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6 UNITED STATES BANKRUPTCY COURT  
7 NORTHERN DISTRICT OF CALIFORNIA  
8

9 In Re Case No. 10-11212  
(Chapter 11)

10 CREDITWEST CORPORATION,

11 Debtor.  
\_\_\_\_\_ /

12  
13 **DISCLOSURE STATEMENT TO ACCOMPANY**  
14 **DEBTOR'S CHAPTER 11 PLAN DATED JULY 15, 2010**

15 TO ALL CREDITORS AND OTHER PARTIES IN INTEREST:

16 CreditWest Corporation (the "Debtor"), Debtor-in-Possession in the above-  
17 referenced case, hereby submits this Disclosure Statement (the "Disclosure Statement")  
18 in support of the Debtor's Chapter 11 Plan Dated July 15, 2010 (the "Plan").

19 **ARTICLE I**

20 **INTRODUCTION**

21 A. **Purpose of This Disclosure Statement**

22 This Disclosure Statement is intended to provide creditors with adequate  
23 information on which they can base their vote to accept or reject the Plan. The Plan has  
24 been submitted to creditors with this Disclosure Statement.

25 B. **Sources of Information**

26 Except as otherwise expressly stated herein, the Debtor has relied upon unaudited  
27 information when preparing those portions of the Disclosure Statement which describe  
28 the Debtor. The Debtor has not authorized any representations concerning the Debtor or

**DISCLOSURE STATEMENT TO ACCOMPANY**  
**DEBTOR'S CHAPTER 11 PLAN DATED JULY 15, 2010** - Page 1

1 the Plan other than those representations set forth in this Disclosure Statement. Although  
2 the Debtor has made every effort to insure that the information contained herein is  
3 accurate, neither the Debtor nor the Debtor's attorneys have made any representations  
4 concerning the accuracy of information in this Disclosure Statement.

5 C. Filing of the Chapter 11 Case

6 On April 4, 2010, the Debtor filed a Voluntary Petition (the "Petition") under  
7 Chapter 11 of the Bankruptcy Code in the Northern District of California, Case No. 10-  
8 11212. Since the date of filing, the Debtor has operated its property as a "debtor in  
9 possession."

10 D. Confirmation of Plan.

11 1. Solicitation of Acceptance.

12 Pursuant to Section 1125 of the Bankruptcy Code and Bankruptcy Rule  
13 3017(a), the Debtor mailed a copy of this Disclosure Statement to those claimants and  
14 parties-in-interest, if any, who requested a copy in writing. The Debtor also mailed a  
15 copy to the Securities and Exchange Commission. The Debtor also sent notice of the  
16 hearing to all of the Debtor's creditors of record and all entities who have filed proofs of  
17 claim with the Court.

18 The Court has approved the adequacy of this Disclosure Statement. Therefore,  
19 the Debtor has sent all creditors copies of the Disclosure Statement and the Plan, together  
20 with notice of the hearing on confirmation of the Plan and, for those creditors entitled to  
21 vote, a Ballot for Accepting or Rejecting the Plan (the "Ballot"). The court's approval of  
22 this Disclosure Statement does not constitute the Court's recommendation that the  
23 creditor should or should not vote to accept the Plan.

24 2. Persons Entitled to Vote on the Plan.

25 Only creditors in classes whose claims are impaired under the Plan are  
26 entitled to vote on the Plan. Generally, and subject to Section 1124 of the Bankruptcy  
27 Code, impaired creditors include creditors who, under the Plan, either (I) will receive less  
28 than payment in full and in cash of the allowed amount of their respective claims on or

1 before the Effective Date, or (II) will have their legal, equitable and contractual rights  
2 altered. The Debtors contend that Creditors in Classes 3, 4, 5, 6 and 7, and interest  
3 holders in Class 8, are impaired under the Plan.

4 In determining whether a class of claims has accepted the Plan, the court will  
5 consider votes of creditors whose claims the Debtor has scheduled as undisputed, non-  
6 contingent and liquidated, or who have filed with the court a timely proof of claim that  
7 the Court has not disallowed and to which there is no pending objection. If you are  
8 uncertain as to whether the Debtor has correctly scheduled your claim, you should review  
9 the Debtor's Schedules of Assets and Liabilities on file with the court, U.S. Bankruptcy  
10 Court, Clerk's Office, 99 South E Street, Santa Rosa, CA 95404.

11 Creditors in Classes 1 and 2 are unimpaired and are not entitled to vote on the  
12 Plan.

13 3. Manner of Voting on the Plan.

14 Creditors who are entitled to vote on the Plan have received a Ballot. All  
15 entities entitled to vote on the Plan may timely cast their votes to accept or reject the Plan  
16 by completing, dating, signing and sending the Ballot to Steven M. Olson, Law Office of  
17 Steven M. Olson, 100 E Street, Suite 214, Santa Rosa, California 95404, Debtor's  
18 counsel, such that the Ballot is received on or before the date ordered by the Court.

19 4. Acceptances Necessary to Confirm the Plan.

20 At the hearing on confirmation of the Plan, the Court must determine,  
21 among other things, whether each class of creditors and interest holders whose claims are  
22 impaired under the Plan has voted to accept the Plan. Pursuant to Section 1126 of the  
23 Bankruptcy Code, an impaired class of creditors has accepted the Plan if (I) at least two-  
24 thirds (2/3) in dollar amount; and (II) at least one-half (1/2) in number, of the holders of  
25 allowed claims of the class who have voted on the Plan have voted to accept the Plan.

26 5. Confirmation of the Plan Without Necessary Acceptances.

27 The Court may confirm the Plan even if one or more of the impaired  
28 classes have voted to reject the Plan if the Court finds (I) that at least one non-insider

1 impaired class has voted to accept the Plan, determined without including any insiders'  
2 acceptances, (II) that the Plan does not discriminate unfairly against the rejecting classes,  
3 and (III) that the Plan is fair and equitable to the rejecting classes, as set forth in Section  
4 1129(b) of the Bankruptcy Code.

## 5 **ARTICLE II**

### 6 **DESCRIPTION OF THE DEBTORS**

#### 7 A. Introduction.

8 The Debtor is a corporation.

#### 9 B. The Debtors' Business History.

10 The Debtor was formed on March 30, 1999. It is a California corporation.

11 Its core business, since formation, has been to purchase contracts by which  
12 individuals have purchased used vehicles on credit. Its portfolio of contracts are "sub-  
13 prime" contracts. The risk of borrower default is higher than "prime" contracts, but the  
14 interest rate on the contracts is much higher than interest rates on "prime" contracts.

15 The President of the Debtor is Larry J. Kelley. Mr. Kelley of Santa Rosa,  
16 California has 46 years experience in the credit industry with a background in  
17 collections, marketing, retail credit and banking, with the last 24 years in the sub-prime  
18 market. He has served as a consultant in the secondary financing for five finance  
19 companies and as a turnaround specialist acting as CEO and CFO. He has earned a  
20 reputation in the western United States as an authority in hard-to-finance paper.

21 The Chairman of the Board of Directors is Robert Henry. Mr. Henry has been in  
22 the automobile business for 47 years. He is a well known and respected dealer both  
23 locally and throughout the State of California. He is respected for his honesty and fair  
24 business practices. Mr. Henry is also a civic leader serving many years and positions in  
25 the Lions Club. He has become well known in the halls of the California legislature and  
26 to the many regulatory agencies governing used car dealers.

27 The CFO of the Debtor is Lonnie D. Kelley. He has 20 years of experience in  
28 public accounting. He received his accounting education at Benedictine College in

1 Atchison, KS.

2 C. The Cause of the Bankruptcy Filing.

3 The term of the Debtor's working capital credit line, with Texas Capital Bank,  
4 matured on March 31, 2010. The Debtor, despite extensive efforts, was unable to locate  
5 a replacement credit line. The Debtor filed its Chapter 11 petition in order to preserve  
6 going concern value and to protect the interests of unsecured creditors in the equity in  
7 Texas Capital Bank's collateral.

8 D. Key Events During Chapter 11.

9 The Debtor has sought and received authority to use cash collateral to pay for  
10 expenses to operate the Debtor's business. It has rejected two commercial leases, and it  
11 has enacted measures to minimize its operating expenses as it has sought to reorganize its  
12 finances.

13 E. The Debtor's Estate's Primary Assets.

14 1. The Debtor's primary assets are its contracts by which purchasers  
15 of used vehicles have pledged the vehicles to secure their promises to pay the balance of  
16 the purchase price. On the petition date, the Debtor estimates that these contracts had an  
17 aggregate value of approximately \$14.6 million.

