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Attorney for Creditor: SIGNIFY HOLDING B.V.

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
LOS ANGELES DIVISION**

In re  
**DECO ENTERPRISES, INC.,**

Debtor(s).

**NOTICE OF MOTION AND MOTION UNDER  
11 U.S.C. § 1112(b)(1) TO CONVERT, DISMISS,  
OR APPOINT A CHAPTER 11 TRUSTEE.**

CHAPTER 11

CASE NUMBER **2:20-bk-11846 BB**

TO THE DEBTOR, DEBTOR'S ATTORNEY, CREDITORS, AND OTHER INTERESTED PARTIES:

NOTICE IS HEREBY GIVEN that on the following date and time in the indicated courtroom, SIGNIFY HOLDING B.V. will move, and does hereby move the Court for an order either converting the above entitled chapter 11 case to chapter 7, dismissing the case, or appoint a chapter 11 trustee, and for such other relief as may be appropriate on the grounds set forth below.

**Hearing Date: 4/19/2023**

**Time: 10:00 a.m.**

**Courtroom: 1539**

**Location: 255 E. Temple Street, Los Angeles, California 90012**

Local Bankruptcy Rule 9013-1(f) requires that any opposition or response to this motion be stated in writing, filed with the Clerk of the Court and served upon the United States Trustee at the address set forth in the upper left-hand corner of this document, upon the chapter 11 trustee and his or her attorney if a trustee has been appointed, and upon the debtor and the debtor's attorney no less than fourteen (14) days prior to the above hearing date. The court may treat failure to file a written response to this motion within the required time period as consent to the motion.

Dated: March 24, 2023

Law Offices of Gary A. Weis

By: /s/ Gary A. Weis

Gary A. Weis, Attorney for SIGNIFY HOLDING  
B.V., Creditor

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
17451 Sarita Ave., Canyon Country, CA 91387.

A true and correct copy of the foregoing document entitled (*specify*): \_\_\_\_\_  
MOTION OF CREDITOR SIGNIFY HOLDING B.V. UNDER 11 U.S.C. § 1112(b)(1) TO CONVERT, DISMISS, OR APPOINT A  
CHAPTER 11 TRUSTEE; DECLARATION IN SUPPORT OF MOTION OF CREDITOR SIGNIFY HOLDING B.V. UNDER 11 U.S.C.  
§ 1112(b)(1) TO CONVERT, DISMISS, OR APPOINT A CHAPTER 11 TRUSTEE..  
will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in  
the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General  
Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*)  
03/24/2023, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that  
the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated  
below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) 03/24/2023, I served the following persons and/or entities at the last known addresses in this bankruptcy  
case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail,  
first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the  
judge will be completed no later than 24 hours after the document is filed.  
ADP Total Source, Inc. 10200 Sunset dr., Miami, FL 33173-3033

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method  
for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 03/24/2023, I served  
the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to  
such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration  
that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is  
filed.

The Honorable Sheri Bluebond  
U.S. Bankruptcy Court  
Attn: Mail Room Clerk-Judge's Copies  
255 E. Temple Street, Room 940  
Los Angeles, CA 90012  
OVERNIGHT MAIL

Debtor:  
Deco Enterprises, Inc. dba Deco Lighting  
2917 South Vail Avenue  
Commerce, CA 90040  
OVERNIGHT MAIL

☐ Service information continued on attached page

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

03/24/2023

Gary A. Weis

Date

Printed Name

Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Proof of Service Addendum - Section 1

## **Mailing Information for Case 2:20-bk-11846-BB**

### **Electronic Mail Notice List**

The following is the list of parties who are currently on the list to receive email notice/service for this case.

