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7 Subchapter V Trustee

8

9 **UNITED STATES BANKRUPTCY COURT**  
10 **DISTRICT OF ARIZONA**

11 In re:

12 Auto Glass 2020, LLC,

13 Debtor.

14 Chapter Proceedings Under 11  
15 Subchapter V

16 Case No. 2:25-bk-00374-MCW

17 **SUBCHAPTER V TRUSTEE  
18 POSITION STATEMENT  
19 REGARDING PLAN  
20 CONFIRMATION**

21 Dawn M. Maguire, as Subchapter V Trustee (“Trustee”), hereby provides her  
22 analysis of the Debtor’s Amended Plan.

23 **BACKGROUND**

- 24
- 25 1. On January 16, 2025, the Debtor filed a Voluntary Petition under Chapter 7 of  
26 the Bankruptcy Code. Thereafter, Dawn Maguire was appointed as Subchapter  
27 V Trustee (“Trustee”) for the case (docket number 13).
- 28 2. The Debtor filed its Schedules as required under 11 U.S.C. § 1116(3) (docket  
number 1).
- 29 3. The Debtor filed the Statement of Financial Affairs on February 6, 2025 (docket  
number 59).
- 30 4. The Debtor filed an Amended Schedule A/B, G and H on February 6, 2025  
number 57).
- 31 5. The Debtor filed an Amended Schedules D and E/F on February 6, 2025 (docket  
number 59).

number 58).

6. On February 11, 2025, the Debtor and the Trustee attended the IDI conducted by the U.S. Trustee’s Office, as required under 11 U.S.C. § 1116(7).
  7. On February 18, 2025, the Debtor and the Trustee attended the Meeting of Creditors, as required under 11 U.S.C. § 1116(2) (docket number 66).
  8. During this case, the Trustee investigated the acts, conduct, assets, liabilities, and financial condition of the Debtor, and the operation of the Debtor’s business.
  9. The Trustee found that the Debtor qualifies as a Sub V debtor as the debts are under the threshold in place as of the Petition Date (see docket numbers 1 and 58).
  10. The Debtor filed its Chapter 11 Subchapter V Plan of Reorganization on April 16, 2025 (docket number 99) (“Plan”).
  11. The Debtor has and will continue to maintain appropriate insurance as required under 11 U.S.C. § 1116(5).
  12. Given the objections to the Plan, along with a change in circumstances for the Debtor, the Debtor filed its Amended Chapter 11 Subchapter V Plan of Reorganization on July 10, 2025 (docket number 125) (“Amended Plan”).
  13. The Amended Plan outlines four (4) classes: class two contains twenty-two secured claims, there are tax claims, unsecured claims, and equity holder claims represented in the various classes.
  14. The Amended Plan has been formulated as a five (5) year plan, with net disposable income allocated to the Plan Payments.

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- 1           15. Based on the current revenue, it appears that the Debtor has not provided a  
2           viable Amended Plan in this case as the Debtor does not have the revenue to  
3           support the monthly Plan Payments.

4

5           16. The Trustee believes that the Amended Plan provisions do not meet all of the  
6           confirmation benchmarks set forth in 11 U.S.C. §§ 1129 and 1191, mainly  
7           feasibility.

8

9           17. The Trustee will attend the Plan Confirmation hearing set for November 5, 2025.

10

11          18. The Amended Plan establishes the agreement between the Debtor and AZDOR  
12          for payment of the post-petition TPTs within forty-five (45) days of the Effective  
13          Date. See page 13 at docket number 125. The Debtor does not have the available  
14          funds to issue this outstanding payment.

15

16          19. Another agreement through the Amended Plan with the AZDOR is that the  
17          Debtor will pay \$20,000 by the end of the calendar year 2025 towards the pre-  
18          petition priority claim. See page 14 at docket number 125. The Debtor does not  
19          have the available funds to issue this promised payment.

20

21          20. The Trustee and Debtor Not-In-Possession Counsel have discussed the  
22          financials and the need for the Debtor to have increased revenues to properly  
23          fund the Amended Plan. If the Debtor's owner provides a cash infusion into the  
24          business to fund all of the Effective Date payments as well as the agreed upon  
25          AZDOR payment of \$20,000 at the end of 2025, and eliminates the  
26          administrative claims outlined in the Amended Plan to reduce the monthly  
27  
28

1 expenses, the Debtor may achieve a positive financial position and ability to  
2 remit the outlined monthly plan payments.