18 2. The Debtor has two business locations, in Rohnert Park and in  
19 Sacramento. Each business location has office furnishings and equipment. The  
20 aggregate value of these furnishings and equipment is approximately \$10,000.

21 3. The Debtor owns three vehicles, which are used by its management  
22 personnel. The aggregate value of the vehicles is approximately \$52,000.

23 4. By agreement with the owners of the vehicles on which the Debtor has  
24 liens, the Debtor has GPS units in these vehicles. These units assist in locating vehicles  
25 in the event post-default repossession is required. The aggregate value of these units is  
26 approximately \$25,000.

27 F. The Debtor's Secured Liabilities.

28 The Debtors' secured liabilities include:

1 1. Summit State Bank. It has a lien on the Debtor's vehicles used by its  
2 management personnel. The payoff of the debt owing to this creditor is approximately  
3 \$45,000.

4 2. Texas Capital Bank. It has a lien on the Debtor's receivables owing by  
5 used vehicle purchasers. The payoff of the debt owing to this creditor is approximately  
6 \$7.1 million.

7 G. The Debtor's Unsecured Liabilities.

8 As of May 31, 2010, the Debtor's unsecured liabilities are estimated to be as  
9 follows:

<u>Liability</u>	<u>Estimated Allowed Amount</u>
Administrative expenses entitled to priority pursuant to 11 U.S.C. § 507(a)(1)	\$10,000
Priority Wage Claims entitled to priority pursuant to § 507(a)(4)	\$5,354
Priority Benefit Claims entitled to priority pursuant to § 507(a)(5)	\$131,715
Priority Tax Claims entitled to priority pursuant to § 507(a)(8)	\$0
General Unsecured Claims	\$8,340,120
<b>TOTAL</b>	<b>\$8,487,189</b>

21 **ARTICLE III**

22 **SUMMARY OF**

23 **PLAN OF REORGANIZATION**

24 A. Introduction.

25 The following is a summary of the Debtor's Plan. Parties are encouraged to  
26 review the Plan itself, a copy of which is enclosed and incorporated herein by reference,  
27 to gain a full understanding of the Plan provisions and its defined terms. The defined  
28 terms are also used in this Disclosure Statement. Under the Plan, all estate assets will

1 revest in the Debtors upon Confirmation.

2 B. Classification of Claims and Interests.

3 Claims against the Debtor, and interests in the Debtor, of whatever nature,  
4 scheduled or not scheduled, liquidated or unliquidated, absolute or contingent, are  
5 classified as follows, except for Priority Tax Claims and Administrative-Expense Claims,  
6 which are unclassified under the Plan:

7 Class 1: Priority Wage Claims..

8 Class 2: Priority Benefit Claims.

9 Class 3: Texas Capital Bank's Allowed Secured Claim.

10 Class 4: Summit State Bank's Allowed Secured Claim.

11 Class 5: Administrative Convenience Unsecured Claims.

12 Class 6: Trade Payable Unsecured Claims.

13 Class 7: Dealer Unsecured Claims.

14 Class 8: Non-Insider Investor Unsecured Claims.

15 Class 9: Insider Investor Unsecured Claims.

16 Class 10: Debtor's interests.

17 C. Treatment of Classes.

18 The Class 1 Creditors are unimpaired. They will be paid in full on the Effective  
19 Date.

20 The Class 2 Creditors are unimpaired. They will be paid in full on the Effective  
21 Date; provided, however, that accrued vacation for employees who remain employees on  
22 the Effective Date will be honored after the Effective Date when the employees choose to  
23 go on vacation, and the employer match for 2010 will be paid when the Reorganized  
24 Debtor files its 2010 income-tax return, when it becomes due and payable.

25 The Class 3 Creditor is impaired. The payoff of the debt owing to the Class 3  
26 Creditor will be determined as of the Effective Date. The unpaid balance will accrue  
27 interest at the rate of 5% per annum, payable monthly beginning one month after the  
28 Effective Date. To the extent that the principal balance owing to the Class 3 Creditor

1 exceeds 54% of eligible principal, as the term is defined in the Debtor's existing loan  
2 documents with the Class 3 Creditor, then the Reorganized Debtor will make principal  
3 payments to the Class 3 Creditor. In any event, the entire unpaid balance owing to the  
4 Class 3 Creditor shall be paid in full on or before the fourth anniversary of the Effective  
5 Date. The Reorganized Debtor may prepay this claim at any time without penalty. The  
6 Class 3 Creditor will retain its liens on its collateral.

7       The Class 4 Creditor is impaired. The payoff of the debt owing to the Class 4  
8 Creditor will be determined as of the Effective Date. The unpaid balance will be  
9 amortized over 4 years, commencing on the Effective Date, with interest to accrue and be  
10 paid on the unpaid principal balance at the rate of 5% per annum, with equal payments to  
11 be made monthly commencing one month after the Effective Date. The Reorganized  
12 Debtor may prepay this claim at any time without penalty. The Reorganized Debtor may  
13 sell one or more of the vehicles that are the collateral for the Class 4 Creditor on the  
14 condition that the sale proceeds are applied to reduce the claim of the Class 4 Creditor.  
15 The Class 4 Creditor will retain its liens on its collateral.

16       The Class 5 Creditors are impaired. Their claims, plus post-Effective Date  
17 interest thereon at the Federal judgment rate in effect at Confirmation, will be paid via 2  
18 consecutive quarterly installments beginning on the first day of the fourth month after the  
19 month in which the Effective Date occurs. The Reorganized Debtor may prepay these  
20 claims at any time without penalty. In the event the Reorganized Debtor defaults on any  
21 of its payments to Class 5 Creditors, and does not cure the default within 20 days after a  
22 Class 5 Creditor sends written notice of the default to the Reorganized Debtor, at (fill in  
23 address) and to the Reorganized Debtor's attorney, Steven M. Olson, 100 E Street, Suite  
24 214, Santa Rosa, CA 95404, [smo@smolsonlaw.com](mailto:smo@smolsonlaw.com), then the Reorganized Debtor will  
25 mail, to all Class 5, 6, 7 and 8 Creditors, a written notice of the uncured default and of the  
26 right of all Class 5, 6, 7 and 8 Creditors to elect to convert their unpaid claims into  
27 common stock in the Reorganized Debtor within 15 days thereafter. All Creditors who  
28 so elect will share, pro rata, in shares comprising 51% of the total issued shares in the



1 Reorganized Debtor.

2 The Class 6 Creditors are impaired. They will receive unsecured promissory  
3 notes from the Reorganized Debtor amortizing their claims with interest at the Federal  
4 judgment rate over 5 years, with 60 consecutive equal monthly installment payments  
5 beginning on the first day of the month after the month in which the Effective Date  
6 occurs. The Reorganized Debtor may prepay these claims at any time without penalty.  
7 In the event the Reorganized Debtor defaults on any of its payments to Class 6 Creditors,  
8 and does not cure the default within 20 days after a Class 6 Creditor sends written notice  
9 of the default to the Reorganized Debtor, at (fill in address) and to the Reorganized  
10 Debtor's attorney, Steven M. Olson, 100 E Street, Suite 214, Santa Rosa, CA 95404,  
11 [smo@smolsonlaw.com](mailto:smo@smolsonlaw.com), then the Reorganized Debtor will mail, to all Class 5, 6, 7 and 8  
12 Creditors, a written notice of the uncured default and of the right of all Class 5, 6, 7 and 8  
13 Creditors to elect to convert their unpaid claims into common stock in the Reorganized  
14 Debtor within 15 days thereafter. All Creditors who so elect will share, pro rata, in  
15 shares comprising 51% of the total issues shares in the Reorganized Debtor.

