

1 31

2 Stephen M. Reynolds CSB148902
3 **Reynolds Law Corporation**
4 424 Second Street, Ste. A
5 Davis, CA 95616
6 530 297 5030 telephone
7 530 297 5077 facsimile
8 sreynolds@lr-law.net email

9 Attorneys for Debtor and
10 Debtor-in-Possession
11 1263 INVESTORS, LLC

12 UNITED STATES BANKRUPTCY COURT
13 EASTERN DISTRICT OF CALIFORNIA
14 SACRAMENTO DIVISION

15 In re:) Case No. 16-90002-E-11
16 1263 INVESTORS, LLC)
17 Debtor)
18)
19)
20)
21)
22)
23)
24)
25)

26 **DISCLOSURE STATEMENT TO PLAN OF REORGANIZATION**

27 This is the disclosure statement (the “Disclosure Statement”) in the chapter 11 case of
28 1263 INVESTORS, LLC (the Debtor). This Disclosure Statement contains information about
the Debtor and describes the Plan of Reorganization (the “Plan”) filed by the Debtor on
September 8, 2016. A full copy of the Plan is attached to this Disclosure Statement as
Exhibit A. *Your rights may be affected. You should read the Plan and this Disclosure
Statement carefully and discuss them with your attorney. If you do not have an attorney,
you may wish to consult one.*

The proposed distributions under the Plan are discussed at pages 7-10 of this
Disclosure Statement. General unsecured creditors are classified in Class 4, and will receive a
distribution of 50% of their allowed claims upon the sale of the 7348 Grant Road Property.

A. **Purpose of This Document**

1 This Disclosure Statement describes:

- 2 ● The Debtor and significant events during the bankruptcy case,
- 3 ● How the Plan proposes to treat claims or equity interests of the type you hold
4 (*i.e.*, what you will receive on your claim or equity interest if the plan is
5 confirmed),
- 6 ● Who can vote on or object to the Plan,
- 7 ● What factors the Bankruptcy Court (the “Court”) will consider when deciding
8 whether to confirm the Plan,
- 9 ● Why the Debtor believes the Plan is feasible, and how the treatment of your
10 claim or equity interest under the Plan compares to what you would receive on
11 your claim or equity interest in liquidation, and
- 12 ● The effect of confirmation of the Plan.

13 Be sure to read the Plan as well as the Disclosure Statement. This Disclosure
14 Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your
15 rights.

16 **B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

17 The Court has not yet confirmed the Plan described in this Disclosure Statement. This
18 section describes the procedures pursuant to which the Plan will or will not be confirmed.

19 1. *Time and Place of the Hearing to Finally Approve This Disclosure*
20 *Statement and Confirm the Plan*

21 The hearing at which the Court will determine whether to finally approve this
22 Disclosure Statement and confirm the Plan will take place on _____, at _____ .m. in
23 **Courtroom___ at the United States Bankruptcy Court, Modesto, California.**

24 2. *Deadline for Voting to Accept or Reject the Plan*

25 If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and
26 return the ballot in the enclosed envelope to Reynolds Law Corporation 424 Second Street,
27 Suite A, Davis, CA 95616. See section IV.A. below for a discussion of voting eligibility
28 requirements.

1 Your ballot must be received by [insert date] or it will not be counted.

2 3. *Deadline for Objecting to the Adequacy of Disclosure*

3 Objections to this Disclosure Statement must be filed with the Court and served upon
4 the Debtor's Representative, the Office of the United States Trustee and all creditors
5 requesting special notice.

6 4. *Identity of Person to Contact for More Information*

7 If you want additional information about the Plan, you should contact Stephen M.
8 Reynolds 424 Second Street, Suite A, Davis, CA 95616. (530) 297 5030 telephone.

9 C. **Disclaimer**

10 *The Court has approved this Disclosure Statement as containing adequate*
11 *information to enable parties affected by the Plan to make an informed judgment about its*
12 *terms. The Court has not yet determined whether the Plan meets the legal requirements for*
13 *confirmation, and the fact that the Court has approved this Disclosure Statement does not*
14 *constitute an endorsement of the Plan by the Court, or a recommendation that it be*
15 *accepted.*

16 II. **BACKGROUND**

17 A. **Description and History of the Debtor's Business**

18 The Debtor is a California Limited Liability Company. There are various investors
19 owning percentage shares of the Debtor. Daniel Shaw as Vice President of L.G. Servicing
20 has been active in the formation and management of the Debtor. L.G. Servicing is the
21 Manager of the Debtor. The Debtor was formed in December 2009 to pursue real estate
22 investment and lending opportunities. Debtor became the owner of the two parcels commonly
23 known as 7318 and 7348 Crane Road, Oakdale, California by way of transfers in October
24 2010 (97%) and March 2015 (3%). The 7318 Crane Road property was transferred subject to
25 two senior deeds of trust described below as Classes One and Two. The 7348 Crane Road
26 property was encumbered by a first priority deed of trust on October 17, 2014 described
27 below as Class Three.

28 Prior to the filing of the bankruptcy case the Debtor attempted a short sale of the 7318

1 Crane Road property. As discussed below the 7318 property is worth less than than the
2 amount of the Class One first priority deed of trust. A prepetition short sale attempt to sell the
3 7318 property failed due to various clouds on title. A Quiet Title action was prosecuted in
4 Stanislaus Superior Court; Case No. 2013361 which resulted in a Judgment Quieting Title
5 entered December 10, 2015. Since filing the present Chapter 11 case Debtor has obtained an
6 order valuing the 7318 Crane Road property.

