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Proposed Attorneys for Debtor and
Debtor-In-Possession,
VISION INDUSTRIES CORP.

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

In re

VISION INDUSTRIES CORP., dba Vision
Motor Corporation,

Debtor.

Case No. 2:14-bk-28225-RK

Chapter 11

STATUS REPORT

Case Management Conference:

Date: November 12, 2014

Time: 11:00 a.m.

Ctrm: 1675, 16th Floor

255 E. Temple Street

Los Angeles, CA 90012

TO THE HONORABLE ROBERT N. KWAN, UNITED STATES BANKRUPTCY JUDGE, THE
OFFICE OF THE UNITED STATES TRUSTEE, AND ALL OTHER INTERESTED PARTIES:

1. Debtor's Business

Debtor is a Florida corporation incorporated in 2005 with its headquarters in Long Beach, California. Debtor develops zero emission hydrogen/electric hybrid powered vehicles and turnkey hydrogen fueling systems. Debtor's products include: (1) the Tyrano, a hydrogen/electric hybrid Class 8 truck; and (2) the Zero Emission Terminal Tractor ("Zero TT"), a hydrogen/electric hybrid

terminal tractor.¹ The Tyrano is the nation's first street-legal zero emission Class 8 hydrogen/electric hybrid truck designed for local and regional drayage². The Zero TT is a zero emission, hydrogen/electric hybrid terminal tractor designed to work a double shift before refueling.

Debtor's heavy-duty Class 8 trucks are substantially less expensive to operate on a per mile basis than diesel and natural gas powered trucks. The cost savings on a per mile basis versus diesel and natural gas, is expect to be around 35% to 45%. Debtor's hydrogen/electric drive system offers almost double the pulling-power of a conventional diesel truck.

Debtor's initial target markets are the:

- Trucking fleet operators;
- Warehouse operators;
- Shipping operators; and
- Rail yard operators

in the Ports of Los Angeles and Long Beach, the largest port of entry system in the United States (with \$304 billion of freight moved by 30,000 trucks per annum). Debtor was awarded contracts by the Port of Long Beach to deliver a Tyrano and Zero TT for demonstration and drayage testing.

2. Debtor's Warehouse and Office Space

Debtor currently operates out of a 21,087 ft.² warehouse and office facility located at 2230 East Artesia Blvd., Long Beach, CA 90805 ("Property"). The Property accommodates Debtor's light automotive assembly requirements and related office usage. Computers, office equipment, and machinery related to the assembly of Debtor's product are present at the Property.

3. Debtor's Management and Employees

Debtor's current management team consists of Martin Schuermann (CEO & interim CFO), Jerome Torresyap (President & COO), and board members Scott Lambert and Brett D. Mayer. Aside from management, there are six employees and independent contractors performing work on behalf of the Debtor. There are no funds available to compensate management and employees at this time.

¹ Color photographs of certain of Debtor's products are attached hereto as Exhibits 1, 2, 3, and 4.

² Drayage is the transport of containerized cargo by specialized trucking companies between ocean ports or rail ramps and shipping docks.

4. Events Precipitating the Chapter 11 Case.

Debtor's financial difficulties were primarily caused by a lack of operating capital. In the months leading up to the bankruptcy filing, Debtor's principals sought permission from the largest debt and convertible note holders to increase Debtor's authorized share count from 500 million to 10 billion common shares. The increase in authorized shares was requested by management to enable Debtor to seek further funding to continue operations. The request was not approved, which made it impossible for Debtor to raise capital to fund operations. Debtor anticipates that it will secure substantial post-petition DIP financing pursuant to ongoing negotiations with several potential investors. Once DIP financing is secured, Debtor will propose a plan of reorganization to restructure its debts and emerge from bankruptcy as a profitable entity.

5. Debtor's Business Reorganization Effort

Debtor intends to secure post-petition DIP financing by the end of October 2014 to, at minimum, remain post-petition current on lease payments to its landlord, compensate court-approved professionals associated with this Chapter 11 case, and obtain an order confirming Debtor's Chapter 11 a plan of reorganization. It is anticipated that if a plan is confirmed, it will come as a result of a substantial loan or a capital infusion. Should Debtor be unable to obtain such financing, Debtor will consider selling its assets to pay creditors.

**a. Principal Disputes Or Problems Likely To Be Encountered During The Course
Of Debtor's Reorganization Efforts**

The principal challenge in this case will be to secure post-petition financing on agreeable terms. Debtor will soon file an application to employ a CRO and/or investment broker in order to facilitate the search for post-petition financing. This case will turn on whether or not such financing is secured.

