

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

IN RE:

BULLIONDIRECT, INC.,

Debtor.

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§
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CHAPTER 11

CASE NO. 15-10940-tmd

**MOTION TO EXTEND DEADLINE FOR
FILING PROOFS OF CLAIM BY CREDITORS
TO JANUARY 25, 2016**

This pleading requests relief that may be adverse to your interests.

If no timely response is filed within twenty-one (21) days from the date of service, the relief requested herein may be granted without a hearing being held.

A timely filed response is necessary for a hearing to be held.

COMES NOW BullionDirect, Inc. ("BDI"), Debtor-in-Possession in the above styled proceeding under Chapter 11, and respectfully requests the Court to extend the deadline for filing proofs of claim by creditors to January 25, 2016, and in support thereof would respectfully show the Court the following:

1. This Chapter 11 Voluntary Bankruptcy was filed on July 20, 2015, and the deadline for filing proofs of claim was set as November 23, 2015, for creditors¹.

2. This is a Complex Chapter 11 Case dealing with thousands of customers who transacted business related to acquisition, sale or storage of precious metals through BullionDirect's website, www.bulliondirect.com. Debtor filed Schedules and the Statement of Financial Affairs on August 12, 2015, but the information available to Debtor has been incomplete and, therefore, unreliable for many purposes, including the listing of potential claims

¹ The deadline for governmental units is 180 days after the order for relief. The consideration for extending the deadline for filing claims by creditors does not appear to affect governmental units.

against BDI arising from transactions at the website (at which virtually all business was transacted). Until now, Debtor has only been able to generate data which indicates BDI's obligation to customers in different categories, principally cash accounts of customers and BDI's obligation to purchase or otherwise acquire certain categories of precious metals. The cash listed in customer accounts does not reconcile with the cash on hand or in BDI accounts as of the petition date. The precious metal categories (e.g., gold, silver, copper, platinum, and palladium) do not appear to be consistent with the inventory of the Diamond State Depository, LLC d/b/a International Depository Services of Delaware ("IDS") vault in Delaware. Additionally, BDI's precious metal obligations are not liquidated and the value of such metals is subject to market fluctuations. That value will largely determine claims against the Debtor². However, many of the "obligations" shown on the BDI books will not be subject to liquidation because the referenced precious metals do not exist.

3. Ordinarily, in a Chapter 11 case claimants are not required to file a proof of claim unless the Debtor has scheduled claims as Unliquidated, Contingent or Disputed. In most cases the debtor's books and records are presumed to have a sufficient level of reliability that proofs of claim would be unnecessary for most listed claims. However, automatic allowance of the claims in this case, in the form in which the records were kept by this debtor, would not reduce administrative burden, and would leave this debtor, its trustee, or its creditors committee with the same task Debtor faces today. An automatically allowed claim in the form currently available from BDI's database would require additional litigation to reduce the claim to a dollar amount that could be the basis for a distribution.

² Many of the proofs of claim already on file reflect a great deal of confusion regarding the status of precious metals believed by the claimants to be in the IDS vault.

4. Debtor's counsel and the attorney for the U. S. Trustee have been exploring a process for resolving the issue of the ownership of all of the metals held in the name of BDI. The process would probably start with a conference call involving the attorney for the U S Trustee, Debtor's counsel and Dan Bensimon, Creditors Committee counsel and a representative group of counsel for creditors who have made demand for specific precious metal items held in the IDS vault³ (or anywhere else such metals may be found as the investigation continues). The purpose of the call will be to determine the nature and scope of available records. Some ownership claims may be resolved through correspondence and transactional or inventory records held by IDS or from the BDI database. To the extent that litigation is required, the conferencing parties may recommend to the court that certain claims be adjudicated first such that rulings by the court will inform the negotiations involving the other potential litigants.

5. If a process can be agreed upon, it may also be possible to reduce the number of proofs of claim scheduled as "disputed". In any event an additional sixty (60) days is likely to be needed to implement the procedures described above. The Debtor-in-Possession, therefore, requests that the deadline for filing proofs of claim by creditors be extended to January 25, 2016.

WHEREFORE, the Debtor-in-Possession requests that the time for filing Proofs of Claim by creditors in this case be extended to January 25, 2016, and for such other relief to which it may be entitled.

³ Equity Trust Company ("ETC") may also be a useful participant in that some of the IDS vault inventory was purported to contain precious metal product which was to fund Individual Retirement Accounts managed by ETC.

Respectfully submitted,

MARTINEC, WINN & VICKERS, P.C.
919 Congress Avenue, Suite 200
Austin, TX 78701- 2117
(512) 476-0750/FAX (512) 476-0753
martinec@mwvmlaw.com

By: /s/ Joseph D. Martinec
Joseph D. Martinec
State Bar No. 13137500
PROPOSED ATTORNEYS FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Motion to Extend Deadline for Filing Proofs of Claim by Creditors to January 25, 2016*, has been served via the Court's ECF Noticing System, by First Class Mail, postage prepaid, via e-mail or by facsimile transmission, if so indicated, to the creditors and parties in interest on the current Master Service List and via e-mail through Constant Contact to the Website Claimants on August 17, 2015.

/s/ Joseph D. Martinec
Joseph D. Martinec

PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

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| IN RE: | § | |
| | § | CHAPTER 11 |
| BULLIONDIRECT, INC., | § | |
| | § | CASE NO. 15-10940-tmd |
| Debtor. | § | |

**ORDER EXTENDING DEADLINE FOR FILING PROOFS OF CLAIM BY
CREDITORS TO JANUARY 25, 2016**

CAME ON to be considered the Debtor's *Motion to Extend the Time for Filing Schedules and Statements* and, the Court having found that the same should be granted, it is accordingly

ORDERED that the deadline for filing proofs of claim by creditors in this case is hereby extended to January 25, 2016. Debtor shall serve a copy of this Order by e-mail on the Website Claimant list through Constant Contact within three (3) days after entry of this Order.

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Order prepared by:

Joseph D. Martinec
MARTINEC, WINN & VICKERS, P.C.
919 Congress Avenue, Suite 200
Austin, TX 78701
(512) 476-0750/FAX (512) 476-0753
martinec@mwvmlaw.com