7 **B. Insiders of the Debtor**

8 Daniel J. Shaw, as Vice President of L.G. Servicing, Inc. is active in the ongoing
9 management of the Debtor. L.G. Servicing, Inc. is the Manager. Mr. Shaw has no equity
10 interest in the Debtor or any of the creditors of the Debtor

11
12 **C. Management of the Debtor Before and During the Bankruptcy**

13 L.G. Servicing and Mr. Shaw managed the Debtor before and during the bankruptcy.
14 It is anticipated that the same management will remain in place after Plan confirmation. Mr.
15 Shaw is the primary source of information for this Disclosure Statement. The bankruptcy
16 estate has not employed an accountant and the projections contained in this Disclosure
17 Statement are the product of Mr. Shaw and counsel. Mr. Shaw has prepared the Monthly
18 Operating Reports filed in this case.

19 **D. Events Leading to Chapter 11 Filing**

20 Nationstar as servicer of the Class One claim sought to foreclose on the 7318 Crane
21 Road Property. The present case was filed so that the two Crane road properties could be
22 marketed and sold.

23 **E. Significant Events During the Bankruptcy**

24 Debtor has obtained Court approval for the employment of Debtor's attorney and real
25 estate professional. The Debtor has obtained an order valuing the 7318 Crane Road parcel as
26 collateral and obtained a "short-sale" purchaser for that parcel. Debtor's proposed sale of the
27 7318 parcel was not allowed because the Class 3 creditor has not appeared in this case and has
28 not communicated either an objection or an acceptance of the proposed sale.

1 **F. Projected Recovery of Avoidable Transfers**

2 The Debtor does not intend to pursue preference, fraudulent conveyance, or other
3 avoidance actions. To Debtor's knowledge there are no avoidable transfers.

4 **G. Claims Objections**

5 Except to the extent that a claim is already allowed pursuant to a final non-appealable
6 order, the Debtor reserves the right to object to claims. Therefore, even if your claim is
7 allowed for voting purposes, you may not be entitled to a distribution if an objection to your
8 claim is later upheld. The procedures for resolving disputed claims are set forth in Article V
9 of the Plan. In the event that the Class Two claim holder files a claim the Debtor intends to
10 object to that claim. The claim bar date has passed in this case.

11 **H. Current and Historical Financial Conditions**

12 The identity and fair market value of the estate's assets are listed in Exhibit B.

13 The most recent post-petition operating report filed since the commencement of the
14 Debtor's bankruptcy case is set forth in Exhibit C.

15 **SUMMARY OF THE PLAN OF REORGANIZATION**

16 **A. What is the Purpose of the Plan of Reorganization?**

17 As required by the Code, the Plan places claims and equity interests in various classes
18 and describes the treatment each class will receive. The Plan also states whether each class of
19 claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery
20 will be limited to the amount provided by the Plan.

21 **B. Unclassified Claims**

22 Certain types of claims are automatically entitled to specific treatment under the Code.
23 They are not considered impaired, and holders of such claims do not vote on the Plan. They
24 may, however, object if, in their view, their treatment under the Plan does not comply with
25 that required by the Code. As such, the Plan Proponent has *not* placed the following claims in
26 any class:
27
28

1 1. *Administrative Expenses*

2 Administrative expenses are costs or expenses of administering the Debtor's chapter
3 11 case which are allowed under § 507(a) (2) of the Code. The Code requires that all
4 administrative expenses be paid on the effective date of the Plan, unless a particular claimant
5 agrees to a different treatment.

6 The following chart lists the Debtor's estimated administrative expenses, and their
7 proposed treatment under the Plan:

8

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date	Estimated current at confirmation.	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	Estimated to be \$10,000 or less.	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan.
Clerk's Office Fees	Estimated none.	Paid in full on the effective date of the Plan
Other administrative expenses	Estimated none.	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	\$1,000 or less	Paid in full on the effective date of the Plan
TOTAL	\$11,000	

27 2. *Priority Tax Claim*

28 Priority tax claims are unsecured income, employment, and other taxes described by

1 § 507(a) (8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees
2 otherwise, it must receive the present value of such claim, in regular installments paid over a
3 period not exceeding 5 years from the order of relief.

4 The Internal Revenue Service has filed an amended claim for priority taxes in the
5 amount of \$0.00.

6 **Classes of Claims and Equity Interests**

7 The following are the classes set forth in the Plan, and the proposed treatment that
8 they will receive under the Plan:

9

10 Class	Impairment	Treatment
-----------------	-------------------	------------------

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

<p>1 Class 1</p> <p>2 The claim of THE</p> <p>3 BANK OF NEW</p> <p>4 YORK MELLON</p> <p>5 f/k/a THE BANK</p> <p>6 OF NEW YORK</p> <p>7 as successor in</p> <p>8 interest to JP</p> <p>9 Morgan Chase</p> <p>10 Bank, N.A. as</p> <p>11 Trustee for</p> <p>12 Structured Asset</p> <p>13 Mortgage</p> <p>14 Investment II Inc.</p> <p>15 Mortgage Pass-</p> <p>16 Through</p> <p>17 Certificates Series</p> <p>18 2004-AR7. This</p> <p>19 claim is serviced</p> <p>20 by</p> <p>21 NATIONSTAR</p> <p>22 MORTGAGE</p> <p>23 LLC.</p>	<p>Impaired</p>	<p>Claim No. 2 filed on May 11, 2016. The claim was</p> <p>filed in the amount of \$601,299.13 and is secured by a</p> <p>first priority deed of trust against the real property</p> <p>commonly known as 7318 Crane Road, Oakdale, CA</p> <p>(APN: 063-026-004). The value of 7318 Crane Road,</p> <p>Oakdale, CA was determined to be \$486,500 per</p> <p>Debtor’s Motion to Value Collateral, civil minute order</p> <p>entered July 12, 2016, docket no. 56. Debtor</p> <p>anticipates selling the 7318 Crane Road, Oakdale, CA</p> <p>and paying all proceeds less costs of sale to Class 1.</p> <p>Debtor anticipates paying less than the amount of the</p> <p>Class 1 claim and will require the permission of the</p> <p>claim holder. Debtor anticipates Class 1 will waive</p> <p>any unsecured portion of its claim. Debtor anticipates</p> <p>that Class 1 will receive more than it would receive if</p> <p>Class 1 were to exercise its rights under the senior deed</p> <p>of trust and foreclose on 7318 Crane Road. The</p> <p>Debtor obtained the 7318 Crane Road, Oakdale, CA</p> <p>property as a foreclosing creditor junior to Class 1 and</p> <p>was never in privity with Class 1.</p>
---	-----------------	--