16 The Class 7 Creditors are impaired. Their claims will be liquidated, pursuant to  
17 the provisions in their agreements with the Debtor, by awaiting performance by vehicle  
18 buyers on the contracts the Class 7 Creditors sold to the Debtor. For each Class 7  
19 Creditor, when its last contract has been paid in full or has been determined to be  
20 uncollectible, then the dollar amount owing to the Class 7 Creditor under the parties'  
21 agreement will be that Class 7 Creditor's claim amount. Each Class 7 Creditor will then  
22 receive an unsecured promissory note from the Reorganized Debtor amortizing the claim  
23 with interest at the Federal judgment rate over 5 years, with 60 consecutive equal  
24 monthly installment payments beginning on the first day of the month after the month in  
25 which the Effective Date occurs. The Reorganized Debtor will immediately remit a  
26 "catch up" payment to cover any monthly note payments pre-dating the date on which  
27 the Class 7 Creditor's last contract was paid in full or determined to be uncollectible.  
28 The Reorganized Debtor may prepay these claims at any time without penalty. In the

**DISCLOSURE STATEMENT TO ACCOMPANY  
DEBTOR'S CHAPTER 11 PLAN DATED JULY 15, 2010** - Page 9

1 event the Reorganized Debtor defaults on any of its payments to Class 7 Creditors, and  
2 does not cure the default within 20 days after a Class 7 Creditor sends written notice of  
3 the default to the Reorganized Debtor, at (fill in address) and to the Reorganized Debtor's  
4 attorney, Steven M. Olson, 100 E Street, Suite 214, Santa Rosa, CA 95404,  
5 [smo@smolsonlaw.com](mailto:smo@smolsonlaw.com), then the Reorganized Debtor will mail, to all Class 5, 6, 7 and 8  
6 Creditors, a written notice of the uncured default and of the right of all Class 5, 6, 7 and 8  
7 Creditors to elect to convert their unpaid claims into common stock in the Reorganized  
8 Debtor within 15 days thereafter. All Creditors who so elect will share, pro rata, in  
9 shares comprising 51% of the total issues shares in the Reorganized Debtor.

10 The Class 8 Creditors are impaired. The payoff of the claims of the Class 8  
11 Creditors, including post-petition interest at the rate of 6% per annum until the Effective  
12 Date, will be calculated. These payoff amounts will become the new principal amounts  
13 owing to the Class 8 Creditors. They will receive monthly interest-only payments,  
14 beginning on the first day of the month after the month in which the Effective Date  
15 occurs, at 6 percent per annum, for 60 months, at which time the entire balance of their  
16 claims will be due and payable. The Reorganized Debtor may prepay these claims at any  
17 time without penalty. All of the Reorganized Debtor's payments on account of these  
18 claims shall be pro rata based upon the claimants' respective claim amounts. In the event  
19 the Reorganized Debtor defaults on any of its payments to Class 8 Creditors, and does  
20 not cure the default within 20 days after a Class 8 Creditor sends written notice of the  
21 default to the Reorganized Debtor, at (fill in address) and to the Reorganized Debtor's  
22 attorney, Steven M. Olson, 100 E Street, Suite 214, Santa Rosa, CA 95404,  
23 [smo@smolsonlaw.com](mailto:smo@smolsonlaw.com), then the Reorganized Debtor will mail, to all Class 5, 6, 7 and 8  
24 Creditors, a written notice of the uncured default and of the right of all Class 5, 6, 7 and 8  
25 Creditors to elect to convert their unpaid claims into common stock in the Reorganized  
26 Debtor within 15 days thereafter. All Creditors who so elect will share, pro rata, in  
27 shares comprising 51% of the total issues shares in the Reorganized Debtor.

28 The Class 9 Creditors are impaired. The payoff of the claims of the Class 9

1 Creditors, including post-petition interest at the rate of 6% per annum until the Effective  
2 Date, will be calculated. These payoff amounts will become the new principal amounts  
3 owing to the Class 9 Creditors. They will receive monthly interest-only payments,  
4 beginning on the first day of the month after the month in which the Effective Date  
5 occurs, at 6 percent per annum, for 60 months, at which time the entire balance of their  
6 claims will be due and payable. The Reorganized Debtor may prepay these claims at any  
7 time without penalty; provided, however, that the Class 9 Creditors may not be prepaid  
8 unless the Reorganized Debtor has prepaid in full all other unsecured claims. All of the  
9 Reorganized Debtor's payments on account of these claims shall be pro rata based upon  
10 the claimants' respective claim amounts.

11 The Class 10 interest holders are impaired. They retain their interests in the  
12 assets of the estate. However, their interests are subject to adverse treatment in the event  
13 the Reorganized Debtor defaults on its Plan payments to Classes 5, 6, 7 or 8 and does not  
14 cure the default within 20 days after notice of default is delivered to the Reorganized  
15 Debtor, as set forth hereinabove.

16 D. Treatment of Unclassified Claims.

17 1. Unclassified Priority Tax Claims.

18 To the extent that the Internal Revenue Service, the Sonoma County Tax  
19 Collector, the California Franchise Tax Board, the California State Board of  
20 Equalization, or the California Employment Development Department has an allowed  
21 priority tax claim, the Debtor will pay the claim in full on the Effective Date.

22 2. Administrative-Expense Claims.

23 On the Effective Date, the Debtor will pay in full all allowed Administrative-  
24 Expense Claims; provided, however, that payments to the Debtor's or the Creditors'  
25 Committee's professionals for services provided to the Debtor or the Committee up to the  
26 Confirmation Date and for expenses incurred in providing services to the Debtor up to  
27 the Confirmation Date may only be paid if authorized by Court order; and further  
28 provided, that the Administrative-Expense Claimants may agree with the Debtor to

1 accept different payment terms.

2 E. Executory Contracts.

3 All insurance contracts to which the Debtor is a party will be assumed. All  
4 unexpired pre-petition leases in which the Debtor is tenant will be assumed. All post-  
5 petition leases will be assumed. The Debtor's executory contracts with the dealers set  
6 forth on Exhibit 1 attached hereto, and by this reference incorporated herein, will be  
7 assumed. All other necessary executory contracts will be assumed. Before  
8 Confirmation, the Debtor will notify all lessors or parties to executory contracts of its  
9 intent regarding assumption or rejection. Absent such notification, any executory  
10 contracts or unexpired leases shall be deemed rejected upon Confirmation.

11 The entry of the Court's order confirming the Plan shall cause any contract or  
12 lease assumed pursuant to Section 365 of the Bankruptcy Code at or prior to  
13 Confirmation to remain in force. The Debtor shall cure any defaults (I) requiring cure  
14 under Section 365 of the Bankruptcy Code, and (II) which the party to the contract or the  
15 lessor does not waive, via terms to be negotiated by the parties or, if the parties are  
16 unable to reach agreement, via Court-ordered terms.

17 Rejection Claims, if any, must be filed within fifteen (15) days after  
18 Confirmation.

19 F. Discharge.

20 Upon Confirmation, all claims against the Debtor will be discharged completely  
21 and fully.

22 G. Avoidance Claims.

23 The potential claims for avoidance and recovery of pre-petition transfers,  
24 including without limitation potential claims against Auto Marin Novato, Auto Mario,  
25 Bee Back Motors, LLC, Capital One, Charles Hastings, Daybreak Metro, Inc., Dennis J.  
26 Byrne, Factor Direct Capital, First Southwestern Financial Services, Fito's Auto Sales,  
27 Goode, Hemme & Peterson APC, Kaiser Permanente, Kandy Investments, Ken Nichols,  
28 Rapid Recovery, Reassure America Life Insurance Company, Richard Estes, Riteway

1 Recovery, Sandra Kelley, T. Grant & Associates, TelePacific, Trader Vics Used Cars,  
2 Encin Real Estate, John Bowker & Associates, Sandra L. Geary Trust, Texas Capital  
3 Bank, Trifish Finance, Inc., Bret and Michelle Henry, R. L. Henry and B. J. Henry, Larry  
4 J. Kelley, Robert Henry, Lucian P. and Gussie L. Day, Carol Blanchette, Judy Howery,  
5 Mary Parsons, and Sharon Lopez, will be preserved upon Confirmation. However, as  
6 long as the Reorganized Debtor is current on all of its obligations to creditors in Classes  
7 5, 6, 7 and 8, the Reorganized Debtor shall take no action to pursue rights or remedies  
8 arising from pre-petition transfers. If the Reorganized Debtor becomes delinquent on its  
9 obligations to creditors in Classes 5, 6, 7 or 8, and does not cure the delinquency within  
10 the time frame set forth hereinabove, then the Reorganized Debtor shall have the right to  
11 pursue all rights and remedies (if any) arising from the Debtor's pre-petition transfers.

#### 12 **ARTICLE IV**

#### 13 **LIQUIDATION ANALYSIS**

14 Section 1129(a)(7) of the Bankruptcy Code requires that, with respect to each  
15 impaired class of claims under the Plan, each holder of a claim of such class has accepted  
16 the Plan or will receive or retain under the Plan property having a value of not less than  
17 the amount that the creditor would receive if the case were converted to Chapter 7 and all  
18 assets of the Debtors were liquidated.