3  
4 21. The Debtor filed a Ballot Report on June 5, 2025 (docket number 116). The  
5 Debtor has four (4) voting classes, and 8 creditors voted in favor of the Plan as  
6 required by 11 U.S.C. § 1129(a)(8) and 11 U.S.C. § 1129(a)(10).

7  
8 22. AILCO Equipment Finance Group, Inc. voted against the Amended Plan.  
9 AILCO's lease has since been rejected and the equipment set to surrender to  
10 AILCO.

11  
12 23. The Amended Plan does not have the request approval votes for confirmation of  
13 the Amended Plan under 11 U.S.C. § 1191(a). The Debtor has not met, and  
14 cannot meet, the qualifications for confirmation under 11 U.S.C. § 1191(a).

15  
16 24. The Trustee reviewed the Debtor's income projections for a five-year period and  
17 believes that the projections are inaccurate based on the information provided.  
18 The Debtor's five-year payment commitment cannot truly satisfy 11 U.S.C. §  
19 1191(c) as the Debtor does not have evidence to show that it can attain that level  
20 of monthly revenue.

21  
22 25. The Monthly Operating Reports provided the following revenue details:

June <sup>1</sup> , 2025	\$299,534.00
July <sup>2</sup> , 2025	\$285,988.00
August <sup>3</sup> , 2025	\$298,936.00

28  
29 \_\_\_\_\_  
30 <sup>1</sup> Docket number 137

<sup>2</sup> Docket number 157

<sup>3</sup> Docket number 170

1	September <sup>4</sup> , 2025	\$233,462.00
2	October <sup>5</sup> , 2025	\$222,761.00
3	Total for 5 months	\$1,340,681.00

6           26. The Amended Plan<sup>6</sup> suggests the revenue for those months as follows:

7	June, 2025	\$364,500.00
8	July, 2025	\$364,500.00
9	August, 2025	\$405,000.00
10	September, 2025	\$364,500.00
11	October, 2025	\$344,250.00
12	Total for 5 months	\$1,842,750.00

16           27. The Debtor is down \$502,069.00 in revenue from its' projections and the  
17           Amended Plan Payments have not even started.

18           28. There are preference payments listed on the Debtor's Statement of Financial  
19           Affairs. Those payments need to be investigated for possible recovery under 11  
20           U.S.C. § 547 for the benefit of the creditors. See page 24 of Amended Plan.

21           29. The Debtor currently has appeal funds as open receivables, from Progressive  
22           Insurance. At least \$30,000 is immediately due and potentially on the way to  
23           the Debtor. These funds have been earmarked for Effective Date payments.

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<sup>4</sup> Docket number 181.

28           <sup>5</sup> The MOR is not yet due, but the revenue reported to the Subchapter V Trustee for the month of October was approximately \$222,761.00.

29           <sup>6</sup> Docket number 125-2.

- 1       30. The Debtor has significant pre-petition tax debt, listed as \$947,766.28 on
- 2                  Schedule E to the Arizona Department of Revenue (“AZDOR”). The amended
- 3                  claim filed by AZDOR shows priority debt of \$1,889,140.75 (Claims Register
- 4                  6-3).
- 5
- 6       31. The Debtor also has a priority claim to the Arizona Department of Economic
- 7                  Security, in the amount of \$25,117.95 (Claims Register #3).
- 8
- 9       32. The Debtor has reduced its staff to a minimal labor force. The employee base
- 10                 cannot produce the necessary monthly revenue, especially on a five-year scale.
- 11
- 12      33. The Trustee reviewed the Debtor’s liquidation analysis and believes that the
- 13                 analysis is a fairly accurate reflection of asset values and liquidation value, in
- 14                 support of 11 U.S.C. § 1129(a)(7).
- 15
- 16      34. The Debtor’s assets are over-encumbered with a lien by the U.S. Small Business
- 17                 Administration in the amount of \$466,327.45 (Claims Register #1).
- 18
- 19      35. The Amended Plan is in compliance with the Bankruptcy Code, and the
- 20                 Amended Plan was filed in good faith, therefore meeting the beginning factors
- 21                 of 11 U.S.C. § 1129(a).
- 22
- 23      36. The Amended Plan was proposed by the then Manager Kristy LeSueur.
- 24                 Evidence of Ms. LeSueur’s position can be found at the Arizona Corporation
- 25                 Commission website, filing number 25011511424231, dated January 13, 2025.
- 26
- 27      37. Shortly after the Trustee’s expanded powers, per Order dated August 12, 2025,
- 28                 Ms. LeSueur no longer worked for the company.
- 29
- 30      38. The Amended Plan called for Griffen Granberg to manage operations. However,
- 31                 along with Kristy LeSueur, Griffen Granberg is no longer with the Debtor.