On October 10, 2014, Debtor's landlord filed a motion for relief from the automatic stay ("Motion") seeking to commence an unlawful detainer action regarding the Property. Debtor's counsel is currently negotiating a stipulation to resolve the Motion with counsel for the landlord. The stipulation will likely require that Debtor become post-petition current on or before November 28,

2014 (“Due Date”). If Debtor fails to become post-petition current on or before the Due Date, then relief from stay shall be granted and Debtor will voluntarily surrender possession of the Property.

6. Compliance with the US Trustee Guidelines

Debtor duly filed its Schedules of Assets and Liabilities, Statement of Financial Affairs, and monthly operating report and has submitted the 7-Day Package to the Office of the United States Trustee. Debtor timely filed its monthly operating report for the month ending September 30, 2014, and believes that it is in compliance with its reporting obligations to the Office of the United States Trustee.

7. Cash Collateral

Debtor does not anticipate any cash collateral issues because it will not market or sell any assets which constitute the cash collateral of a secured creditor. During the pendency of Debtor’s Chapter 11 bankruptcy, Debtor will not spend any cash collateral except pursuant to agreement with the Bank or Court order.

8. Employment of Professionals

Debtor seeks to employ Marshack Hays LLP as general counsel for Debtor as Debtor-in-Possession to handle all issues relating to Debtor’s Chapter 11 bankruptcy and to handle negotiations with Debtor’s creditors. An application to employ was filed on October 2, 2014. Debtor will soon file an application to employ a CRO and/or investment broker in order to facilitate its search for post-petition financing.

Debtor may seek to employ a bankruptcy tax professional to advise Debtor of any tax issues as they relate to the bankruptcy process. Any additional application to employ is expected to be filed in October 2014.

9. Timing for Filing claims and Objections to Claims

Debtor intends to file a motion for entry of an order establishing a bar date for filing proofs of claim or interest. Debtor will likely request a bar date in February 2015.

10. Timing for Filing of Plan and Disclosure Statement

Debtor anticipates being able to file a Chapter 11 plan within the exclusivity period of

11 U.S.C. §1121 and ultimately to emerge from Chapter 11 as a financially stronger business enterprise. Debtor will work diligently to reorganize its financial affairs as expeditiously as possible, and expects to have its plan of reorganization confirmed as soon as practicable.

11. Unexpired Leases and Executory Contracts

Debtor is a party to the following executory contracts and unexpired leases, which Debtor intends to assume:

Non-Debtor Party	Description
Gateway Pacific Properties Artesia Business Center c/o RREEF Asset Manger 535 Anton Blvd., Ste. 200 Costa Mesa, CA 92626	Multi-Tenant Industrial Net Lease - Debtor is the Tenant. Term of Lease is 39 months (April 1, 2013 - June 30, 2016)
South Coast Air Quality Mgmt Dist. Attn: Brian Choe 21865 Copley Drive Diamond Bar, CA 91765-4178	Contract funded in part by the U.S. Dept. of Energy, entitled "Develop & Demonstrate Four Class 8 Zero-Emission Fuel Cell Hybrid Trucks" - Debtor is Contractor in regard to this contract. Term is through November 30, 2016.

Dated: October 21, 2014

MARSHACK HAYS LLP

By: /s/ Richard A. Marshack
RICHARD A. MARSHACK
CHAD V. HAES
Proposed General Insolvency Counsel for
Debtor and Debtor-in-Possession
VISION INDUSTRIES CORPORATION

EXHIBIT 1



EXHIBIT 2



EXHIBIT 3



EXHIBIT 3, PAGE 8

EXHIBIT 4



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:
870 Roosevelt Avenue, Irvine, CA 92620

A true and correct copy of the foregoing document entitled (*specify*): **STATUS REPORT** 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 October 21, 2014, 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:

Glen Dresser gombd@aol.com

- Chad V Haes chaes@marshackhays.com, ecmarshackhays@gmail.com
- Alvin Mar alvin.mar@usdoj.gov
- Richard A Marshack rmarshack@marshackhays.com, lbergini@marshackhays.com; ecmarshackhays@gmail.com
- Fred Neufeld fneufeld@sycr.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On October 21, 2014, 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.

DEBTOR

VISION INDUSTRIES CORP.
2230 E. ARTESIA BLVD.
LONG BEACH, CA 90805

☐ 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) October 21, 2014, 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.

