Paid  |                         |                              |
| Rent/Lease:   |                         |                              |
| 19 Personal Property  |                         |                              |
| 20 Real Property  |                         |                              |
| Amount Paid to Owner(s)/Officer(s)                              |                         |                              |
| 21 Salaries   |                         |                              |
| 22 Draws  |                         |                              |
| 23 Commissions/Royalties  |                         |                              |
| 24 Expense Reimbursements                                       |                         |                              |
| 25 Other  |                         |                              |
| 26 Salaries/Commissions (less employee withholding)             |                         |                              |
| 27 Management Fees  |                         |                              |
| Taxes:  |                         |                              |
| 28 Employee Withholding   |                         |                              |
| 29 Employer Payroll Taxes                                       |                         |                              |
| 30 Real Property Taxes  | -                       | 11,839                       |
| 31 Other Taxes  |                         |                              |
| 32 Other Cash Outflows:   |                         |                              |
| 33 Vineyard Expenses  | 3,879                   | 173,879                      |
| 34 Facility Expenses  | 201                     | 8,196                        |
| 35 Transfer to SVC  | 15,000                  | 15,000                       |
| 36  |                         |                              |
| 37  |                         |                              |
| 38 <b>Total Cash Disbursements:</b>                             | <b>20,054</b>           | <b>212,869</b>               |
| 39 <b>Net Increase (Decrease) in Cash</b>                       | <b>9,946</b>            | <b>50,289</b>                |
| 40 <b>Cash Balance, Beginning of Period</b>                     | <b>40,849</b>           | <b>506</b>                   |
| 41 <b>Cash Balance, End of Period</b>                           | <b>50,795</b>           | <b>50,795</b>                |



**Sullivan Vineyards Partnership**

**Case 17-10065**

**Explanation of Variance to Statement of Operations**

**RE:** For variances greater than +/- 10%, list explanation of variance to Statement of Operations





| <u>Line #</u> | <u>Category</u>      | <u>+/- Variance</u> | <u>Explanation</u>   |
|---------------|----------------------|---------------------|--|
| 24            | Other Administrative | \$ (559)            | Other Administrative expenses was \$559 more than forecasted due to timing of when expenses were incurred. |

P.O. Box 5610  
Hercules, CA 94547-5610

RETURN SERVICE REQUESTED

SULLIVAN VINEYARDS PARTNERS  
DEBTOR IN POSSESSION  
CASE #17-10067  
1090 GALLERON ROAD  
RUTHERFORD CA 94573

**Managing Your Accounts**

|   |                      |                          |
|---|----------------------|--------------------------|
|  | 24-Hour Tele Banking | 888.400.6324             |
|  | Client Services      | 800.797.6324             |
|  | Online               | www.mechanicsbank.com    |
|  | Mobile               | Download Our Mobile Apps |

**Summary of Accounts**

| Account Type                | Account Number | Ending Balance |
|-----------------------------|----------------|----------------|
| PREFERRED BUSINESS CHECKING | XXXXXXXXX6546  | \$55,647.00    |

**PREFERRED BUSINESS CHECKING-XXXXXXXXX6546**
**Account Summary**

| Date       | Description             | Amount      |
|------------|-------------------------|-------------|
| 09/30/2017 | Beginning Balance       | \$65,806.02 |
|            | 1 Credit(s) This Period | \$30,000.00 |
|            | 6 Debit(s) This Period  | \$40,159.02 |
| 10/31/2017 | Ending Balance          | \$55,647.00 |

**Electronic Credits**

| Date       | Description  | Amount      |
|------------|--|-------------|
| 10/27/2017 | 110703813 Online Transfer from XXXXXX6538 on 10/27/17 at 12:09 | \$30,000.00 |

**Electronic Debits**

| Date       | Description  | Amount      |
|------------|--|-------------|
| 10/02/2017 | PGANDE WEB ONLINE 81445150092817                             | \$365.65    |
| 10/02/2017 | PGANDE WEB ONLINE 81445178092817                             | \$756.07    |
| 10/31/2017 | 111088421 Online Transfer to XXXXXX6538 on 10/31/17 at 12:17 | \$15,000.00 |