19 If this case were converted to Chapter 7, the Debtor believes that all of the  
20 Debtor's receivables owing by used-vehicle purchasers would be lost to foreclosure by  
21 Texas Capital Bank. The Debtor believes the liquidation value of the remaining non-  
22 exempt assets would be less than the administrative expenses in the case, and thus in  
23 Chapter 7 unsecured creditors would receive little if any distribution.

24 Thus, the Debtor believes the Plan is better for unsecured creditors than  
25 conversion to Chapter 7.

#### 26 **ARTICLE V**

#### 27 **FEASIBILITY**

28 Section 1129(a)(11) requires a plan proponent to establish that confirmation of

1 the plan is not likely to be followed by the liquidation of the Debtor, unless such  
2 liquidation is proposed in the Plan. The Debtor believes its revenues from its businesses  
3 will be sufficient to fund the Plan in full. Thus, the Debtor believes the Plan is feasible.

4 The Debtor's projection of its revenues and expenses for the first year of the Plan  
5 are set forth in Exhibit 2 attached hereto.

6 These projections are premised upon Plan distributions to creditors in accordance  
7 with the foregoing proposed Plan treatment. In the event the Debtor modifies the Plan in  
8 pre-Confirmation negotiations with creditors, the projected profits may be negatively  
9 affected.

10 The Debtor projects that its business will be at least as profitable in the  
11 succeeding years of this Plan, although they acknowledge that they cannot predict the  
12 strength of the economy in the future.

13 Attached hereto as Exhibit 3 are the Debtors' actual profit-and-loss figures for  
14 2009 and for January through May of 2010.

15 **ARTICLE VI**

16 **CONCLUSION**

17 Confirmation of the Plan is the best way for the Debtor's creditors to maximize  
18 their recovery in this case. Accordingly, the Debtor encourages all impaired voting  
19 creditors to submit ballots accepting the Plan.

20 DATED: July 15, 2010

CREDITWEST CORPORATION, a California  
Corporation

21  
22 By:           /S/ Larry Kelley          

Larry Kelley

23 Its President

# EXHIBIT 1

**CreditWest Corporation**  
**Assumed Dealer Contracts**

Adams Auto Sales  
All Image Auto Sales  
Angel Motors  
Anitoch Auto Land  
Auto Access  
Auto Champs  
Auto Marin  
Auto Mario  
Auto Planet Sales And Leasing  
Autobahn Motors  
B G Corp Motors  
Bay Areas Finest  
Bee Back Motors  
Best Autos.com  
Best Choice Auto  
Best Price  
C&T  
California Auto Sales  
Capitol One Auto Credit  
Champagne Quality Cars  
Cheap Auto Wholesale  
CMP Motors  
Consignment Auto Sales  
Cost U Less  
Del Norte Auto Sales  
Dos Palmas Auto Center  
Economy Cars & Trucks  
El Rey  
Empire Auto Sales  
F & M Auto Sales  
Family Motors  
Fito's Auto Sales  
Foreign Auto Works  
Furia Auto Motors  
FYC  
G & M Auto Sales  
GEODib's Auto Sales  
Golden Gate Motors  
Groth Motors  
Half Price Auto  
Highway Motors  
Holbrooks Park N Sell  
Imperial Motors  
Jorge's CA Car Sales  
J-P Auto Sales  
Kars And Wheels Plus  
Ken Fowler Motors  
King's Auto Connection  
KM Auto Wholesales



Laura Lee's  
Low Cost Auto Sales  
Mantica Mike Auto Outlet  
Marin Auto Sales  
MCC Auto Sales  
Mishall's Corporation  
Nevada Auto Sales  
NOD Motors  
Novato Auto Sales  
OC Used Car  
Palm Avenue Auto Sales  
Pena's Motors  
Quality Auto Sales  
Rodriguez Motors  
Roger's Auto Sales  
Sac City Motors  
San Leandro Motors  
Smart Buy  
SNR Auto Sales  
Southwestern Auto Broker  
Sports Car West  
Super Amigos Auto Plaza  
TNT Auto Sales  
Trader Vic's Used Cars  
Unlimited Auto  
USA Preowned  
Valley Auto Center  
Voltage Vehicles  
Wholesale Auto Depot

# EXHIBIT 2

CreditWest Corporation  
Pro Forma  
Sept 2010 - Aug 2011

	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11
<b>Cash Inflows</b>						
Collections on Account <sup>[1]</sup>	853,858	850,550	847,506	844,705	842,129	839,759
Chargeoff Recoveries <sup>[2]</sup>	40,000	40,000	40,000	40,000	40,000	40,000
Other	16,063	16,026	15,992	15,960	15,931	15,905
<b>Total Cash Inflows</b>	<b>909,921</b>	<b>906,576</b>	<b>903,498</b>	<b>900,665</b>	<b>898,060</b>	<b>895,664</b>
<b>Cash Outflows Expenses</b>						
6010 · Accounting Services	500	0	0	0	0	500
6040 · Auto Expense	1,500	1,500	1,500	1,500	1,500	1,500
6070 · Bank Charges	400	400	400	400	400	400
6072 · Credit Card Processing Fees	8,500	8,500	8,500	8,500	8,500	8,500
6120 · Collections Expense	425	425	425	425	425	425
6130 · Commissions	5,000	5,000	5,000	5,000	5,000	5,000
6160 · Credit Reports	1,000	1,000	1,000	1,000	1,000	1,000
6206 · DMV Fees	250	250	250	250	250	250
6210 · Dues & Subscriptions	400	400	400	400	400	400
6230 · Employee Benefits	50	50	50	50	50	50
6240 · Equipment Rental	0	125	0	0	125	0
6281 · Compensation Insurance	1,000	1,000	1,000	1,000	1,000	1,000
6283 · Health Insurance	9,500	8,500	8,500	9,500	8,500	8,500
6284 · Officer's Health Insurance	1,485	1,485	1,485	1,485	1,485	1,485
6300 · Interest Expense	50,372	28,105	27,856	27,755	27,662	27,577
6310 · Janitorial Services	150	150	150	150	150	150
6330 · Legal Services	7,500	7,500	7,500	7,500	7,500	7,500
6400 · Miscellaneous Expense	500	500	500	500	500	500
6410 · Notary Fees	300	300	300	300	300	300
6420 · Office Supplies	1,750	1,750	1,750	1,750	1,750	1,750
6450 · Outside Services	100	100	100	100	100	100
6480 · Payment Protection Expenses	400	400	400	400	400	400
6500 · Postage & Delivery	3,000	3,000	3,000	3,000	3,000	3,000
6600 · Rent	10,340	10,340	10,340	10,340	10,340	10,340
6610 · Repairs & Maintenance	500	500	500	500	500	500
6670 · Salaries - Officers	22,305	22,305	22,305	22,305	22,305	22,305
6680 · Salaries - Staff	49,750	49,750	49,750	49,750	49,750	49,750
6700 · Payroll Tax Expense	5,765	5,765	5,765	5,765	5,765	5,765
6710 · Payroll Service	950	950	950	950	950	950
6750 · Security Systems	450	0	175	450	0	175
6810 · Taxes/Licenses/Permits	50	50	50	50	50	50
6850 · Telecommunications	3,500	3,500	3,500	3,500	3,500	3,500
6880 · Travel	200	200	200	200	200	200
6970 · Utilities	40	40	40	40	40	40
<b>Total Expenses</b>	<b>187,932</b>	<b>163,840</b>	<b>163,641</b>	<b>164,815</b>	<b>163,397</b>	<b>163,862</b>