Honorable Robert N. Kwan
United States Bankruptcy Court
255 E. Temple Street, Suite 1682
Los Angeles, CA 90012

☐ 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.

10/21/14 Layla Bergini
Date Printed Name

/s/ Layla Bergini
Signature

2. SERVED BY UNITED STATES MAIL: Cont.

DEBTOR

VISION INDUSTRIES CORP.
2230 E. ARTESIA BLVD.
LONG BEACH, CA 90805-1739

20 LARGEST CREDITOR

ASHER (KBM WORLDWIDE)
ATTN: CEO, OFFICER, MANAGING OR
GENERAL AGENT, OR ANY OTHER
AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
1 LINDEN PLACE
SUITE 207
GREAT NECK, NY 11021-2640

20 LARGEST CREDITOR

BEAUFORT CAPITAL
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
660 WHITE PLAINS ROAD
SUITE 455
TARRYTOWN, NY 10591-5147

20 LARGEST CREDITOR

COVENTRY ENTERPRISES
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
80 S.W. 8TH STREET
SUITE 2000
MIAMI, FL 33130-3038

20 LARGEST CREDITOR

FRAU MARGOT PORCHET
IM BUNGERT 7
CH-8820 WAEDENSWILL

20 LARGEST CREDITOR

GEL PROPERTIES
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
16192 COASTAL HIGHWAY
LEWES, DE 19958-3608

20 LARGEST CREDITOR

JDF CAPITAL
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
47 BROADWAY
FREEHOLD, NJ 07728-1862

20 LARGEST CREDITOR

JMJ FINANCIAL
ATTN: CEO, OFFICER, MANAGING OR
GENERAL AGENT, OR ANY OTHER
AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
1504 BAY RD.
APT. 920
MIAMI BEACH, FL 33139-3271

20 LARGEST CREDITOR

KOHALL HOLDING
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
IM ZENRUM 1
CH-8102 OBERENGSTRINGEN
OBERENGSTRINGEN, ZURICH

20 LARGEST CREDITOR

LG CAPITAL
ELI ALAN SAFDIEH
1218 UNION STREET
SUITE 2
BROOKLYN, NY 11225-1512

20 LARGEST CREDITOR

NOVIUM
ATTN: CEO, OFFICER, MANAGING OR
GENERAL AGENT, OR ANY OTHER
AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
SEESTRASSE 45, POSTFACH
CH - 8702 ZOLLIKON
SWITZERLAND

20 LARGEST CREDITOR

TTSI
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
18735 S. FERRIS PLACE
COMPTON, CA 90220-6405

20 LARGEST CREDITOR

TYPENEX
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
303 E. WACKER DRIVE
SUITE 1200
CHICAGO, IL 60601-5214

20 LARGEST CREDITOR

UNION
ATTN: CEO, OFFICER, MANAGING OR
GENERAL AGENT, OR ANY OTHER
AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
338 CROWN STREET
BROOKLYN, NY 11225-3004

20 LARGEST CREDITOR

VISTA CAPITAL INVESTMENTS
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
4342 VISTA WAY
LA MESA, CA 91941-7035

UTILITY PROVIDER

CHARTER COMMUNICATIONS
ATTN: CEO, OFFICER, MANAGING
OR GENERAL AGENT, OR ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
8413 EXCELSIOR DRIVE, #120
MADISON, WI 53717-1970

**UTILITY PROVIDER/AGENT FOR
SERVICE**

CHARTER COMMUNICATIONS
CSC-LAWYERS INCORPORATING
SERVICE, AGENT FOR SERVICE OF
PROCESS
2710 GATEWAY OAKS DR., SUITE
150N
SACRAMENTO, CA 95833

UTILITY PROVIDER

SOUTHERN CALIFORNIA EDISON
ATTN: CREDIT RISK MANAGEMENT
1551 W. SAN BERNARDINO ROAD
COVINA, CA 91722

**UTILITY PROVIDER/AGENT FOR
SERVICE**

SOUTHERN CALIFORNIA EDISON
CRISTINA E. LIMON, AGENT FOR
SERVICE OF PROCESS
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770

SECURED CREDITOR

QUIF MALTA 1 LTD.
ATTN: CEO, OFFICER, MANAGING OR
GENERAL AGENT, OR ANY OTHER
AGENT AUTHORIZED BY
APPOINTMENT OR BY LAW TO
RECEIVE SERVICE OF PROCESS
PALAZZO PIETRO STIGES, 90,
STRAIT STREET, VALETTA VLT 1436
MALTA