24

25

26

27

28

<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20</p>	<p>Class 2 THE BANK OF NEW YORK MELLON f/k/a THE BANK OF NEW YORK as successor trustee to JP Morgan Chase Bank, N.A. as Trustee for the certificateholders of SWABS Master Trust, revolving home equity loan asset backed notes, series 2004-Q by assignment recorded July 26, 2012</p>	<p>Impaired</p>	<p>The value of 7318 Crane Road, Oakdale, CA was determined to be \$486,500 per Debtor's Motion to Value Collateral, civil minute order entered July 12, 2016, docket no. 56. The senior lien, Class One, exceeds the value of the 7318 Crane Road, Oakdale, CA property. The Debtor obtained the 7318 Crane Road, Oakdale, CA property as a foreclosing creditor junior to Class 2 and was never in privity with Class 2. Unless Class 2 files a proof of claim and holds an allowed claim there will be no distribution to Class 2.</p>
<p>21 22 23 24 25 26 27 28</p>	<p>Class 3 Bellavista Capital a/k/a Bella Vista Capital</p>	<p>Impaired</p>	<p>This claim is in the original amount of \$250,000 and is secured by a first priority deed of trust against the real property commonly known as 7348 Crane Road, Oakdale, CA (APN: 063-026-003). Debtor shall market and sell the 7348 Crane Road property in order to satisfy the claim of Class 3. Debtor believes that the value of the 7348 Crane Road property is greater than the amount of the Bellavista Capital claim.</p>

1 2 3 4 5 Class 4 General Unsecured	Impaired	General unsecured claim holders will receive pro rata payment from the net proceeds of the sale of the 7348 Crane Road property. Class 4 claims total \$96,163.00. The sale of the 7318 is not expected to generate net proceeds for payment of Class 4 creditors.
6 7 8 9 Class 5 Equity Security Holders	Unimpaired	The equity security holders shall make receive a distribution only in the event that Class 3 and 4 claims are paid in full.

10
11 **D. Means of Implementing the Plan**

12 1. *Source of Payments*

13 Payments and distributions under the Plan will be funded by the following:

14 Sale of real property.

15 2. *Post-confirmation Management*

16 L.G. Servicing, Inc. will continue to manage the Debtor.

17 **E. Risk Factors**

18 The proposed Plan has the following risks:

19 The contemplated sale of the 7348 Crane Road property may not realize the projected
20 value; in that case the distribution to Class 4 general unsecured would be reduced. If the
21 proposed sale of 7318 Crane Road is not closed it would not change the distribution to Class 4
22 and Class 1 would receive its collateral rather than a cash payment. Class 3 Bellavista Capital
23 has allowed the Debtor to proceed with the sale of the 7348 property. If Bellavista
24 determined to foreclose on its security interest there would be no distribution to Class 4 or 5.

25 **F. Executory Contracts and Unexpired Leases**

26 The Plan, in Article VII, lists all executory contracts and unexpired leases that the
27 Debtor will assume under the Plan. The Debtor is unaware of any executory contracts or
28 unexpired leases and will not assume any under the Plan. Assumption means that the Debtor

1 has elected to continue to perform the obligations under such contracts and unexpired leases,
2 and to cure defaults of the type that must be cured under the Code, if any. Article VII also
3 lists how the Debtor will cure and compensate the other party to such contract or lease for any
4 such defaults.

5 If you object to the assumption of your unexpired lease or executory contract, the
6 proposed cure of any defaults, or the adequacy of assurance of performance, you must file and
7 serve your objection to the Plan within the deadline for objecting to the confirmation of the
8 Plan, unless the Court has set an earlier time.

9 All executory contracts and unexpired leases that are not listed in the Plan as assumed
10 will be rejected under the Plan. Consult your adviser or attorney for more specific
11 information about particular contracts or leases.

12 If you object to the rejection of your contract or lease, you must file and serve your
13 objection to the Plan within the deadline for objecting to the confirmation of the Plan.

14 ***The Deadline for Filing a Proof of Claim Based on a Claim Arising from the***
15 ***Rejection of a Lease or Contract Is sixty days following Plan Confirmation.*** Any claim
16 based on the rejection of a contract or lease will be barred if the proof of claim is not timely
17 filed, unless the Court orders otherwise.

18 **G. Tax Consequences of Plan**

19 ***Creditors and Equity Interest Holders Concerned with How the Plan May Affect***
20 ***Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/or***
21 ***Advisors.***

22 **V. CONFIRMATION REQUIREMENTS AND PROCEDURES**

23 To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of
24 the Code. These include the requirements that: the Plan must be proposed in good faith; at
25 least one impaired class of claims must accept the plan, without counting votes of insiders; the
26 Plan must distribute to each creditor and equity interest holder at least as much as the creditor
27 or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or
28 equity interest holder votes to accept the Plan; and the Plan must be feasible. These

1 requirements are not the only requirements listed in § 1129, and they are not the only
2 requirements for confirmation.

