UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

Case No.: 8:09-bk-09461-MGW
Chapter 11

CUTTER POWER EQUIPMENT, INC.,

Debtor.
_____/

DEBTOR'S CHAPTER 11 CASE MANAGEMENT SUMMARY

Debtor, Cutter Power Equipment, Inc., by and through its undersigned counsel and pursuant to Administrative order TPA-2005-2, hereby files its Chapter 11 Case Management Summary (the "Summary"), and states:

I. INTRODUCTION

On May 7, 2009, Debtor filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code.

II. DESCRIPTION OF DEBTOR'S BUSINESS

Debtor's business is involved in selling and servicing retail lawn equipment.

III. LOCATION(S) OF DEBTOR'S OPERATIONS AND WHETHER LEASED OR OWNED

Debtor's business was operated at 403 Crater Lane, Tampa, Florida 33619. The premises are leased from Bath, LLC, by Debtor. The LLC is owned in equal shares by the two stockholders of the Debtor.

IV. REASON FOR FILING CHAPTER 11

The Debtor was founded in or around May 2001 by Michael Ham ("Ham") and William Antala ("Antala") each of whom own 50% of the Debtor's stock. Ham and Antala agreed to rotate the sole director position with the presidency of the company on an annual basis, such that

during even numbered years Ham would be the President and sole director and Antala would be President and sole director in the odd numbered years.

Debtor sells and services lawn care equipment. It operates from a building owned by an LLC that is owned by Ham and Antala.

During 2008, per the agreement of the parties, Ham took control of the finances of the Debtor, including the supervision of the Debtor's bookkeeper Kari Porowski ("Porowski").

In the latter part of 2008, Ham approached Antala, advised him that the Debtor had some cash flow problems and suggested that they each make an equal substantial capital contribution to Debtor to prevent the business from failing. Antala was suprised that the Debtor had financial problems as its sales appeared to be strong.

Antala asked Ham for an explanation of the deterioration of the Debtor's financial condition. Ham was unable to provide an explanation, but agreed to investigate and get back to Antala. In the mean time they each contributed an additional $100,000.00 to the Debtor.

During the ensuing months, Antala periodically inquired of Ham as to whether Ham's review of Debtor's books and accounts had uncovered any accounting errors or other explanation as to why the referenced infusion of capital had become necessary.

Finally, during a conversation held in or around March 2009, Ham informed Antala that, while he could possibly explain why Debtor had needed approximately $20,000 in capital late in 2008, Debtor's need for the remaining $180,000 contributed or loaned by Ham and Antala eluded him. In response Antala stated that he would have his personal accountant perform a forensic audit of Debtor's books and accounts to determine why Debtor had required the capital infusion.

Immediately thereafter, Ham conferred with Porowski, who then left Debtor's principal place of business. Shortly thereafter, Porowski stopped coming to work. Ham first assured Antala that Porowski had not stolen money from the Debtor, then a few days later informed him that Porowski had, taken $80,000 from Debtor's payroll account. Ham then confessed that he had been having some form of a relationship with Porowski.

Ultimately, Porowski's attorney contacted Antala and admitted that she had taken $80,000 from the Debtor. Subsequent investigation shows additional misappropriated funds. The Debtor is investigating the parties involved.

In mid-April 2009, Antala confronted Ham regarding Ham's admitted relationship with Porowski and Ham's continuing failure to account for Debtor's financial shortfall in late 2008. After a heated conversation, and police intervention, Ham left Debtor's premises and did not return for several days.

The departure of Ham and the bookkeeper resulted in the Debtor's failure to pay its bills in a timely fashion.

Thereafter, Ham, secretly issued a check to himself from the Debtor's account in the amount of $72,399.50, and deposited it into his personal account. Per Antala's request, the Bank froze the funds in Ham's personal account, but also froze the Debtor's accounts as well rendering the Debtor unable to pay its bills. Ham refused to consent to a modification of the freeze to allow the Debtor to pay its obligations.

In response, Antala opened a new account for the Debtor at a new bank and funded it with a personal loan to the Debtor in the amount of $50,000. For a short period of time the Debtor was able to operate its business using the new account, but when Ham learned of the existence of the new account, he contact the new bank and demanded that they freeze that

account as well. Unfortunately, the new bank complied, freezing approximately $76,000, (the money that Antala loaned to the Debtor plus receipts from sales.)

Ham refused Antala's requests to unfreeze the accounts to allow for the payment of employees, vendors and financiers, demanding that Antala allow him to keep the embezzled funds and pay an additional $400,000.00 for Ham's stock in the Debtor.

In the mean time Ham has been working to establish a new competing business to take over the operations of the Debtor upon its demise. In that connection he, upon information and belief, has set up dealership agreements with some or all of the brands sold by the debtor, contacted vendors and employees and told them that the Debtor was never going to pay their claims.

V. LIST OF OFFICERS AND DIRECTORS AND THEIR SALARIES AND BENEFITS AT TIME OF FILING AND DURING ONE YEAR PRIOR TO FILING

1. 2008: Michael Ham, President, Director, Salary - $70,500.00.
   William Antala, Vice President, Salary - $70,500.00.

2. 2009: William Antala, President, Director, Salary - $0.00.
   Michael Ham, Vice President, Salary - $0.00.

VI. DEBTOR'S ANNUAL GROSS REVENUE

2008: $3,114,590.00

2009 to date: $224,882.19

VII. AMOUNTS OWED TO VARIOUS CLASSES OF CREDITORS

Debtor may owe the following amounts to the following classes of creditors, certain amounts of which may be subject to dispute:

1. Priority Creditors: 1 Week Payroll approximately $2,000.

2. Secured Creditors: GE Commercial Finance $432,128.00
Roberts Supply $62,687.09

3. Amount of Unsecured Claims: Approximately $250,000.

VIII. GENERAL DESCRIPTION AND APPROXIMATE VALUE OF DEBTOR'S CURRENT AND FIXED ASSETS

As of the date of its petition, Debtor had the following assets:

Cash in the approximate amount of $250,000 (frozen);

Accounts Receivable $50,000;

Note Receivable Kari Porowski $80,000;

Inventory $150,000.00;

Furniture, Fixtures and Equipment $10,000.00;

Claims against third parties unknown.

IX. NUMBER OF EMPLOYEES AND AMOUNT OF WAGES OWED AS OF PETITION DATE

Debtor has 6 employees, and approximately $2,000 is owed in wages that is due on May 16, 2009.

X. STATUS OF DEBTOR'S PAYROLL AND SALES TAX OBLIGATIONS

Debtor's payroll and sales tax obligations are unknown as of the petition date.

XI. ANTICIPATED EMERGENCY RELIEF WITHIN 14 DAYS OF PETITION DATE

Debtor will seek expedited relief to secure permission to use cash collateral, pay pre-petition non-insider wages, and to pay critical vendors. The Debtor also requires emergency relief to secure an order compelling Colonial Bank to release its funds from the Debtor's pre-petition bank account. Colonial Bank has agreed to do so upon the entry of a suitable order.

WHEREFORE, Debtor, Cutter Power Equipment, Inc., respectfully submits this Summary.

Respectfully submitted,

/s/ Richard J. McIntyre

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 11th day of May, 2009, the foregoing was furnished via CM/ECF or United States Mail to the parties on the attached mailing matrix.

/s/ Richard J. McIntyre
Attorney