CreditWest Corporation  
Pro Forma  
Sept 2010 - Aug 2011

	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11
<b>Other Expenditures</b>						
2400 - Repossession Costs	15,000	15,000	15,000	15,000	15,000	15,000
2400 - Dealer Reserve payments	39,401	64,401	64,401	64,401	25,000	25,000
1100 - Purchase of Contracts	650,000	650,000	650,000	650,000	650,000	650,000
2350 - 2010 401k contribution						
<b>Total Other Expenditures</b>	<b>704,401</b>	<b>729,401</b>	<b>729,401</b>	<b>729,401</b>	<b>690,000</b>	<b>690,000</b>
<b>Plan Payments</b>						
Class 1 (wages)	5,354					
Class 3 (Texas Capital Bank)	170,664	24,965	22,968	21,131	19,441	17,885
Class 4 (Summit State Bank)		938	938	938	938	938
Class 5 (Administrative)				11,075		
Class 6 (Trade)		680	680	680	680	680
Class 7 (Unsecured Dealer Reserves)		8,758	8,758	8,758	8,758	8,758
Class 8/9 (Investor) <sup>[3]</sup>		20,271	20,946	20,271	20,946	20,946
<b>Total Plan Payments</b>	<b>176,018</b>	<b>55,612</b>	<b>54,290</b>	<b>62,853</b>	<b>50,763</b>	<b>49,207</b>
<b>Total Cash Expenditures</b>	<b>1,068,351</b>	<b>948,853</b>	<b>947,332</b>	<b>957,069</b>	<b>904,160</b>	<b>903,069</b>
<b>Cash - Beginning of Month</b>	<b>720,000</b>	<b>561,570</b>	<b>519,293</b>	<b>475,459</b>	<b>419,055</b>	<b>412,955</b>
<b>Cash - End of Month</b>	<b>561,570</b>	<b>519,293</b>	<b>475,459</b>	<b>419,055</b>	<b>412,955</b>	<b>405,550</b>
<b>A/R - Beginning of Month</b>	<b>15,524,707</b>	<b>15,464,550</b>	<b>15,409,205</b>	<b>15,358,287</b>	<b>15,311,443</b>	<b>15,268,346</b>
Plus purchases	1,181,818	1,181,818	1,181,818	1,181,818	1,181,818	1,181,818
Less collections	853,858	850,550	847,506	844,705	842,129	839,759
Less chargeoffs	388,117	386,613	385,230	383,957	382,786	381,708
<b>A/R - End of Month</b>	<b>15,464,550</b>	<b>15,409,205</b>	<b>15,358,287</b>	<b>15,311,443</b>	<b>15,268,346</b>	<b>15,228,697</b>
<b>TCB - Beginning of Month</b>	<b>6,613,418</b>	<b>6,442,754</b>	<b>6,417,789</b>	<b>6,394,821</b>	<b>6,373,690</b>	<b>6,354,249</b>
<b>TCB - End of Month</b>	<b>6,442,754</b>	<b>6,417,789</b>	<b>6,394,821</b>	<b>6,373,690</b>	<b>6,354,249</b>	<b>6,336,364</b>

**Notes**

- 1-from historical data. Cash collection percentage = 5.5% of A/R balance
- 2-recoveries on accounts no longer on our books. This number represents our best estimate.
- 3-interest only

CreditWest Corporation  
Pro Forma  
Sept 2010 - Aug 2011

	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
<b>Cash Inflows</b>						
Collections on Account <sup>[1]</sup>	837,578	835,572	833,726	832,028	830,466	829,028
Chargeoff Recoveries <sup>[2]</sup>	40,000	40,000	40,000	40,000	40,000	40,000
Other	15,880	15,858	15,837	15,818	15,801	15,785
<b>Total Cash Inflows</b>	<b>893,458</b>	<b>891,430</b>	<b>889,563</b>	<b>887,846</b>	<b>886,267</b>	<b>884,813</b>
<b>Cash Outflows Expenses</b>						
6010 · Accounting Services	0	500	0	0	0	0
6040 · Auto Expense	1,500	1,500	1,500	1,500	1,500	1,500
6070 · Bank Charges	400	400	400	400	400	400
6072 · Credit Card Processing Fees	8,500	8,500	8,500	8,500	8,500	8,500
6120 · Collections Expense	425	425	425	425	425	425
6130 · Commissions	5,000	5,000	5,000	5,000	5,000	5,000
6160 · Credit Reports	1,000	1,000	1,000	1,000	1,000	1,000
6206 · DMV Fees	250	250	250	250	250	250
6210 · Dues & Subscriptions	400	400	400	400	400	400
6230 · Employee Benefits	50	50	50	50	50	50
6240 · Equipment Rental	0	125	0	0	125	0
6281 · Compensation Insurance	1,000	1,000	1,000	1,000	1,000	1,000
6283 · Health Insurance	9,500	8,500	8,500	9,500	8,500	8,500
6284 · Officer's Health Insurance	1,485	1,485	1,485	1,485	1,485	1,485
6300 · Interest Expense	27,498	27,426	27,360	27,299	27,242	27,191
6310 · Janitorial Services	150	150	150	150	150	150
6330 · Legal Services	7,500	7,500	7,500	7,500	7,500	7,500
6400 · Miscellaneous Expense	500	500	500	500	500	500
6410 · Notary Fees	300	300	300	300	300	300
6420 · Office Supplies	1,750	1,750	1,750	1,750	1,750	1,750
6450 · Outside Services	100	100	100	100	100	100
6480 · Payment Protection Expenses	400	400	400	400	400	400
6500 · Postage & Delivery	3,000	3,000	3,000	3,000	3,000	3,000
6600 · Rent	10,340	10,340	10,340	10,340	10,340	10,340
6610 · Repairs & Maintenance	500	500	500	500	500	500
6670 · Salaries - Officers	22,305	22,305	22,305	22,305	22,305	22,305
6680 · Salaries - Staff	49,750	49,750	49,750	49,750	49,750	49,750
6700 · Payroll Tax Expense	5,765	5,765	5,765	5,765	5,765	5,765
6710 · Payroll Service	950	950	950	950	950	950
6750 · Security Systems	450	0	175	450	0	175
6810 · Taxes/Licenses/Permits	50	50	50	50	50	50
6850 · Telecommunications	3,500	3,500	3,500	3,500	3,500	3,500
6880 · Travel	200	200	200	200	200	200
6970 · Utilities	40	40	40	40	40	40
<b>Total Expenses</b>	<b>164,558</b>	<b>163,661</b>	<b>163,145</b>	<b>164,359</b>	<b>162,977</b>	<b>162,976</b>

CreditWest Corporation  
Pro Forma  
Sept 2010 - Aug 2011

	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>
<b>Other Expenditures</b>						
2400 - Repossession Costs	15,000	15,000	15,000	15,000	15,000	15,000
2400 - Dealer Reserve payments	25,000	25,000	25,000	25,000	25,000	25,000
1100 - Purchase of Contracts	650,000	650,000	650,000	650,000	650,000	650,000
2350 - 2010 401k contribution						15,000
<b>Total Other Expenditures</b>	<b>690,000</b>	<b>690,000</b>	<b>690,000</b>	<b>690,000</b>	<b>690,000</b>	<b>705,000</b>
<b>Plan Payments</b>						
Class 1 (wages)						
Class 3 (Texas Capital Bank)	16,454	15,138	13,927	12,813	11,788	10,844
Class 4 (Summit State Bank)	938	938	938	938	938	938
Class 5 (Administrative)	11,075					
Class 6 (Trade)	680	680	680	680	680	680
Class 7 (Unsecured Dealer Reserves)	8,758	8,758	8,758	8,758	8,758	8,758
Class 8/9 (Investor) <sup>[3]</sup>	18,919	20,946	20,271	20,946	20,271	20,946
<b>Total Plan Payments</b>	<b>56,824</b>	<b>46,460</b>	<b>44,574</b>	<b>44,135</b>	<b>42,435</b>	<b>42,166</b>
<b>Total Cash Expenditures</b>	<b>911,382</b>	<b>900,121</b>	<b>897,719</b>	<b>898,494</b>	<b>895,412</b>	<b>910,142</b>
<b>Cash - Beginning of Month</b>	<b>405,550</b>	<b>387,625</b>	<b>378,934</b>	<b>370,778</b>	<b>360,130</b>	<b>350,985</b>
<b>Cash - End of Month</b>	<b>387,625</b>	<b>378,934</b>	<b>370,778</b>	<b>360,130</b>	<b>350,985</b>	<b>325,656</b>
<b>A/R - Beginning of Month</b>	<b>15,228,697</b>	<b>15,192,220</b>	<b>15,158,661</b>	<b>15,127,787</b>	<b>15,099,383</b>	<b>15,073,251</b>
Plus purchases	1,181,818	1,181,818	1,181,818	1,181,818	1,181,818	1,181,818
Less collections	837,578	835,572	833,726	832,028	830,466	829,028
Less chargeoffs	380,717	379,805	378,966	378,194	377,484	376,831
<b>A/R - End of Month</b>	<b>15,192,220</b>	<b>15,158,661</b>	<b>15,127,787</b>	<b>15,099,383</b>	<b>15,073,251</b>	<b>15,049,210</b>
<b>TCB - Beginning of Month</b>	<b>6,336,364</b>	<b>6,319,910</b>	<b>6,304,772</b>	<b>6,290,845</b>	<b>6,278,032</b>	<b>6,266,244</b>
<b>TCB - End of Month</b>	<b>6,319,910</b>	<b>6,304,772</b>	<b>6,290,845</b>	<b>6,278,032</b>	<b>6,266,244</b>	<b>6,255,400</b>

