

1 Leslie A. Cohen, Esq. (SBN 93698)
Leslie Cohen Law, P.C.
2 506 Santa Monica Blvd. Ste 200
Santa Monica, CA 90401
3 Telephone: 310.394-5900
Facsimile: 310.394-9280
4 leslie@lesliecohenlaw.com

5 Successor Attorneys
for Debtor in Possession
6
7

8 UNITED STATES BANKRUPTCY COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10 LOS ANGELES DIVISION

11 In re

12 FRANKLIN PACIFIC FINANCE, LLLP,

13 Debtor and
14 Debtor in Possession

) Case No. 2:10-BK-30727-VZ

) Chapter 11

) **DEBTORS PROPOSED DISCLOSURE**
) **STATEMENT AND PLAN REORGANIZATION**

)
) Disclosure Hearing
) Date: October 28, 2010
) Time: 1:30
) Courtroom: 1368
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DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION FOR
FRANKLIN PACIFIC FINANCE, LLLP

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I. INTRODUCTION

On May 24, 2010, Franklin Pacific Finance LLLP, ("Debtor") filed a bankruptcy petition under Chapter 11 of the Bankruptcy Code ("Code"). The document you are reading is both the Plan of Reorganization ("Plan") and the Disclosure Statement. Debtor ("Proponent") has proposed the Plan to treat the claims of the Debtor's creditors and, if applicable, the interests of shareholders or partners and to reorganize the Debtor's business affairs. A disclosure statement describes the assumptions that underlie the Plan and how the Plan will be executed. The Bankruptcy Court ("Court") has approved the form of this document as an adequate disclosure statement, containing enough information to enable parties affected by the Plan to make an informed judgment about the Plan. The Court has not yet confirmed the Plan, which means the terms of the Plan are not now binding on anyone.

The Proponent has reserved [TO BE SET BY COURT] in Courtroom 1368 for a hearing to determine whether the Court will confirm the Plan.

Any interested party desiring further information should contact
Debtor's Counsel:

Leslie Cohen Law, PC

Attn: Jaime Williams

506 Santa Monica Blvd., Suite 200

Santa Monica, CA 90401

Telephone: 310.394.5900

leslie@lesliecohenlaw.com

jaime@lesliecohenlaw.com

II. GENERAL DISCLAIMER AND VOTING PROCEDURE

PLEASE READ THIS DOCUMENT, INCLUDING THE ATTACHED EXHIBITS,
CAREFULLY. IT EXPLAINS WHO MAY OBJECT TO CONFIRMATION OF THE
PLAN. IT EXPLAINS WHO IS ENTITLED TO VOTE TO ACCEPT OR REJECT
THE PLAN. IT ALSO TELLS ALL CREDITORS AND ANY SHAREHOLDERS OR
PARTNERS WHAT TREATMENT THEY CAN EXPECT TO RECEIVE UNDER THE
PLAN, SHOULD THE PLAN BE CONFIRMED BY THE COURT.

THE SOURCES OF FINANCIAL DATA RELIED UPON IN FORMULATING THIS
DOCUMENT ARE SET FORTH IN THE DECLARATION IN SECTION XX BELOW.
ALL REPRESENTATIONS ARE TRUE TO THE PROPONENT'S BEST KNOWLEDGE.

NO REPRESENTATIONS CONCERNING THE DEBTOR THAT ARE INCONSISTENT WITH ANYTHING CONTAINED HEREIN ARE AUTHORIZED EXCEPT TO THE EXTENT, IF AT ALL, THAT THE COURT ORDERS OTHERWISE.

After carefully reviewing this document and the attached exhibits, please vote on the enclosed ballot and return it in the enclosed envelope.

The Proponent has reserved a hearing date for a hearing to determine whether the Court will confirm the Plan. Please refer to Section I above for the specific hearing date. If, after receiving the ballots, it appears that the Proponent has the requisite number of votes required by the Code, the Proponent will file a motion for an order confirming the Plan.

The Motion shall at least be served on all impaired creditors and partners or shareholders who reject the Plan and on the Office of the United States Trustee. Any opposition to the Motion shall be filed and served on the Proponent no later than fourteen days prior to the hearing date. Failure to oppose the confirmation of the Plan may be deemed consent to the Plan's confirmation.

III. WHO MAY OBJECT TO CONFIRMATION OF THE PLAN

Any party in interest may object to confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

IV. WHO MAY VOTE TO ACCEPT OR REJECT THE PLAN

It requires both an allowed and impaired claim or interest in order to vote either to accept or reject the Plan. A claim is defined by the Code to include a right to payment from the Debtor. An interest represents an ownership stake in the Debtor.

In order to vote a creditor or interest-holder must first have an allowed claim or interest. With the exceptions explained below, a claim is allowed if proof of the claim or interest is properly filed before any bar date and no party in interest has objected, or if the court has entered an order allowing the claim or interest. Please refer to Section VI below for specific information regarding bar dates in this case.