**Checks Cleared**

| Check Nbr | Date       | Amount      | Check Nbr | Date       | Amount   | Check Nbr | Date       | Amount |
|-----------|------------|-------------|-----------|------------|----------|-----------|------------|--------|
| 5515      | 10/02/2017 | \$23,834.94 | 5516      | 10/23/2017 | \$200.76 | 5517      | 10/19/2017 | \$1.60 |

\* Indicates skipped check number

**Daily Balances**

| Date       | Amount      | Date       | Amount      | Date       | Amount      |
|------------|-------------|------------|-------------|------------|-------------|
| 10/02/2017 | \$40,849.36 | 10/23/2017 | \$40,647.00 | 10/31/2017 | \$55,647.00 |
| 10/19/2017 | \$40,847.76 | 10/27/2017 | \$70,647.00 |            |             |





**PREFERRED BUSINESS CHECKING-XXXXXXXXX6546 (continued)****Overdraft and Returned Item Fees**

|                          | Total for this period | Total year-to-date |
|--------------------------|-----------------------|--------------------|
| Total Overdraft Fees     | \$0.00                | \$0.00             |
| Total Returned Item Fees | \$0.00                | \$0.00             |

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINES AND ORIGINAL WATERMARK (HOLD AT AN ANGLE TO VIEW)

Sullivan Vineyards Partners  
debtor in possession Case#17-10067  
P.O. Box G  
Rutherford, CA 94573  
707.953.9646

Mechanics Bank

5515

9/28/2017

PAY TO THE ORDER OF: Ganey Brothers \$ \*\*23,834.94

Twenty-Three Thousand Eight Hundred Thirty-Four and 84/100 \*\*\*\*\* DOLLARS

Ganey Brothers Vineyard Management  
105 Winedale Lane  
Napa, CA 94559

MEMO 08/10/17 to 09/07/17

005515 12224854 546

#5515 10/02/17 \$23,834.94

Sullivan Vineyards Partners  
debtor in possession Case#17-10067  
P.O. Box G  
Rutherford, CA 94573  
707.953.9646

Mechanics Bank

5516

10/14/2017

PAY TO THE ORDER OF: Stanley Convergent Security Solutions \$ \*\*200.76

Two Hundred and 76/100 \*\*\*\*\* DOLLARS

Stanley Convergent Security Solutions  
Dept CH 10551  
Palatine, IL 60055

MEMO

005516 12224854 546

#5516 10/23/17 \$200.76

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINES AND ORIGINAL WATERMARK (HOLD AT AN ANGLE TO VIEW)

Sullivan Vineyards Partners  
debtor in possession Case#17-10067  
P.O. Box G  
Rutherford, CA 94573  
707.953.9646

Mechanics Bank

5517

10/14/2017

PAY TO THE ORDER OF: Wilbur-Ellis Company \$ \*\*1.60

One and 60/100 \*\*\*\*\* DOLLARS

Wilbur-Ellis Company  
PO Box 45328  
San Francisco, CA 94145-0328

MEMO

005517 12224854 546

#5517 10/19/17 \$1.60

1:06 PM  
11/09/17

Sullivan Vineyards Partnership  
Reconciliation Summary  
Mechanics Bank (6546), Period Ending 10/31/2017

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|                                   | Oct 31, 17 |                  |
|-----------------------------------|------------|------------------|
| Beginning Balance                 |            | 65,806.02        |
| Cleared Transactions              |            |                  |
| Checks and Payments - 6 items     | -40,159.02 |                  |
| Deposits and Credits - 1 item     | 30,000.00  |                  |
| Total Cleared Transactions        | -10,159.02 |                  |
| Cleared Balance                   |            | <u>55,647.00</u> |
| Uncleared Transactions            |            |                  |
| Checks and Payments - 2 items     | -4,852.03  |                  |
| Total Uncleared Transactions      | -4,852.03  |                  |
| Register Balance as of 10/31/2017 |            | <u>50,794.97</u> |
| Ending Balance                    |            | 50,794.97        |