3 A. **Who May Vote or Object**

4 Any party in interest may object to the confirmation of the Plan if the party believes
5 that the requirements for confirmation are not met.

6 Many parties in interest, however, are not entitled to vote to accept or reject the Plan.
7 A creditor or equity interest holder has a right to vote for or against the Plan only if that
8 creditor or equity interest holder has a claim or equity interest that is both (1) allowed or
9 allowed for voting purposes and (2) impaired.

10 In this case, the Plan Proponent believes that classes 1, 2, 3 and 4 are impaired and
11 that holders of claims in each of these classes are therefore entitled to vote to accept or reject
12 the Plan.

13 1. *What Is an Allowed Claim or an Allowed Equity Interest?*

14 Only a creditor or equity interest holder with an allowed claim or an allowed equity
15 interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if
16 either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has
17 been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of
18 claim or equity interest, unless an objection has been filed to such proof of claim or equity
19 interest. When a claim or equity interest is not allowed, the creditor or equity interest holder
20 holding the claim or equity interest cannot vote unless the Court, after notice and hearing,
21 either overrules the objection or allows the claim or equity interest for voting purposes
22 pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

23

24 ***The deadline for filing a proof of claim in this case was May 11, 2016.***

25

26 2. *What Is an Impaired Claim or Impaired Equity Interest?*

27 As noted above, the holder of an allowed claim or equity interest has the right to vote
28 only if it is in a class that is *impaired* under the Plan. As provided in § 1124 of the Code, a

1 class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the
2 members of that class.

3 3. *Who is **Not** Entitled to Vote?*

4 The holders of the following five types of claims and equity interests are *not* entitled
5 to vote:

- 6 • holders of claims and equity interests that have been disallowed by an order of
7 the Court;
- 8 • holders of other claims or equity interests that are not “allowed claims” or
9 “allowed equity interests” (as discussed above), unless they have been
10 “allowed” for voting purposes.
- 11 • holders of claims or equity interests in unimpaired classes;
- 12 • holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8)
13 of the Code; and
- 14 • holders of claims or equity interests in classes that do not receive or retain any
15 value under the Plan;
- 16 • Administrative expenses.

17
18 *Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the*
19 *Confirmation of the Plan [and to the Adequacy of the Disclosure Statement].*

20 4. *Who Can Vote in More Than One Class*

21 A creditor whose claim has been allowed in part as a secured claim and in part as an
22 unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or
23 reject a Plan in each capacity, and should cast one ballot for each claim.

24 **B. Votes Necessary to Confirm the Plan**

25 If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one
26 impaired class of creditors has accepted the Plan without counting the votes of any insiders
27 within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is
28

1 eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in
2 Section B.2.

3 1. *Votes Necessary for a Class to Accept the Plan*

4 A class of claims accepts the Plan if both of the following occur: (1) the holders of
5 more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to
6 accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed
7 claims in the class, who vote, cast their votes to accept the Plan.

8 A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in
9 amount of the allowed equity interests in the class, who vote, cast their votes to accept the
10 Plan.

11 2. *Treatment of Nonaccepting Classes*

12 Even if one or more impaired classes reject the Plan, the Court may nonetheless
13 confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b)
14 of the Code. A plan that binds nonaccepting classes is commonly referred to as a “cram
15 down” plan. The Code allows the Plan to bind nonaccepting classes of claims or equity
16 interests if it meets all the requirements for consensual confirmation except the voting
17 requirements of § 1129(a) (8) of the Code, does not “discriminate unfairly,” and is “fair and
18 equitable” toward each impaired class that has not voted to accept the Plan.

19
20 *You should consult your own attorney if a cramdown at confirmation will affect your claim*
21 *or equity interest, as the variations on this general rule are numerous and complex.*

22

23 **C. Liquidation Analysis**

24 To confirm the Plan, the Court must find that all creditors and equity interest holders
25 who do not accept the Plan will receive at least as much under the Plan as such claim and
26 equity interest holders would receive in a chapter 7 liquidation. The proposed Plan is a
27 liquidating Plan. In Chapter 7 liquidation the court appointed bankruptcy trustee would likely
28 hire real estate professionals to market and sell the real property of the estate. In addition, the

1 trustee would likely hire counsel and an accountant to meet the reporting requirements of a
2 Chapter 7 estate. The Chapter 7 trustee would also be allowed compensation for his or her
3 time. The administrative costs of a Chapter 7 trustee would very likely reduce the distribution
4 to general unsecured creditors

5 **D. Feasibility**

6 The Court must find that confirmation of the Plan is not likely to be followed by the
7 liquidation, or the need for further financial reorganization, of the Debtor or any successor to
8 the Debtor, unless such liquidation or reorganization is proposed in the Plan.

9 1. *Ability to Initially Fund*

10 There are no immediate payments due upon Plan confirmation.

11 2. *Ability to Make Future Plan Payments and Operate Without Further*
12 *Reorganization*

13 The Plan Proponent must also show that it will have enough cash over the life of the
14 Plan to make the required Plan payments. The Plan is to be funded by the sale of the real
15 property of the estate.

16
17 ***You Should Consult with Your Accountant or other Financial Advisor If You Have***
18 ***Any Questions Pertaining to These Projections.***

19
20 **V. EFFECT OF CONFIRMATION OF PLAN**

21 **A. DISCHARGE OF DEBTOR**

22 Discharge. On the effective date of the Plan, the Debtor shall be discharged from any
23 debt that arose before confirmation of the Plan, subject to the occurrence of the effective date,
24 to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be
25 discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a
26 timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of
27 Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date
28 of the Plan your claims against the Debtor will be limited to the debts described in clauses (i)

1 through (iii) of the preceding sentence.