- **Raymond H. Aver** ray@averlaw.com, averlawfirm@gmail.com; ani@averlaw.com; katya@averlaw.com; jesus@averlaw.com
- **Cheryl S Chang** Chang@Blankrome.com, Hno@BlankRome.com
- **Eryk R Escobar** eryk.r.escobar@usdoj.gov
- **Oscar Estrada** oestrada@ttc.lacounty.gov
- **Christine R Etheridge** christine.etheridge@ikonfin.com
- **Matthew B Holbrook** mholbrook@sheppardmullin.com, amartin@sheppardmullin.com
- **David S Kupetz** David.Kupetz@lockelord.com, mylene.ruiz@lockelord.com
- **Bruce G Landau** bruce@landauandlandau.com
- **Jonathan A Loeb** jloeb@blankrome.com, fpippo@blankrome.com, dalessi@blankrome.com
- **David W. Meadows** david@davidwmeadowslaw.com
- **Eric A Mitnick** MitnickLaw@gmail.com, mitnicklaw@gmail.com
- **Austin P Nagel** antwanette.hardin@bonialpc.com, Notices.Bonial@ecf.courtdrive.com
- **Howard Steinberg** steinbergh@gtlaw.com, pearsallt@gtlaw.com; lalitdick@gtlaw.com
- **Jason E Turner** jturner@jturnerlawgroup.com, karina@jturnerlawgroup.com
- **United States Trustee (LA)** ustregion16.la.ecf@usdoj.gov
- **Eric R Von Helms** evonhelms@kinksc.com
- **Gary A Wels** garyweis@sbcglobal.net
- **David Wood** dwood@marshackhays.com, dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
- **Claire K Wu** claire.wu@pillsburylaw.com, irene.hooper@pillsburylaw.com; docket@pillsburylaw.com
- **John R Yates** jyates@yateslitigation.com, jyates@yateslitigation.com

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Attorneys for Creditor  
SIGNIFY HOLDING B.V.

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

In re:  
  
DECO ENTERPRISES, INC.,  
  
Debtor.

Case No. 20-11846-BB  
Chapter 11

MOTION OF CREDITOR SIGNIFY  
HOLDING B.V. UNDER 11 U.S.C. §  
1112(b)(1) TO CONVERT, DISMISS,  
OR APPOINT A CHAPTER 11  
TRUSTEE.

[FILED CONTEMPORANEOUSLY WITH  
THE DECLARATION OF MICHAEL  
FUERCH]

DATE: April 19, 2023  
TIME: 10:00 a.m.  
PLACE: Courtroom 1539  
Roybal Federal Building  
United States Bankruptcy Court  
255 East Temple Street  
Los Angeles, California 90012

TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY JUDGE:

Creditor Signify Holding B.V., formerly known as Philips Lighting Holding B.V. ("Signify"), by  
its undersigned attorneys, moves the Court under 11 U.S.C. § 1112(b) to Convert, Dismiss, or Appoint  
a Chapter 11 Trustee in the Chapter 11 bankruptcy proceedings of Debtor Deco Enterprises, Inc.  
("Debtor"). In support of this Motion, Signify states as follows:

**DEBTOR'S CHAPTER 11 CASE**

1. On February 20, 2020 (the "Petition Date"), Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Code").

2. Debtor has continued in possession of its property and is continuing to operate and manage its business as debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Code.

**PRE-PETITION PATENT LICENSE AND SETTLEMENT AGREEMENT**

3. Debtor and Signify entered into a Patent License and Settlement Agreement, dated October 1, 2017, which consists of certain mutual obligations between Debtor and Signify (the "Agreement").

4. The Agreement contains information that is confidential to both Debtor and Signify. Accordingly, the Agreement is not being submitted to the Court as an exhibit to this Motion.

5. Debtor defaulted pre-petition, in its obligations to Signify, by Debtor failing to pay amounts it owed to Signify under the terms of the Agreement.

6. As of the Petition Date, Debtor owed Signify \$342,128.80, under the terms of the Agreement, based on Debtor's failure to cure its default.

7. Signify filed its proof of claim in these proceedings, in the amount of \$342,128.80, on April 28, 2020, based on the amounts owed by Debtor to Signify under the Agreement as obligations of Debtor resulting from an unexpired executory contract.

8. Debtor is continuing to operate its business under the terms of the Agreement after the Petition Date. Signify has continued to comply with its obligations to Debtor under the Agreement after the Petition Date.

**CHAPTER 11 PLAN**

9. Debtor submitted its Amended Chapter 11 Plan as Modified to the Court on June 25, 2021 (the "Plan"). The Plan was confirmed by the Court pursuant to its Order Confirming "Debtor's Amended Chapter 11 Plan as Modified" on June 29, 2021.

10. The Plan provides, in Article III (A) (1), that the obligations of Debtor with Signify shall be assumed under the Plan.

11. Article III (A) (1) of the Plan further provides that Signify's claim, in the amount of \$342,128.80, would be bifurcated into an allowed assumption claim in the amount of \$267,128.80 (the

“Patent License Cure Amount”) and a general unsecured claim in the amount of \$75,000.

12. The Plan states that the Patent License Cure Amount would be paid with an initial payment of \$66,782.20, paid within 90 days of the Effective Date of the Plan, and the remaining \$200,346.00 balance to be paid in 15 monthly installments of \$13,356.44 each, with the first installment to be paid one month after the initial payment is made.