# EXHIBIT 3

2:54 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Profit & Loss YTD Comparison**  
December 2009

	Dec 09	Jan - Dec 09
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4100 · Interest Income from Contracts	348,334.34	4,285,296.38
4200 · Discount Earned	81.59	1,960.17
4300 · Other Income from Contracts		
4310 · Late Charge Fees	16,119.42	171,775.09
4320 · Deferment Income	470.00	6,505.00
4325 · Due Date Changes	75.00	2,645.00
4330 · NSF Fees	405.00	4,545.00
<b>Total 4300 · Other Income from Contracts</b>	<b>17,069.42</b>	<b>185,470.09</b>
4400 · Servicing Income	0.00	3,571.10
4600 · Repo Charges	754.00	3,293.25
4700 · Interest Income Misc	339.20	10,350.30
4800 · Administrative Fees	45.00	705.00
4900 · Misc. Income	0.00	85.00
<b>Total Income</b>	<b>366,623.55</b>	<b>4,490,731.29</b>
<b>Expense</b>		
6010 · Accounting Services	0.00	20,300.00
6020 · Advertising & Promotion	194.90	6,988.15
6040 · Auto Expense		
6041 · Fuel/Parking/Tolls	714.84	9,923.32
6042 · Mileage Reimbursement	581.24	11,288.07
6043 · Auto Insurance	395.58	4,721.05
6044 · Auto Repairs & Maintenance	359.18	7,203.53
6046 · Auto Allowance	1,151.00	7,953.70
6047 · Registration/Licensing	0.00	939.00
6048 · Auto Rental	0.00	1,366.83
<b>Total 6040 · Auto Expense</b>	<b>3,201.84</b>	<b>43,395.50</b>
6060 · Bad Debt Expense	508,808.01	816,959.83
6070 · Bank Charges		
6071 · ACH Monthly Fees	32.52	342.50
6072 · Credit Card Processing Fees	9,613.30	129,791.12
6070 · Bank Charges - Other	927.84	8,337.83
<b>Total 6070 · Bank Charges</b>	<b>10,573.66</b>	<b>138,471.45</b>
6100 · Cash Over/Short	15.53	30.55
6120 · Collections Expense	718.40	9,205.38
6130 · Commissions	10,674.35	131,152.76
6140 · Contributions	0.00	2,100.00
6150 · Conventions & Seminars	0.00	180.00
6160 · Credit Reports	2,132.32	21,972.68
6200 · Depreciation	-11,260.00	109,608.00
6201 · Amortization	2,561.00	9,557.00
6205 · DMV On-Line Access	129.00	5,339.00
6206 · DMV Fees	-4.00	139.00
6210 · Dues & Subscriptions	2,531.57	34,587.21
6220 · Education & Training	0.00	196.95
6230 · Employee Benefits	1,406.66	3,535.13
6240 · Equipment Rental	0.00	455.18
6280 · Insurance		



2:54 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Profit & Loss YTD Comparison**  
December 2009

	Dec 09	Jan - Dec 09
6281 · Compensation Insurance	1,043.49	12,935.53
6282 · General Business Insurance	0.00	1,233.00
6283 · Health Insurance	10,229.55	118,383.76
6284 · Officer's Health Insurance	1,484.00	16,828.00
6285 · Officers' Life Insurance	6,525.03	11,436.57
6289 · Insurance Bond	100.00	100.00
<b>Total 6280 · Insurance</b>	<b>19,382.07</b>	<b>160,916.86</b>
6300 · Interest Expense		
6302 · Interest - credit card	268.97	5,371.34
6304 · Interest - Investor Notes	44,134.59	492,608.94
6306 · Interest - Loans	450.00	3,512.81
6308 · Interest - Texas Capital	44,105.07	577,614.26
<b>Total 6300 · Interest Expense</b>	<b>88,958.63</b>	<b>1,079,107.35</b>
6310 · Janitorial Services	150.00	1,650.00
6330 · Legal Services	6,692.04	71,185.46
6400 · Miscellaneous Expense	0.00	20.81
6410 · Notary Fees	30.00	2,880.72
6420 · Office Supplies	4,955.06	50,415.75
6425 · Office Expenses	149.32	3,679.05
6450 · Outside Services	4,933.70	21,774.50
6480 · Payment Protection Expenses		
6481 · Airtime	2,219.40	13,875.00
6483 · Removals	0.00	25.00
<b>Total 6480 · Payment Protection Expenses</b>	<b>2,219.40</b>	<b>13,900.00</b>
6500 · Postage & Delivery	5,156.29	57,305.46
6520 · Printing & Reproduction	0.00	318.75
6600 · Rent	14,017.99	229,948.21
6610 · Repairs & Maintenance	1,350.00	11,315.92
6620 · Retirement Plan - Employer	2,533.48	32,438.04
6670 · Salaries - Officers	19,300.00	231,600.00
6680 · Salaries - Staff	94,381.99	1,104,053.78
6700 · Payroll Tax Expense	7,502.93	118,356.38
6710 · Payroll Service	2,113.68	8,560.55
6750 · Security Systems	736.62	3,855.64
6760 · Software Costs	0.00	1,714.84
6810 · Taxes/Licenses/Permits	0.00	865.00
6850 · Telecommunications	5,171.19	63,301.88
6880 · Travel & Entertainment		
6881 · Entertainment	104.98	1,222.88
6882 · Meals	74.77	4,864.18
6883 · Lodging	88.48	6,234.07
6884 · Travel	0.00	2,308.40
<b>Total 6880 · Travel &amp; Entertainment</b>	<b>268.23</b>	<b>14,629.53</b>
6970 · Utilities	17.17	439.19
<b>Total Expense</b>	<b>811,703.03</b>	<b>4,638,407.44</b>
<b>Net Ordinary Income</b>	<b>-445,079.48</b>	<b>-147,676.15</b>
<b>Other Income/Expense</b>		

2:54 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Profit & Loss YTD Comparison**  
December 2009

	Dec 09	Jan - Dec 09
<b>Other Income</b>		
9300 · Interest Income	82.84	1,646.67
9400 · Miscellaneous Income	0.00	4.74
<b>Total Other Income</b>	82.84	1,651.41
<b>Net Other Income</b>	82.84	1,651.41
<b>Net Income</b>	<b>-444,996.64</b>	<b>-146,024.74</b>

2:55 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Balance Sheet**  
As of December 31, 2009

	<u>Dec 31, 09</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
0999 · Cash	
1000 · Cash on Hand	700.00
1001 · Summit - Checking RP	-153,719.15
1002 · Money Market	132,349.24
1004 · Summit - Checking Sacramento	-65,513.36
1006 · Wells Fargo - Clearing	11,206.32
1008 · Summit - Checking SD	-92,012.22
1009 · Summit - Payroll	-407.41
<b>Total 0999 · Cash</b>	<u>-167,396.58</u>
<b>Total Checking/Savings</b>	-167,396.58
<b>Other Current Assets</b>	
1100 · Accounts Rec - Auto Financing	
1103 · Unearned Discount	-354.13
1104 · Unearned Finance Charge	-4,704,082.86
1100 · Accounts Rec - Auto Financing - Other	23,840,130.83
<b>Total 1100 · Accounts Rec - Auto Financing</b>	<u>19,135,693.84</u>
1110 · Returned Items Pending	583.47
1130 · Due from Dealer	12,796.06
1180 · Employee Advances	3,645.96
<b>Total Other Current Assets</b>	<u>19,152,719.33</u>
<b>Total Current Assets</b>	19,985,322.75
<b>Fixed Assets</b>	
1410 · Company Vehicles	108,708.76
1420 · Office Furniture	68,206.54
1425 · Office Equipment	19,343.29
1430 · Computers & Elec Equip	142,343.83
1435 · Computer Software	65,611.19
1440 · Pmt Protection Dev - GPS	445,015.14
1445 · Pmt Protection Dev - non-GPS	166,224.49
1450 · Signs/Displays	3,300.67
1480 · Leasehold Improvements	22,346.14
1500 · Accumulated Depreciation	-760,419.04
1501 · Accumulated Amortization	-73,145.00
<b>Total Fixed Assets</b>	<u>207,536.01</u>
<b>Other Assets</b>	
1810 · Start up costs	5,672.57
1820 · Deposits	23,809.89
1890 · Accumulated Amort	-5,672.57
<b>Total Other Assets</b>	<u>23,809.89</u>
<b>TOTAL ASSETS</b>	<u><u>19,216,668.65</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	