Under certain circumstances a creditor may have an allowed claim even if a proof of claim was not filed and the bar date for

filing a proof of claim has passed. A claim is deemed allowed if the claim is listed on the Debtor's schedules and is not scheduled as disputed, contingent, or unliquidated. Exhibit "A" contains a list of claims that are not scheduled as disputed, contingent, or unliquidated.

Similarly, an interest is deemed allowed if it is shown on the list of equity security holders filed by the Debtor with the court and is not scheduled as disputed.

In order to vote, an allowed claim or interest must also be impaired by the Plan.

Impaired creditors include those whose legal, equitable, and contractual rights are altered by the Plan, even if the alteration is beneficial to the creditor. A contract provision that entitles a creditor to accelerated payment upon default does not, however, necessarily render the claimant impaired, even if the Debtor defaulted and the Plan does not provide the creditor with accelerated payment. The creditor is deemed unimpaired so long as the Plan cures the default, reinstates the maturity of such claim as it existed before default, compensates for any damages incurred as a result of reasonable reliance upon the

acceleration clause, and (except for a default arising from failure to operate a nonresidential lease subject to 11 U.S.C.A. § 365 (b)(1)(A) (West Supp. 2006)) compensates for any actual pecuniary loss incurred as a result of any failure to perform a non-monetary obligation.

Impaired interest-holders include those whose legal, equitable, and contractual rights are altered by the Plan, even if the alteration is beneficial to the interest holder.

There are also some types of claims that the Code requires be treated a certain way. For that reason they are considered unimpaired and therefore holders of these claims cannot vote.

To summarize, there are two prerequisites to voting: a claim or interest must be both allowed and impaired under the Plan.

If a creditor or interest-holder has an allowed and impaired claim or interest, then he or she may vote either to accept or reject the Plan (unimpaired claimants or interest-holders are deemed to have accepted the Plan). Impaired claims or interests are placed in classes and it is the class that must accept the Plan. Members of unimpaired classes do not vote, although as

stated above, they may object to confirmation of the Plan. Even if all classes do not vote in favor of the Plan, the Plan may nonetheless be confirmed if the dissenting classes are treated in a manner prescribed by the Code. Please refer to Section VI below for information regarding impaired and unimpaired classes in this case.

Section IX sets forth which claims are in which class. Secured claims are placed in separate classes from unsecured claims. Fed. R. Bankr. P. 3018(d) provides: "A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim shall be entitled to accept or reject a plan in both capacities."

V. VOTES NECESSARY TO CONFIRM THE PLAN

The Court may confirm the Plan if at least one noninsider impaired class of claims has accepted and certain statutory requirements are met as to both nonconsenting members within a consenting class and as to dissenting classes. A class of claims has accepted the Plan when more than one-half in number and at least two-thirds in amount of the allowed claims actually voting, vote in favor of the Plan. A class of interests has accepted the

Plan when at least two-thirds in amount of the allowed interests of such class actually voting have accepted it. It is important to remember that even if the requisite number of votes to confirm the Plan are obtained, the Plan will not bind the parties unless and until the Court makes an independent determination that confirmation is appropriate. That is the subject of any upcoming confirmation hearing.

VI. INFORMATION REGARDING VOTING IN THIS CASE

The bar date for filing a proof of claim in this case is October 29, 2010.

The bar date for objecting to claims is January 4, 2011.

The last day for hearing on objections to claims is January 28, 2011. The Debtor intends to file a motion to extend this deadline to 180 days after the Effective Date of this Plan.

In this case the Proponent believes that classes 1, 2, 3 and 4 are impaired and therefore entitled to vote. There are no unimpaired classes. A party that disputes the Proponent's characterization of its claim or interest as unimpaired may request a finding of impairment from the Court in order to obtain the right to vote.

Ballots must be received by the Proponent, addressed to Leslie Cohen Law PC, Attn: Jaime Williams, 506 Santa Monica Blvd., Suite 200, Santa Monica, CA 90401 by _____.

VII. DESCRIPTION OF DEBTOR'S PAST AND FUTURE BUSINESS AND EVENTS
PRECIPITATING BANKRUPTCY FILING

The Debtor is a Limited Liability Limited Partnership.

Debtor conducted of its business activity in since.

The Debtor, established in 2005, is headquartered in Santa Monica, California. The Debtor engages in the business of acquiring and operating real estate assets and loans secured by real estate assets, equipment, vehicles and business assets, unsecured loans. The Debtor acquires such assets and loans as portfolios or in stand-alone transactions. As such, the Debtor maintains its operations through the collection of principal and interest payments from its notes receivables and receipt of lease payments and sales proceeds from its real estate portfolio.

What follows is a brief summary of the dates and circumstances that led Debtor to file bankruptcy.