2 **B. Modification of Plan**

3 The Plan Proponent may modify the Plan at any time before confirmation of the Plan.
4 However, the Court may require a new disclosure statement and/or revoting on the Plan.
5 The Plan Proponent may also seek to modify the Plan at any time after confirmation only if
6 (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the
7 proposed modifications after notice and a hearing.

8 **C. Final Decree**

9 Once the estate has been fully administered, as provided in Rule 3022 of the Federal
10 Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall
11 designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final
12 decree to close the case. Alternatively, the Court may enter such a final decree on its own
13 motion.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: September 8, 2016

Respectfully submitted,

By: /s/ Daniel J. Shaw
Daniel J. Shaw, Vice President
L.G. Servicing Inc. Manager
Plan Proponent

By: /s/ Stephen M. Reynolds
Stephen M. Reynolds
Attorney for 1263 INVESTORS, LLC

1 10

2 Stephen M. Reynolds CSB148902
3 **Reynolds Law Corporation**
4 424 Second Street, Ste. A
5 Davis, CA 95616
6 530 297 5030 telephone
7 530 297 5077 facsimile
8 sreynolds@lr-law.net email

9 Attorneys for Debtor and
10 Debtor-in-Possession
11 1263 INVESTORS, LLC

12 UNITED STATES BANKRUPTCY COURT
13 EASTERN DISTRICT OF CALIFORNIA
14 SACRAMENTO DIVISION

15

16

17

18

19

20

21

22

23

24

25

26

27

28

In re:) Case No. 16-90002-E-11
1263 Investors, LLC,)
Debtor)
_____)

PLAN OF REORGANIZATION

ARTICLE I

SUMMARY

This Plan of Reorganization (the "Plan") under Chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of 1263 INVESTORS, LLC (the "Debtor-in-Possession") from the sale of property of the estate and/or capital contributions of the Members. The Debtor-in-Possession is the owner of two parcels of real property which is owns as the result of foreclosure of a Note secured by deed of trust. The Plan provides for four classes of secured claims; and one class of general unsecured claims. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan estimates at less than the full amount of the amounts owed to general unsecured creditors. This Plan also provides for the payment of administrative and priority claims as allowed.

All creditors should refer to Articles III through VI of this Plan for information

1 regarding the precise treatment of their claim. A disclosure statement that provides more
2 detailed information regarding this Plan and the rights of creditors and equity security holders
3 has been circulated with this Plan. **Your rights may be affected. You should read these**
4 **papers carefully and discuss them with your attorney, if you have one. (If you do not**
5 **have an attorney, you may wish to consult one.)**

6 ARTICLE II

7 CLASSIFICATION OF CLAIMS AND INTERESTS

- 8 2.01 Class 1. The claim of THE BANK OF NEW YORK MELLON f/k/a THE BANK OF
9 NEW YORK as successor in interest to JP Morgan Chase Bank, N.A. as Trustee for
10 Structured Asset Mortgage Investment II Inc. Mortgage Pass-Through Certificates
11 Series 2004-AR7. This claim is serviced by NATIONSTAR MORTGAGE LLC. This
12 claim was scheduled as claim 2.3 in Debtor's original schedules and is represented by
13 Claim No. 2 filed on May 11, 2016. The claim was filed in the amount of
14 \$601,299.13 and is secured by a first priority deed of trust against the real property
15 commonly known as 7318 Crane Road, Oakdale, CA (APN: 063-026-004). The value
16 of 7318 Crane Road, Oakdale, CA was determined to be \$486,500 per Debtor's
17 Motion to Value Collateral, civil minute order entered July 12, 2016, docket no. 56.
- 18 2.02 Class 2. The claim of THE BANK OF NEW YORK MELLON f/k/a THE BANK OF
19 NEW YORK as successor trustee to JP Morgan Chase Bank, N.A. as Trustee for the
20 certificateholders of SWABS Master Trust, revolving home equity loan asset backed
21 notes, series 2004-Q by assignment recorded July 26, 2012. This claim was
22 scheduled as claim 2.1. This claim is secured by a second priority deed of trust
23 against the real property commonly known as 7318 Crane Road, Oakdale, CA (APN:
24 063-026-004). The secured portion of this claim is junior to Class 1 and Debtor
25 believes the value is zero. Debtor believes that his claim is serviced by DITECH. No
26 claim has been filed. Debtor has no contractual relationship with the holder of Class
27 2.
- 28 2.03 Class 3. The claim of Bellavista Capital a/k/a Bella Vista Capital. This claim was

1 scheduled as claim 2.2 in Debtor's original schedules. This claim is in the original
2 amount of \$250,000 and is secured by a first priority deed of trust against the real
3 property commonly known as 7348 Crane Road, Oakdale, CA (APN: 063-026-003).
4 The 7348 Crane Road, Oakdale, CA property has a value scheduled by the Debtor as
5 \$325,000.

6 2.04 Class 4. The Claim of the County of Stanislaus for Property Taxes. Claim 3 was filed
7 by the County on June 30, 2016 in the amount of \$2,021.73. The claim was scheduled
8 on Debtor's original schedules as claim 2.4 in the amount of \$2,963.58. The Debtor-
9 in-Possession made property tax payments in March, April and August 2016. The
10 claim has been paid.

11 2.05 Class 5. All unsecured claims allowed under §502 of the Code and the unsecured
12 portions of secured claims other than Class 2.

13 2.06 Class 6. The claims of equity security holders.

14
15 **ARTICLE III**

16 **TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,**

17 **U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

18 3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims and
19 priority tax claims are not in classes.