2:55 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Balance Sheet**  
As of December 31, 2009

	<u>Dec 31, 09</u>
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2020 · Unapplied Payments Payable	426.25
2030 · A/P - Service Contracts	2,250.00
2110 · State Income Tax Payable	-9,964.00
2120 · Federal Tax Payable	-17,955.00
2300 · Repo Fees Received	1,575.00
2340 · Accrued Interest Payable	11,660.43
2350 · Accrued Retirement Plan	32,438.04
2370 · Deferred Income Tax	19,128.00
<b>Total Other Current Liabilities</b>	<u>39,558.72</u>
<b>Total Current Liabilities</b>	39,558.72
<b>Long Term Liabilities</b>	
2400 · Dealer Reserves	4,111,945.85
2700 · NP - Investors (subordinated)	
2700.1 · NP - Investors (subordinated)	
2701 · NP - Kelley & Henry	150,000.00
2702 · NP - Henry Trust #1	300,000.00
2703 · NP - Henry Trust #2	50,593.99
2704 · NP - Henry Trust #3	83,642.84
2723 · NP - RL Griffiths Family	850,000.00
2725 · NP - L&G Day	300,000.00
2726 · NP - EY Tannous	98,671.11
2727 · NP - BM Henry	57,441.81
2729 · NP - Dawn Hansen	72,932.79
2731 · NP - Lake County Auto	125,104.41
2733 · NP - Bret&Michelle Henry	301,069.59
2734 · NP - Giulano R Delapa	541,146.29
2736 · NP - S Geary Trust	300,000.00
2737 · NP - Ethel M Rhoades	100,000.00
2738 · NP - Heather Smith	29,455.22
2740 · NP - Larry/Pat Kelley	78,000.00
2741 · NP - Damon Casatico	16,419.62
2743 · NP - Nancy C Smith	25,000.00
2744 · NP - Luis Nieves	150,000.00
2745 · NP - MM or JR Hoburg Trust	100,000.00
2746 · NP - Auto Marin	43,757.90
2747 · NP - NBAA	25,000.00
2748 · NP - R Scott	27,345.51
2749 · NP - T Platt	70,000.00
<b>Total 2700.1 · NP - Investors (subordinated)</b>	<u>3,895,581.08</u>
2700.2 · NP - Interest (subordinated)	
2703.1 · NP - Henry Trust #2 (Int)	32,220.69
2726.1 · NP - EY Tannous (Int)	1,328.89
2729.1 · NP - Dawn Hansen (Int)	3,607.75
2734.1 · NP - Giulano R Delapa (Int)	39,583.63
2738.1 · NP - Heather Smith (Int)	3,643.95
2740.1 · NP - Larry/Pat Kelley (Int)	12,181.81
2741.1 · NP - Damon Casatico (Int)	788.76
2743.1 · NP - Nancy C Smith (Int)	2,806.02

2:55 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Balance Sheet**  
As of December 31, 2009

	<u>Dec 31, 09</u>
2746.1 · NP - Auto Marlin (Int)	3,055.04
2747.1 · NP - NBAA (Int)	2,074.18
2748.1 · NP - Robert Scott (Int)	<u>1,401.38</u>
<b>Total 2700.2 · NP - Interest (subordinated)</b>	<b>102,692.10</b>
<b>Total 2700 · NP - Investors (subordinated)</b>	<b>3,998,273.18</b>
2770 · NP - Investors (non-sub)	
2774 · NP - Patricia A Kelley	4,689.47
2775 · NP - SBAA	<u>50,000.00</u>
<b>Total 2770 · NP - Investors (non-sub)</b>	<b>54,689.47</b>
2800 · Credit Line-Texas Capital Bank	<u>10,882,000.00</u>
<b>Total Long Term Liabilities</b>	<b>19,046,908.50</b>
<b>Total Liabilities</b>	<b>19,086,467.22</b>
<b>Equity</b>	
3100 · Common Stock	46,724.25
3120 · Retained Earnings	229,501.92
Net Income	<u>-146,024.74</u>
<b>Total Equity</b>	<b>130,201.43</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>19,216,668.65</u></b>

2:56 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Profit & Loss YTD Comparison**  
May 2010

	May 10	Jan - May 10
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
4100 · Interest Income from Contracts	226,101.57	1,390,098.71
4200 · Discount Earned	71.15	584.81
4300 · Other Income from Contracts		
4310 · Late Charge Fees	10,771.76	63,560.85
4320 · Deferment Income	295.00	1,235.00
4325 · Due Date Changes	75.00	420.00
4330 · NSF Fees	225.00	1,365.00
<b>Total 4300 · Other Income from Contracts</b>	<b>11,366.76</b>	<b>66,580.85</b>
4400 · Servicing Income	0.00	114.32
4600 · Repo Charges	375.00	521.12
4700 · Interest Income Misc	1,293.92	6,950.66
4800 · Administrative Fees	105.00	430.00
4900 · Misc. Income	0.00	139.85
<b>Total Income</b>	<b>239,313.40</b>	<b>1,465,420.32</b>
<b>Expense</b>		
6010 · Accounting Services	0.00	-2,900.00
6020 · Advertising & Promotion	0.00	752.50
6040 · Auto Expense		
6041 · Fuel/Parking/Tolls	203.70	3,230.05
6042 · Mileage Reimbursement	514.05	3,111.84
6043 · Auto Insurance	0.00	1,713.82
6044 · Auto Repairs & Maintenance	0.00	1,221.76
6046 · Auto Allowance	900.00	3,300.00
6048 · Auto Rental	0.00	240.44
<b>Total 6040 · Auto Expense</b>	<b>1,617.75</b>	<b>12,817.91</b>
6060 · Bad Debt Expense	43,716.29	57,475.60
6070 · Bank Charges		
6071 · ACH Monthly Fees	28.60	151.72
6072 · Credit Card Processing Fees	8,943.67	54,176.20
6070 · Bank Charges - Other	399.20	2,940.35
<b>Total 6070 · Bank Charges</b>	<b>9,371.47</b>	<b>57,268.27</b>
6100 · Cash Over/Short	-0.10	-1.16
6120 · Collections Expense	886.64	3,872.88
6130 · Commissions	5,529.20	30,793.38
6160 · Credit Reports	934.77	8,182.87
6200 · Depreciation	10,988.00	54,940.00
6201 · Amortization	636.00	3,180.00
6205 · DMV On-Line Access	506.00	923.00
6206 · DMV Fees	0.00	592.00
6208 · Doc Fees	0.00	450.00
6210 · Dues & Subscriptions	60.52	9,014.82
6230 · Employee Benefits	0.00	587.95
6240 · Equipment Rental	0.00	228.90
6280 · Insurance		
6281 · Compensation Insurance	1,071.42	6,104.38
6283 · Health Insurance	6,418.99	45,027.01
6284 · Officer's Health Insurance	1,484.00	7,420.00

2:56 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Profit & Loss YTD Comparison**  
May 2010

