

Wells Fargo Financial Leasing, Inc.’s Motion to Compel Debtor to Assume or Reject Executory Contracts, to Compel Lease Payments, for Turnover of Equipment, for Allowance of Administrative Claim and for Relief from Automatic Stay (the “Wells Fargo Motion”).

By the Wells Fargo Motion, Wells Fargo Financial Leasing, Inc. (“Wells Fargo”) seeks entry of an order (i) directing the Debtors to assume or reject certain executory contracts, (ii) compelling lease payments, (iii) directing the Debtors to turn over equipment for leases not assumed or rejected by April 1, 2008, (iv) allowing administrative expenses for claims under leases not assumed or rejected by April 1, 2008, and (v) granting relief from the automatic stay.

The Debtors and Wells Fargo are parties to six equipment leases (the “Leases”) for office supplies and equipment (the “Leased Property”). Wells Fargo alleges that the Debtors are in default under the Leases because the Debtors have failed to make the required monthly payments. The payments due under the Leases range from approximately \$300 to \$1,800. Because the Leases are for approximately five year terms and have significant time remaining on them, according to Wells Fargo, the Debtors have outstanding payment obligations ranging from approximately \$11,000 to \$66,000 (the “Lease Obligations”) over the full term of the Leases.

Wells Fargo asserts that the value of the Leased Property is insufficient to cover the Debtors’ outstanding Lease Obligations. Therefore, Wells Fargo asserts that its interests are not adequately protected by the collateral, and that if Wells Fargo’s interests are not protected by current payments, cause exists to lift the automatic stay to permit Wells Fargo to repossess the Leased Property.

A consent order regarding the Wells Fargo Motion was entered on March 25, 2008.