13. The Plan additionally provides, in Article II (C) (3), that general unsecured creditors will receive a dividend of 5% of their claims paid in sixty equal monthly instalments and receive 100% of the net recovery from the Pouladian Litigation after fees and costs.

14. The Effective Date of the Plan was August 28, 2021.

**DEFAULT IN PAYMENTS UNDER TERMS OF CONFIRMED PLAN**

15. Following the Effective Date of the Plan, Debtor failed to timely make the initial payment of \$66,782.20 to Signify, towards the Patent License Cure Amount, within 90 days of the Effective Date as required under the Plan.

16. The first \$66,782.20 payment was not received until December of 2021, when debtor paid \$79,671.97 to Signify. This \$79,671.97 payment was applied to the amount due for the initial payment, and towards part of the \$13,356.44 payment that came due in December of 2021 under the Plan.

17. Debtor did not make any payment to Signify for January of 2022. Debtor then made three payments, each in the amount of \$13,389.77, to Signify in February, March, and April of 2022.

18. Debtor has not made any payments to Signify, under the terms of the Plan, since April of 2022.

19. As of November 8, 2022, when Signify brought its Motion to Enforce Plan Obligations [Docket No. 437] in these proceedings, Debtor was past due with its payments to Signify, for the Patent License Cure Amount, in the amount of \$93,861.76.

20. As of March 21, 2023, Debtor is past due with its payments to Signify, under the Patent License Cure Amount, in the amount of \$147,287.52.

21. A total balance of \$147,287.52 remains unpaid for the Patent License Cure Amount.

22. No payments have been received by Signify on its \$75,000 general unsecured claim.

**CONVERSION OR DISMISSAL UNDER SECTION 1112(b) OF THE  
BANKRUPTCY CODE**

23. Section 1112(b) of the Code provides that:

“on request of a party, in interest, and after notice and a hearing, the Court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors of the estate, for cause, unless the court determines that the appointment under section 1104(a) of a trustee or an examiner is in the best interests of creditors of the estate.

24. Conversion, dismissal, or appointment of a trustee or examiner is in the best interests of creditors of the estate. Following Signify’s Motion to Enforce Plan, Debtor has not made any payments to Signify under the Plan for the Patent License Cure Amount. Debtor has not made any payments to Signify on its \$75,000 general unsecured claim.

25. Debtor’s failure to pay Signify, based on industry-wide published comments of the principal of the Debtor, appears to be a deliberate choice rather than an inability to pay.

26. The Declaration of Michael Fuerch, and the exhibits to the Declaration of Michael Fuerch, indicate that Debtor may not be acting in good faith under its Plan.

27. The articles attached as exhibits to the Declaration of Michael Fuerch show that Debtor believes it has the ability to make its payments to Signify and other creditors under the Plan, but Debtor is voluntarily choosing not to make the payments under the Plan.

28. In the words of the principal of the Debtor, Sam Sinai, which were published in trade articles that are widely read through the lighting industry, Debtor could pay Signify and its other creditors if Debtor wanted to, but Debtor has decided it is not going pay these creditors.

29. Because Debtor is openly flaunting its obligations to its creditors under the Plan, Signify believes that this case should be converted, dismissed, or a Chapter 11 Trustee appointed.

30. Signify's preferences, as to the relief being sought, are in the following order: (1) appointment of a Chapter 11 Trustee; (2) conversion of the case to a case under Chapter 7, or (3) dismissal of the bankruptcy case. Although appointment of Chapter 11 Trustee is relief not typically provided post-confirmation, Signify believes that under the circumstances, the Debtor's actions warrant the use of the Court's powers, under Section 105 of the Code, to have a trustee appointed.

31. Debtor's admissions, in the trade publication shown as Exhibit A to the Declaration of Michael Fuerch, indicate that Debtor is committing an egregious violation of its agreed upon obligations to its creditors under the Plan.

## CONCLUSION

Accordingly, and pursuant to Sections 1112 and 105 of the Bankruptcy Code, Signify respectfully requests that this Court orders the Conversion to a case under Chapter 7, Dismissal of the Debtor's bankruptcy proceedings, or Appointment of a Chapter 11 Trustee, and orders such other relief that this Court deems just and proper.

Dated: March 24, 2023

Law Offices of Gary A. Weis

By: /s/ Gary A. Weis  
Gary A. Weis, Attorney for SIGNIFY  
HOLDING B.V., Creditor