	May 10	Jan - May 10
6285 · Officers' Life Insurance	0.00	6,525.03
6280 · Insurance - Other	0.00	0.00
<b>Total 6280 · Insurance</b>	<b>8,974.41</b>	<b>65,076.42</b>
6300 · Interest Expense		
6302 · Interest - credit card	0.00	411.67
6304 · Interest - Investor Notes	0.00	109,074.82
6306 · Interest - Loans	362.50	362.50
6308 · Interest - Texas Capital	24,469.55	148,820.16
<b>Total 6300 · Interest Expense</b>	<b>24,832.05</b>	<b>258,669.15</b>
6310 · Janitorial Services	150.00	750.00
6330 · Legal Services	0.00	39,734.17
6410 · Notary Fees	440.00	1,270.00
6420 · Office Supplies	1,834.79	16,384.38
6425 · Office Expenses	271.83	1,156.97
6450 · Outside Services	285.00	15,611.80
6480 · Payment Protection Expenses		
6481 · Airtime	859.55	4,507.85
6483 · Removals	0.00	35.00
<b>Total 6480 · Payment Protection Expenses</b>	<b>859.55</b>	<b>4,542.85</b>
6500 · Postage & Delivery	2,211.27	17,528.96
6600 · Rent	10,290.43	84,042.23
6610 · Repairs & Maintenance	500.00	3,036.81
6620 · Retirement Plan - Employer	4,498.95	13,922.63
6670 · Salaries - Officers	25,200.00	108,249.98
6680 · Salaries - Staff	64,353.66	397,879.49
6700 · Payroll Tax Expense	6,994.17	51,444.74
6710 · Payroll Service	1,013.14	5,081.04
6750 · Security Systems	153.00	973.62
6760 · Software Costs	744.12	744.12
6810 · Taxes/Licenses/Permits	0.00	734.95
6850 · Telecommunications	4,673.54	25,962.66
6860 · Texas Capital Bank		
6861 · Audit Costs	0.00	1,679.49
6862 · Unpaid pre-petition interest	0.00	38,115.15
6863 · Additional fees	0.00	200,000.00
<b>Total 6860 · Texas Capital Bank</b>	<b>0.00</b>	<b>239,794.64</b>
6880 · Travel & Entertainment		
6881 · Entertainment	0.00	319.93
6882 · Meals	141.54	854.06
6883 · Lodging	0.00	1,793.51
6884 · Travel	0.00	504.60
<b>Total 6880 · Travel &amp; Entertainment</b>	<b>141.54</b>	<b>3,472.10</b>
6970 · Utilities	36.56	176.85
<b>Total Expense</b>	<b>232,704.55</b>	<b>1,594,419.48</b>
<b>Net Ordinary Income</b>	<b>6,608.85</b>	<b>-128,999.16</b>
<b>Other Income/Expense</b>		

2:56 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Profit & Loss YTD Comparison**  
May 2010

	May 10	Jan - May 10
<b>Other Income</b>		
9300 · Interest Income	157.30	434.28
9400 · Miscellaneous Income	0.00	4,173.72
<b>Total Other Income</b>	157.30	4,608.00
<b>Net Other Income</b>	157.30	4,608.00
<b>Net Income</b>	<b>6,766.15</b>	<b>-124,391.16</b>



2:55 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Balance Sheet**  
As of May 31, 2010

	<u>May 31, 10</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
0999 · Cash	
1000 · Cash on Hand	550.00
1001 · Summit - Checking RP	38,935.53
1011 · US Bank - Checking RP	-43,546.89
1012 · US Bank - Checking Sacramento	-30,841.72
1013 · US Bank - Payroll	6,734.56
1014 · US Bank - Money Market	450,168.80
<b>Total 0999 · Cash</b>	<u>422,000.28</u>
<b>Total Checking/Savings</b>	422,000.28
<b>Other Current Assets</b>	
1100 · Accounts Rec - Auto Financing	
1103 · Unearned Discount	-422.25
1104 · Unearned Finance Charge	-3,451,502.71
1100 · Accounts Rec - Auto Financing - Other	17,204,891.96
<b>Total 1100 · Accounts Rec - Auto Financing</b>	<u>13,752,967.00</u>
1110 · Returned Items Pending	617.47
1130 · Due from Dealer	6,366.84
1180 · Employee Advances	3,370.96
1300 · Prepaid Expenses	50,000.00
<b>Total Other Current Assets</b>	<u>13,813,322.27</u>
<b>Total Current Assets</b>	14,235,322.55
<b>Fixed Assets</b>	
1410 · Company Vehicles	108,708.76
1420 · Office Furniture	68,206.54
1425 · Office Equipment	19,615.16
1430 · Computers & Elec Equip	143,011.24
1435 · Computer Software	65,611.19
1440 · Pmt Protection Dev - GPS	445,215.23
1445 · Pmt Protection Dev - non-GPS	166,224.49
1450 · Signs/Displays	3,300.67
1480 · Leasehold Improvements	22,346.14
1500 · Accumulated Depreciation	-815,359.04
1501 · Accumulated Amortization	-76,325.00
<b>Total Fixed Assets</b>	<u>150,555.38</u>
<b>Other Assets</b>	
1810 · Start up costs	5,672.57
1820 · Deposits	23,284.89
1890 · Accumulated Amort	-5,672.57
<b>Total Other Assets</b>	<u>23,284.89</u>
<b>TOTAL ASSETS</b>	<u><u>14,409,162.82</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	

2:55 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Balance Sheet**  
As of May 31, 2010

	<u>May 31, 10</u>
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2000 · Accounts Payable	62,819.42
2020 · Unapplied Payments Payable	1,229.48
2030 · A/P - Service Contracts	1,710.00
2090 · Payroll Payable	2,400.20
2110 · State Income Tax Payable	-9,964.00
2120 · Federal Tax Payable	-17,955.00
2170 · Employee Retirement Plan	1,362.65
2300 · Repo Fees Received	4,164.24
2350 · Accrued Retirement Plan	45,860.67
2370 · Deferred Income Tax	19,128.00
2380 · Servicing Trust Account	378.24
<b>Total Other Current Liabilities</b>	<u>111,133.90</u>
<b>Total Current Liabilities</b>	111,133.90
<b>Long Term Liabilities</b>	
2400 · Dealer Reserves	2,802,613.02
2430 · Dealer Reserves (post-petition)	295,854.77
2700 · NP - Investors (subordinated)	
2700.1 · NP - Investors (subordinated)	
2701 · NP - Kelley & Henry	150,000.00
2702 · NP - Henry Trust #1	300,000.00
2703 · NP - Henry Trust #2	50,593.99
2704 · NP - Henry Trust #3	83,642.84
2723 · NP - RL Griffiths Family	850,000.00
2725 · NP - L&G Day	300,000.00
2726 · NP - EY Tannous	98,671.11
2727 · NP - BM Henry	57,441.81
2729 · NP - Dawn Hansen	72,932.79
2731 · NP - Lake County Auto	125,104.41
2733 · NP - Bret&Michelle Henry	301,069.59
2734 · NP - Giulano R Delapa	557,778.50
2736 · NP - S Geary Trust	300,000.00
2737 · NP - Ethel M Rhoades	100,000.00
2738 · NP - Heather Smith	29,455.22
2740 · NP - Larry/Pat Kelley	78,000.00
2741 · NP - Damon Casatico	16,419.62
2743 · NP - Nancy C Smith	25,000.00
2744 · NP - Luis Nieves	150,000.00
2745 · NP - MM or JR Hoburg Trust	100,000.00
2747 · NP - NBAA	25,000.00
2748 · NP - R Scott	27,345.51
2749 · NP - T Platt	70,000.00
<b>Total 2700.1 · NP - Investors (subordinated)</b>	<u>3,868,455.39</u>
2700.2 · NP - Interest (subordinated)	
2703.1 · NP - Henry Trust #2 (Int)	911.09
2726.1 · NP - EY Tannous (Int)	1,328.89
2729.1 · NP - Dawn Hansen (Int)	3,607.75
2731.1 · NP - Lake County (Int)	2,986.35
2734.1 · NP - Giulano R Delapa (Int)	57,082.69

2:55 PM  
07/14/10  
Cash Basis

**CreditWest Corporation**  
**Balance Sheet**  
As of May 31, 2010

	<u>May 31, 10</u>
2740.1 · NP - Larry/Pat Kelley (Int)	13,167.38
2741.1 · NP - Damon Casatico (Int)	1,301.65
2743.1 · NP - Nancy C Smith (Int)	3,358.19
2747.1 · NP - NBAA (Int)	2,881.60
2748.1 · NP - Robert Scott (Int)	2,259.05
<b>Total 2700.2 · NP - Interest (subordinated)</b>	<u>88,884.64</u>
<b>Total 2700 · NP - Investors (subordinated)</b>	3,957,340.03
2770 · NP - Investors (non-sub)	
2774 · NP - Patricia A Kelley	4,829.17
2775 · NP - SBAA	50,000.00
<b>Total 2770 · NP - Investors (non-sub)</b>	<u>54,829.17</u>
2784 · NP - Summit State Bank	45,000.00
2800 · Credit Line-Texas Capital Bank	7,134,902.17
2801 · Credit Line-TCB (post-petition)	1,679.49
<b>Total Long Term Liabilities</b>	<u>14,292,218.65</u>
<b>Total Liabilities</b>	14,403,352.55
<b>Equity</b>	
3100 · Common Stock	46,724.25
3120 · Retained Earnings	83,477.18
Net Income	-124,391.16
<b>Total Equity</b>	<u>5,810.27</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>14,409,162.82</u></u>