- 1       39. There are no available funds to hire and pay the salary of an Operations Manager.
- 2       40. The Debtor has listed the administrative claims subject to Court approval and
- 3                  has outlined proposed payments for approved administrative claims, therefore
- 4                  complying with 11 U.S.C. §§ 1129(a)(4) and (a)(9).
- 5       41. The outstanding administrative claims total:
  - 6                  a. Burch & Cracchiolo filed First Interim Application for Compensation and
  - 7                          Reimbursement of Expenses for Serviced to Counsel for Debtor on July 15,
  - 8                          2025, for fees of \$41,762.50 and cost reimbursement of \$801.41 (docket
  - 9                          number 127). The Order approving the First Interim Fee Application was
  - 10                          entered on August 14, 2025 (docket number 151).
  - 11                  b. Burch & Cracchiolo has not filed a Second Application for its services
  - 12                          rendered from June 1, 2025, through August 11, 2025.
  - 13                  c. Subchapter V Trustee Dawn Maguire filed her First Interim Application for
  - 14                          Compensation and Reimbursement of Expenses for Services Rendered by
  - 15                          the Subchapter V Trustee on October 17, 2025, for fees of \$31,236.00 and
  - 16                          cost reimbursement of \$118.18 (docket number 177).
  - 17                  d. Richard L. Joliet CPA, LLC (“Joliet CPA”) has not been paid on the Order
  - 18                          approving its First Interim Application of \$18,053.00 (docket number 148).
  - 19                  e. Joliet CPA filed its Second Interim Application for Allowance of
  - 20                          Compensation and Payment for Expenses to Accountant Richard L. Joliet
  - 21                          CPA, LLC, on October 17, 2025, for fees of \$8,875.00 (docket number 174).

- 1 f. Burch & Cracchiolo, as Special Counsel, effective Order dated September 2,
- 2 2025 (docket number 157), has not submitted its Fee Application for services
- 3 rendered since August 12, 2025.
- 4
- 5 g. Arizona Department of Revenue, for the post-petition TPT debt in the
- 6 amount of \$45,539.78, as of September 11, 2025 (Claims Register #23-3).
- 7 h. According to the September 2025 Monthly Operating Report, the Debtor has
- 8 unpaid payroll of \$28,739.76 for post-petition employee services.
- 9
- 10 42. Unfortunately, the Debtor has only been able to set aside \$5,000.00 for the
- 11 administrative claims so far.
- 12
- 13 43. Post-petition, due to a lack of revenue, the Debtor has missed significant
- 14 monthly secured, installment payments, such as vehicle payments and an SBA
- 15 payment.
- 16
- 17 44. The Trustee found evidence of fraud, dishonesty, incompetence, and misconduct
- 18 in the management of the affairs of the Debtor.
- 19
- 20 45. During the Chapter 11 case, Cash LaSueur diverted \$26,218.00 of revenue out
- 21 of the business. Cash LaSueur paid back \$11,296.00 to the Debtor to date, and
- 22 has a balance due of \$14,922.00.
- 23
- 24 46. The Trustee reviewed the Debtor's projections and payment schedules,
- 25 including the Debtor's budget, and believes that the numbers are not attainable
- 26 with the current operations and staff.
- 27
- 28 47. The Trustee believes that feasibility cannot be shown.
- 29
- 30 48. The Amended Plan does not meet the feasibility requirement to allow
- 31 confirmation of the Amended Plan under 11 U.S.C. § 1191(b).

1           49. The Debtor will default on the Amended Plan before the first payment is due in  
2           month one as the Debtor cannot meet the Effective Date obligations.  
3

4           50. The Trustee cannot support Confirmation of the Amended Plan.  
5

6           Dated: November 3, 2025  
7

8           **TRUSTEE DAWN MAGUIRE**  
9

10           */s/ Dawn M. Maguire*  
11           Dawn M. Maguire  
12           Subchapter V Trustee  
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14           **E-FILED** on November 3, 2025, with the  
15           U.S. Bankruptcy Court and copies served  
16           via ECF notice on all parties that have  
17           appeared in the case.

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26           */s/ Dawn Maguire*  
27  
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