1:06 PM  
11/09/17

Sullivan Vineyards Partnership  
**Reconciliation Detail**  
 Mechanics Bank (6546), Period Ending 10/31/2017

| Type                              | Date       | Num  | Name                  | Clr | Amount            | Balance          |
|-----------------------------------|------------|------|-----------------------|-----|-------------------|------------------|
| Beginning Balance                 |            |      |                       |     |                   | 65,806.02        |
| Cleared Transactions              |            |      |                       |     |                   |                  |
| Checks and Payments - 6 items     |            |      |                       |     |                   |                  |
| Bill Pmt -Check                   | 09/28/2017 | 5515 | Garvey Brothers       | X   | -23,834.94        | -23,834.94       |
| Bill Pmt -Check                   | 09/28/2017 | ACH  | PG&E 8829433892-1     | X   | -756.07           | -24,591.01       |
| Bill Pmt -Check                   | 09/28/2017 | ACH  | PG&E 8974666849-3     | X   | -365.65           | -24,956.66       |
| Bill Pmt -Check                   | 10/14/2017 | 5516 | Stanley Converge...   | X   | -200.76           | -25,157.42       |
| Bill Pmt -Check                   | 10/14/2017 | 5517 | Wilbur-Ellis Com...   | X   | -1.60             | -25,159.02       |
| Check                             | 10/31/2017 |      |                       | X   | -15,000.00        | -40,159.02       |
| Total Checks and Payments         |            |      |                       |     | -40,159.02        | -40,159.02       |
| Deposits and Credits - 1 item     |            |      |                       |     |                   |                  |
| Deposit                           | 10/27/2017 |      |                       | X   | 30,000.00         | 30,000.00        |
| Total Deposits and Credits        |            |      |                       |     | 30,000.00         | 30,000.00        |
| Total Cleared Transactions        |            |      |                       |     | -10,159.02        | -10,159.02       |
| Cleared Balance                   |            |      |                       |     | -10,159.02        | 55,647.00        |
| Uncleared Transactions            |            |      |                       |     |                   |                  |
| Checks and Payments - 2 items     |            |      |                       |     |                   |                  |
| Bill Pmt -Check                   | 10/26/2017 | 5518 | Garvey Brothers       |     | -3,877.03         | -3,877.03        |
| Bill Pmt -Check                   | 10/26/2017 | 5519 | United States Trus... |     | -975.00           | -4,852.03        |
| Total Checks and Payments         |            |      |                       |     | -4,852.03         | -4,852.03        |
| Total Uncleared Transactions      |            |      |                       |     | -4,852.03         | -4,852.03        |
| Register Balance as of 10/31/2017 |            |      |                       |     | -15,011.05        | 50,794.97        |
| Ending Balance                    |            |      |                       |     | <u>-15,011.05</u> | <u>50,794.97</u> |

**SULLIVAN VINEYARDS CORPORATION  
SULLIVAN VINEYARDS PARTNERSHIP  
MONTHLY OPERATING REPORT DISCLOSURE STATEMENT  
JOINTLY ADMINISTERED CASE NO. 17-10065-RLE  
FOR THE MONTH ENDED OCTOBER 31, 2017**

Sullivan Vineyards Corporation filed a Chapter 11 bankruptcy petition on February 1, 2017 and Sullivan Vineyards Partnership filed a Chapter 11 bankruptcy petition on February 2, 2017. The cases are jointly administered by order of the Court dated March 13, 2017. The case was operated as a Debtor in Possession until Timothy W. Hoffman(“Trustee”) was appointed Chapter 11 Trustee by order of the Court dated August 29, 2017.

The report was prepared in part upon information which is the representation of the Debtor. The Trustee had no involvement with the Debtor’s accounting prior to his appointment and makes no representations regarding the accuracy of the Debtor’s financial records for the period prior to his appointment.