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6 Creditor and Interest Holder

7
8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 SANTA ANA DIVISION

11 In re Case No. SA 98-27040-RA
12 VISION CAPITAL SERVICES Chapter 11
CORPORATION, a California corporation,
13 (Jointly Administered with Case
Debtors. Nos. SA 98-27041-RA;
14 SA 98-27042-RA; SA 98-27043-RA;
SA 98-27044-RA; SA 98-27092-RA;
15 SA 98-27098-RA; SA 98-27101-RA;
SA 98-27105-RA; and
16 SA 98-27106-RA)

17 VISION CAPITAL SERVICES NOTICE OF MOTION AND MOTION TO
CORPORATION, a California CONVERT CHAPTER 7 CASE OF ATLAS
18 corporation; EQUITIES, INC. (CASE NO.
Case No. SA 98-27040-RA SA98-27044) TO CHAPTER 11
19
20 Affected By This Pleading.

21 INCOME NETWORK COMPANY, INC., HEARING:
a California corporation; Date: December 18, 2003
22 Case No. SA 98-27041-RA Time: 10:00 a.m.
Ctcm: GC
23 Affected By This Pleading. Judge: Hon. Robert W. Alberts

24 PERFORMANCE DEVELOPMENT, INC.,
25 a California corporation;
26 Case No. SA 98-27042-RA
27 Affected By This Pleading.
28

1 PERFORMANCE CAPITAL MANAGEMENT,
INC., a California corporation;
2 Case No. SA 98-27043-RA

3 Affected By This Pleading.

4 ATLAS EQUITY INC., dba
5 PERFORMANCE TELECOM, dba
6 PERFORMANCE COMMUNICATIONS
7 SERVICES, dba ALLEN RICHARDS &
8 ASSOCIATES, a California
corporation;
Case No. SA 98-27044-RA

9 Affected By This Pleading

10 PERFORMANCE ASSET MANAGEMENT
11 FUND, LTD., a California limited
partnership;
Case No. SA 98-27092-RA

12 Affected By This Pleading.

14 PERFORMANCE ASSET MANAGEMENT
15 FUND II, LTD., a California
limited partnership;
Case No. SA 98-27098-RA

16 Affected By This Pleading.

17 PERFORMANCE ASSET MANAGEMENT
18 FUND III, LTD., a California
limited partnership;
Case No. SA 98-27101-RA

19 Affected By This Pleading.

22 PERFORMANCE ASSET MANAGEMENT
23 FUND IV, LTD., a California
limited partnership;
Case No. SA 98-27105-RA

24 Affected By This Pleading.

25 PERFORMANCE ASSET MANAGEMENT
26 FUND V, LTD., a California
limited partnership;
Case No. SA 98-27106-RA

27 Affected By This Pleading.
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Allen, Matkins, Leck,
Gamble, Mallory LLP
attorneys at law

Allen, Matkins, Leck,
Gamble, Mallory LLP
attorneys at law

1 TO ALL CREDITORS AND OTHER PARTIES IN INTEREST AND THE
2 OFFICE OF THE UNITED STATES TRUSTEE:
3 PLEASE TAKE NOTICE that on December 18, 2003, at 10:00 a.m.,
4 or as soon thereafter as the matter may be heard, in Courtroom 6C
5 of the above-entitled Court, located at 411 West Fourth Street,
6 Santa Ana, California, Vincent E. Galewick ("Galewick") will and
7 hereby does move the Court (the "Motion") for entry of an order
8 converting the chapter 7 case of Atlas Equities, Inc. ("Atlas")
9 to a case under chapter 11.
10 This Motion is made on the grounds that cause exists under
11 Bankruptcy Code section 706(b) because conversion to chapter 11
12 is in the best interest of Atlas' creditors and interest holders.
13 At this time, Atlas' assets have been liquidated and the chapter
14 trustee for Atlas holds approximately \$40,000 in cash on hand.
15 The trustee has informed Galewick that the costs of
16 administration could exhaust the amount of cash on hand and
17 creditors of Atlas would likely receive only de minimus
18 distribution if anything. On the other hand, Galewick intends to
19 propose a chapter 11 plan that will involve the merger of Atlas
20 with another entity to enable the post-merger Atlas to utilize
21 substantial net operating losses. Galewick's anticipated plan
22 will pay all allowed administrative claims in full and provide
23 for distributions to unsecured creditors in an amount of at least
24 \$40,000. As a result, under chapter 11 Atlas' creditors and
25 interest holders will receive more in distributions and other
26 benefits than they would if the case remains in chapter 7.
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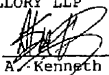
1 This Motion is based on the Memorandum of Points and
2 Authorities, the Declaration of Vincent E. Galewick, and the
3 Request for Judicial Notice filed concurrently herewith, the
4 Court's files in this bankruptcy case, and any additional
5 evidence or argument presented or filed prior to or at the
6 hearing on the Motion. Not all parties will be served with the
7 Memorandum of Points and Authorities, the Declaration of Vincent
8 E. Galewick, and the Request for Judicial Notice. If you have
9 not been served with and would like copies of such documents,
10 please contact counsel for Galewick at the address and telephone
11 number listed above.
12 YOUR RIGHTS MAY BE AFFECTED. You should read this notice
13 carefully and discuss the relief sought herein with your
14 attorney, if you have one in this bankruptcy case. (If you do
15 not have an attorney, you may wish to consult one.)
16 PLEASE TAKE FURTHER NOTICE that pursuant to Local Bankruptcy
17 Rule 9013-1(1)(g), parties, if any, responding to the Motion must
18 file and serve any responsive papers and evidence not less than
19 fourteen (14) days before the hearing on the Motion. Failure to
20 timely file and serve an objection may be deemed to constitute
21 consent to the granting of the relief requested in the Motion.
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1 PLEASE TAKE FURTHER NOTICE that any response must be served
2 on: (1) counsel for Galewick, Vincent M. Coscino, Esq., Allen
3 Matkins Leck Gamble & Mallory LLP, 1900 Main Street, 5th Floor,
4 Irvine, California 92614-7321; and (2) the Office of the United
5 States Trustee, 411 West Fourth Street, Suite 9041, Santa Ana,
6 California 92701-8000.