20 3.02 Administrative Expense Claims. Each holder of an administrative expense claim
21 allowed under § 503 of the Code will be paid in full on the Effective Date of this Plan (as
22 defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder
23 of the claim and the Debtors.

24 3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid in full upon Plan
25 Confirmation and in accordance with §1129(a)(9)(C). The Internal Revenue Service has filed
26 a claim for priority taxes in the amount of \$100.00. This is an estimated liability as the
27 Internal Revenue Service has not reviewed the tax return for the period ending December 31,
28 2016. Debtor does not anticipate owing priority taxes.

1 3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a) (6)
2 will accrue and be timely paid until the case is closed, dismissed, or converted to another
3 chapter of the Code. Any U.S. Trustee Fees owed on or before the Effective Date of this Plan
4 will be paid on the Effective Date.

5
6 **ARTICLE IV**

7 **TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

8 4.01 Claims and interests shall be treated as follows under this Plan:

Class	Impairment	Treatment
-------	------------	-----------

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

1	Class 1	Impaired	Claim No. 2 filed on May 11, 2016. The claim was
2	The claim of THE		filed in the amount of \$601,299.13 and is secured by a
3	BANK OF NEW		first priority deed of trust against the real property
4	YORK MELLON		commonly known as 7318 Crane Road, Oakdale, CA
5	f/k/a THE BANK		(APN: 063-026-004). The value of 7318 Crane Road,
6	OF NEW YORK		Oakdale, CA was determined to be \$486,500 per
7	as successor in		Debtor's Motion to Value Collateral, civil minute order
8	interest to JP		entered July 12, 2016, docket no. 56. Debtor
9	Morgan Chase		anticipates selling the 7318 Crane Road, Oakdale, CA
10	Bank, N.A. as		and paying all proceeds less costs of sale to Class 1.
11	Trustee for		Debtor anticipates paying less than the amount of the
12	Structured Asset		Class 1 claim and will require the permission of the
13	Mortgage		claim holder. Debtor anticipates Class 1 will waive
14	Investment II Inc.		any unsecured portion of its claim. Debtor anticipates
15	Mortgage Pass-		that Class 1 will receive more than it would receive if
16	Through		Class 1 were to exercise its rights under the senior deed
17	Certificates Series		of trust and foreclose on 7318 Crane Road. The
18	2004-AR7. This		Debtor obtained the 7318 Crane Road, Oakdale, CA
19	claim is serviced		property as a foreclosing creditor junior to Class 1 and
20	by		was never in privity with Class 1.
21	NATIONSTAR		
22	MORTGAGE		
23	LLC.		

24
25
26
27
28

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Class 2 THE BANK OF NEW YORK MELLON f/k/a THE BANK OF NEW YORK as successor trustee to JP Morgan Chase Bank, N.A. as Trustee for the certificateholders of SWABS Master Trust, revolving home equity loan asset backed notes, series 2004-Q by assignment recorded July 26, 2012	Impaired	The value of 7318 Crane Road, Oakdale, CA was determined to be \$486,500 per Debtor's Motion to Value Collateral, civil minute order entered July 12, 2016, docket no. 56. The senior lien, Class One, exceeds the value of the 7318 Crane Road, Oakdale, CA property. The Debtor obtained the 7318 Crane Road, Oakdale, CA property as a foreclosing creditor junior to Class 2 and was never in privity with Class 2. Unless Class 2 files a proof of claim and holds an allowed claim there will be no distribution to Class 2.
21 22 23 24 25 26 27 28	Class 3 Bellavista Capital a/k/a Bella Vista Capital	Impaired	This claim is in the original amount of \$250,000 and is secured by a first priority deed of trust against the real property commonly known as 7348 Crane Road, Oakdale, CA (APN: 063-026-003). Debtor shall market and sell the 7348 Crane Road property in order to satisfy the claim of Class 3. Debtor believes that the value of the 7348 Crane Road property is greater than the amount of the Bellavista Capital claim.

1 2 3 4 Class 4 General Unsecured	Impaired	General unsecured claim holders will receive pro rata payment from the net proceeds of the sale of the 7348 Crane Road property. Class 4 claims total \$96,163.00.
5 6 7 8 9 Class 5 Equity Security Holders	Impaired	The equity security holders shall make receive a distribution only in the event that Class 3 and 4 claims are paid in full.

ARTICLE V

DEFAULT PROVISION AS TO FEDERAL TAX RESPONSIBILITIES

5.01 If the debtor fails to make any installment payment required under this plan as to Federal taxes within 30 days after the due date of such Installment, or if the debtor fails to make any deposit or payment of any currently accruing employment tax liability, within 10 days of the due date of such deposit or payment, or if the debtor fails to file any required Federal tax return by the due date of such return, then the District Director or his delegate may declare the debtor in default of this plan.

5.02 If the District Director declares the debtor to be in default of this plan; and the debtor fails to cure the default within 30 days of written notification; then the entire unpaid liability under the confirmed plan, together with any unpaid current liabilities, shall become due and payable immediately upon written demand to the debtor.

5.03 If full payment is not made within 14 days of such demand, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code or by any other procedure authorized by law.

ARTICLE VI

ALLOWANCE AND DISALLOWANCE OF CLAIMS

6.01 Disputed Claim. A disputed claim is a claim that has not been allowed or

1 disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has
2 been filed or deemed filed, and the Debtors or another party in interest have filed an
3 objection; or (ii) no proof of claim has been filed, and the Debtors have scheduled such claim
4 as disputed, contingent, or unliquidated.

5 6.02 Delay of Distribution on a Disputed Claim. No distribution will be made on
6 account of a disputed claim unless such claim is allowed by a final non-appealable order.