7
8 Dated: November 24, 2003

ALLEN MATKINS LECK GAMBLE &
MALLORY LLP

9
10 By: 
11 A. Kenneth Hennessey, Jr.
12 Attorneys for Creditor and
13 Interest Holder Vincent
14 Galewick

NOTICE OF PROCEDURES FOR MOTIONS BEFORE JUDGE ALBERTS

1. The form Certificate Re Notice on the reverse side of this Notice must be completed by Movant's attorney (or, if Movant is not represented by an attorney, by Movant), appended to and filed with the Proof of Service for the Motion.

2. With the Certificate Re Notice and Proof of Service, Movant is to submit to the Clerk of Court completed Notice Of Entry forms and postage-paid, addressed envelopes necessary to enable the Court Clerk's office to give notice of entry of the Order respecting the Motion in accordance with Federal Rule of Bankruptcy Procedure 9022 and Local Bankruptcy Rule 9021-1(1)(a)(v).

3. The Notice Of Entry forms to be presented to the Clerk's Office with the Certificate Re Notice and Proof of Service are to be entitled "Notice Of Entry Of Order Re (insert name of motion here)". Where applicable, please include the following information on the Notice Of Entry forms: names of Debtor(s), Movant, Respondent, Plaintiff, Defendant, bankruptcy case number, adversary number and date of hearing. Please attach a complete service list and complete set of addressed, postage-paid mailing envelopes to the Notice Of Entry forms. Please submit an original and enough copies of the Notice of Entry Forms for each entity entitled to notice of entry.

4. Unless otherwise announced by the Court at the hearing, the Court will prepare the orders respecting all motions determined by Judge Alberts

5. In all stay relief motions involving foreclosure of real estate, Movant, IN THE MOTION PAPERS, is to provide the relevant county recorder's recorded document number for the deed of trust or mortgage sought to be foreclosed.

6. In all stay relief motions involving foreclosure of tangible personal property, Movant, IN THE MOTION PAPERS, is to provide the legal description (e.g. vehicle identification number or vessel registration number), if any, of such property.

7. For all motions requiring notice to the debtor, the trustee, and all creditors, movant is encouraged to attach to the proof of service a current copy of the master matrix as the service list for the motion. A copy of the master matrix is available either through pacer or at the Intake Desk on the 2nd floor of the Bankruptcy Court located at 411 W. Fourth Street, Santa Ana, CA.

8. Copies of this Notice must be served with the Motion.

9. Motions to which no written, timely opposition has been served and filed may be included by the Court on default calendars, which are announced, called and granted at the beginning of each calendar call, in advance of contested motions scheduled for the same time, if the relief requested in such motions is relief to which the Court determines the Movant is clearly entitled under applicable law.

FAILURE TO COMPLY WITH THE FOREGOING MAY RESULT IN CONTINUANCE OF THE HEARING OR DENIAL OF THE MOTION

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CERTIFICATE RE NOTICE

The undersigned (Attorney or Movant) hereby certifies that.

1. The entities served as set forth in the annexed proof of service are all of the entities required by applicable law to be served with the pleading(s) referred to therein, and

2. The names and addresses of such entities set forth in the annexed proof of service are their correct names and addresses according to the records of the United States Bankruptcy Court for the case specified below in which such proof of service is to be filed.

The undersigned hereby acknowledges that this Certificate is filed in compliance with Bankruptcy Rule 9011 (a) and may be relied upon by the Bankruptcy Court for the purpose of determining whether each pleading which is the subject of such proof of service has been properly served

DATED: November 24, 2003


(Signature)

A. Kenneth Hennessey, Jr., Esq.
(Name, typed or printed)

CASE NAME: In re Atlas Equity, Inc.

CASE NO.: SA 98-27044-RA
(Jointly Administered with In re Vision Capital Services Corporation;
Case No. SA 98-27040-RA)

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