7 6.03 Settlement of Disputed Claims. The Debtors will have the power and
8 authority to settle and compromise a disputed claim with court approval and compliance with
9 Rule 9019 of the Federal Rules of Bankruptcy Procedure.

10
11 **ARTICLE VII**

12 **PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

13 7.01 Assumed Executory Contracts and Unexpired Leases.

14 (a) Debtors assumes the following executory contracts and/or leases effective upon Plan
15 confirmation as may be modified under the terms of the Plan. Employment of Realtor Jeannie
16 Mazzanti of PMZ as contemplated by the Court's Order entered February 3, 2016, docket No.
17 25.

18 (b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or
19 unexpired leases not expressly assumed under section 6.01(a) above before the date of the
20 order confirming this Plan, or upon the Effective Date of this Plan. A proof of a claim arising
21 from the rejection of an executory contract or unexpired lease under this section must be filed
22 no later than sixty (60) days after the date of the order confirming this Plan.

23
24 **ARTICLE VIII**

25 **MEANS FOR IMPLEMENTATION OF THE PLAN**

26 Debtor shall market and sell the real property known as 7318 Crane Road to satisfy the
27 Class 1 claim and the executory contract of Jeannie Mazzanti of PMZ. Debtor shall then
28 market and sell the real property known as 7348 Crane Road to satisfy Class 3 and 4. Debtor

1 scheduled the value of 7348 Crane Road as \$325,000 with the secured claim of Class 3,
2 Bellavista Capital, as \$250,000.

3 **ARTICLE IX**

4 **GENERAL PROVISIONS**

5 9.01 Definitions and Rules of Construction. The definitions and rules of
6 construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or
7 construed in the Code are used in this Plan.

8 9.02 Effective Date of Plan. The Effective Date of this Plan is the fourteenth
9 business day following the date of the entry of the order of confirmation. But if a stay of the
10 confirmation order is in effect on that date, the Effective Date will be the first business day
11 after that date on which no stay of the confirmation order is in effect, provided that the
12 confirmation order has not been vacated.

13 9.03 Severability. If any provision in this Plan is determined to be unenforceable,
14 the determination will in no way limit or affect the enforceability and operative effect of any
15 other provision of this Plan.

16 9.04 Binding Effect. The rights and obligations of any entity named or referred to
17 in this Plan will be binding upon and will inure to the benefit of the successors or assigns of
18 such entity.

19 9.05 Captions. The headings contained in this Plan are for convenience of reference
20 only and do not affect the meaning or interpretation of this Plan.

21 9.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal
22 law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State
23 of California govern this Plan and any agreements, documents, and instruments executed in
24 connection with this Plan, except as otherwise provided in this Plan.

25 **ARTICLE X**

26 **DISCHARGE**

27 10.01. Discharge. Upon completion of payments contemplated by this Plan, the
28

1 Debtor shall be discharged from any debt that arose before confirmation of the Plan, to the
2 extent specified in § 1141(d)(5)(A) of the Code, except that the Debtor shall not be discharged
3 of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely
4 complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy
5 Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the Effective Date of the Plan
6 your claims against the Debtor will be limited to the debts described in clauses (i) through (iii)
7 of the preceding sentence.

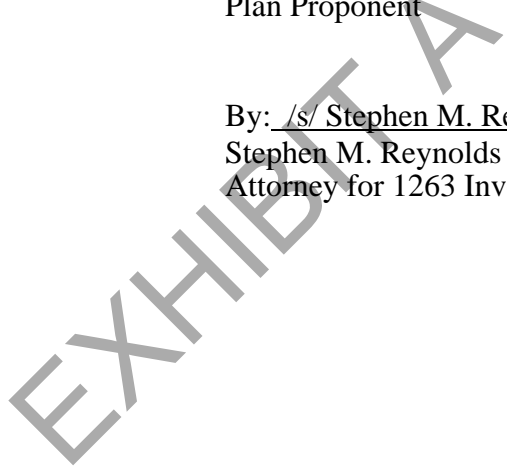
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: September , 2016

Respectfully submitted,

By: /s/ Daniel J. Shaw
Vice President, L.G. Servicing, Inc. Manager
Plan Proponent

By: /s/ Stephen M. Reynolds
Stephen M. Reynolds
Attorney for 1263 Investors, LLC



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT B
ASSETS OF THE DEBTOR

Wells Fargo Checking (value per 8/31/16)	\$	292
7348 Crane Road, Oakdale CA (value per schedules)	\$	291,500
7318 Crane Road, Oakdale CA (value per motion to value)	\$	486,500

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In re: 1263 Investors, LLC
15700 Winchester Blvd
Los Gatos, CA 95030

Case No. 16-90002-E-11

CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 08/31/16

PETITION DATE: 01/05/16

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	End of Current Month	End of Prior Month	As of Petition Filing
2. Asset and Liability Structure			
a. Current Assets	\$292	\$32	
b. Total Assets	\$801,792	\$801,502	\$802,756
c. Current Liabilities	\$0	\$0	
d. Total Liabilities	\$866,774	\$866,774	\$866,774
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	
a. Total Receipts	\$1,000	\$44	\$3,362
b. Total Disbursements	\$739	\$14	\$4,326
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$261	\$30	(\$964)
d. Cash Balance Beginning of Month	\$32	\$2	\$1,257
e. Cash Balance End of Month (c + d)	\$292	\$32	\$292
			Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	N/A	N/A	N/A
5. Account Receivables (Pre and Post Petition)	\$0		
6. Post-Petition Liabilities	\$0		
7. Past Due Post-Petition Account Payables (over 30 days)	\$0		

At the end of this reporting month:

	Yes	No
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		NO
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and n 32)		NO
10. If the answer is yes to 8 or 9, were all such payments approved by the court?		
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)		NO
12. Is the estate insured for replacement cost of assets and for general liability?	YES	
13. Are a plan and disclosure statement on file?		NO
14. Was there any post-petition borrowing during this reporting period?		NO
15. Check if paid: Post-petition taxes <u>YE</u> U.S. Trustee Quarterly Fees _____; Check if filing is current for: Post-petition tax reporting and tax returns: <u>YE</u> .		
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)		

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.



Date: 9/5/2016 0:00

Responsible Individual

VP of LG Servicing, Manager
of 1263 Investors, LLC

BALANCE SHEET
(Small Real Estate/Individual Case)For the Month Ended 08/31/16

Assets	Check if Exemption Claimed on Schedule C	Market Value
Current Assets		
1 Cash and cash equivalents (including bank accts., CDs, etc.)	_____	\$292
2 Accounts receivable (net)	_____	_____
3 Retainer(s) paid to professionals	_____	_____
4 Other: _____	_____	_____
5 _____	_____	\$0
6 Total Current Assets	_____	\$292
Long Term Assets (Market Value)		
7 Real Property (residential) - appraisal	_____	\$486,500
8 Real property (commercial land)	_____	\$315,000
9 Furniture, Fixtures, and Equipment	_____	_____
10 Vehicles	_____	_____
11 Partnership interests	_____	_____
12 Interest in corporations	_____	_____
13 Stocks and bonds	_____	_____
14 Interests in IRA, Keogh, other retirement plans	_____	_____
15 Other: _____	_____	_____
16 _____	_____	_____
17 Total Long Term Assets	_____	\$801,500
18 Total Assets	_____	\$801,792
Liabilities		
Post-Petition Liabilities		
Current Liabilities		
19 Post-petition not delinquent (under 30 days)	_____	\$0
20 Post-petition delinquent other than taxes (over 30 days)	_____	\$0
21 Post-petition delinquent taxes	_____	\$0
22 Accrued professional fees	_____	\$0
23 Other: _____	_____	_____
24 _____	_____	_____
25 Total Current Liabilities	_____	\$0
26 32 Long-Term Post Petition Debt	_____	_____
27 Total Post-Petition Liabilities	_____	\$0
Pre-Petition Liabilities (allowed amount)		
28 Secured claims (residence)	_____	\$599,904
29 Secured claims (other)	_____	\$170,705
30 Priority unsecured claims	_____	_____
31 General unsecured claims	_____	\$96,165
32 Total Pre-Petition Liabilities	_____	\$866,774
33 Total Liabilities	_____	\$866,774
Equity (Deficit)		
34 Total Equity (Deficit)	_____	(\$64,982)
35 Total Liabilities and Equity (Deficit)	_____	\$801,792

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET

**Schedule A
Rental Income Information**

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property		NONE	NONE
2 Scheduled Gross Rents			
Less:			
3 Vacancy Factor			
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions	\$0	\$0	\$0
7 Scheduled Net Rents	\$0	\$0	\$0
8 Less: Rents Receivable (2)	\$0		
9 Scheduled Net Rents Collected (2)	\$0	\$0	\$0

(2) To be completed by cash basis reporters only.

**Schedule B
Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	\$292		
11 Account No.	2133552386		
12 Account Purpose	DIP Checking		
13 Balance, End of Month	\$292		
14 Total Funds on Hand for all Accounts	\$292		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 08/31/16

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 Rent/Leases Collected	\$0	\$0
2 Cash Received from Sales		
3 Interest Received		
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders		
6 Capital Contributions		
7 <u>Advance on Note - FB Investors</u>	\$0	\$275
8 <u>Advance on Note - Quicksilver</u>	\$1,000	\$3,000
9 <u>Misc. Refund from the Tax Collector</u>	\$0	\$43
10 <u>Advance by DCI Properties, LLC</u>	\$0	\$44
11		
12 Total Cash Receipts	<u>\$1,000</u>	<u>\$3,362</u>
Cash Disbursements		
13 Elevator Repairs	\$0	\$0
14 Fire Sprinkler Maint.	\$0	\$0
15 Garbage	\$0	\$0
16 Gardening/Landscape	\$400	\$400
17 HVAC - Repairs	\$0	\$0
18 Insurance	0	0
19 Janitorial	\$0	\$0
20 Leasing Costs	\$0	\$350
21 Legal & Accounting	0	0
22 Property Management	\$0	\$0
23 Painting	\$0	\$0
24 Parking Lot Sweeping	\$0	\$0
25 Property Taxes	\$0	\$2,021
26 Repairs & Maintenance	\$0	\$15
27 Roof Repairs	\$0	\$0
28 Security Service	\$0	\$0
29 Taxes & Licenses (FTB)	\$0	\$0
30 Utilit	\$0	\$0
31 Water & Sewer	\$0	\$0
32 Franchise Tax Board - Annual Fee	\$0	\$800
33 Interest Expense	\$0	\$0
34		
35 <u>Principal Reduction</u>	\$0	\$0
36 <u>Bank Fees</u>	\$14	\$84
37 <u>Correction - Error in Jan 2015</u>	\$0	\$6
38 <u>US Trustee Fees</u>	\$325	\$650
39		
40 Total Cash Disbursements:	<u>\$739</u>	<u>\$4,326</u>
41 Net Increase (Decrease) in Cash	<u>\$261</u>	<u>(\$964)</u>
42 Cash Balance, Beginning of Period	<u>\$32</u>	<u>\$1,257</u>
43 Cash Balance, End of Period	<u>\$292</u>	<u>\$292</u>