The Debtor's financial issues leading to this chapter 11 case were a result of the failed attempts to successfully modify and extend loan terms with its principal secured creditor, Bank Midwest. The majority of the Debtor's loans with the secured creditor matured in January 2010. The Debtor desired a simple 24-month extension at its current contract rate and offered to cross collateralize and cross default its entire portfolio giving the creditor more security. The Debtor would continue to make timely debt service payments and pay of the entire principal balance of each loan as each asset was resolved. Furthermore, the Debtor offered to pay the creditor a loan fee.

When the Creditor required the Debtor to make a release payment of 135% of each loan's par balance and increased the loan balances by \$900,000 for default interest and penalties, negotiations were discontinued, at which point the creditor defaulted the Debtor. These financial impairments plus two major events caused the Debtor to file for chapter 11 bankruptcy protection; the creditor's attempt to foreclose on the Debtor's property (Sunset Crossing) and its refusal to release units for sale at a (Debtor-related) town home development project in which Bank Midwest has a secured interest, known as Oak Trail Villas.

What follows is a brief description of the Debtor's business and future business plans. Further details relating to the Debtor's financial condition and post-confirmation operation of the Debtor are found in sections X, XI, XII, XVI, and XV.

The Debtor is in the business of acquisition and management of debt instruments purchased from the FDIC and other financial institutions. The Debtor restructures and remediates loans and foreclosed assets into a diversified portfolio of loans and income producing real estate for future dispositions.

The Debtor has ownership interests in the following real property, which either currently generate income in the form of rents or may generate such rents in the future:

a. Shalamar Apartments. Shalamar Apartments is a 162 unit apartment complex located in San Marcos, TX (40 minutes south of Austin) that Debtor holds fee title to. Debtor has a loan with the Bank with an outstanding principal balance of \$3,525,000 as of May 20, 2010. Debtor acquired the property on December 19, 2007 with a purchase price of \$4,249,851. The value of the property is \$6,300,000. Therefore, an equity cushion of \$2,775,000 exists on the property.

b. The National. The National is a single family home owned by the Debtor that is located at 6789 National Drive in Parkville, MO (Kansas City submarket). The Debtor has a loan with the Bank with an outstanding principal balance of \$660,000 which is secured by a first priority lien in favor of the Bank. Debtor acquired the property on March 20, 2007 with a purchase price of \$930,000. The value of the property is \$880,000.

Therefore, an equity cushion of \$220,000 exists on the property.

The National is currently occupied and is paying rents of \$3,500 per month.

c. The Villages. The Villages at Pinnacle Peak is 4,224 sf single tenant retail building that the Debtor owns located in North Scottsdale, AZ. The Debtor has a loan with the Bank with an outstanding principal balance of \$800,000 which is secured by a first priority lien in favor of the Bank. The Debtor acquired the property on May 12, 2005 with a purchase price of \$1,200,000.

The value of the property is currently \$1,200,000. The Villages is currently vacant. The Debtor is in negotiation with prospective tenants.

In addition, the Debtor owns certain personal property, which generates or which may generate income in the form of payments and/or rents as follows:

a. Metro Cinema. The Debtor owns certain theater equipment which is leased to Metro Cinema located in a Cineplex in Colleyville, TX (Dallas submarket). The Debtor has a loan with the Bank with an outstanding principal balance of \$167,089 which is secured by such theater equipment. The Debtor acquired the property on September 28, 2007 with a purchase price of \$207,829. The value of the property is \$639,555. An equity cushion of \$472,466 exists on the property. The Debtor receives a payment of \$7,000 per month from Metro Cineplex.

b. Sunset Crossing Note. The Debtor holds a promissory note in the original principal sum of \$6,600,000 and with an outstanding balance thereon as of the Petition Date in the sum of \$5,842,340. The obligor under the Sunset Crossing Note is Sunset Crossing L.P. and it is a performing loan secured by a first priority deed of trust on a 217,000 s.f. retail center located in San Angelo, TX. The Bank has a security interest in the Sunset Crossing Note securing an obligation of the Debtor to the Bank with an outstanding principal balance of \$3,807,368 as of the Petition Date. An equity cushion of \$2,034,972 exists on this property. The Debtor is currently receiving payments of \$43,000 per month on the Sunset Crossing Note.

c. Drawbridge Note. The Debtor holds a promissory note in the original principal sum of \$9,363,434 and with an outstanding balance thereon as of the date of filing in the sum of \$8,855,519.00. The obligor under the Drawbridge Note is Drawbridge Inn, LLC, and it is a non-performing loan secured by a first priority deed of trust on a 382 room hotel located in Fort Mitchell, Kentucky. The Bank has a security interest in the Promissory Note and Deed of Trust securing an obligation of the Debtor to the Bank with an outstanding principal balance of \$5,226,090 as of the Petition Date.

As a result of the default by the obligor under the Drawbridge Note, a foreclosure proceeding was commenced by the Debtor, and ancillary thereto, the Debtor obtained the appointment of a receiver over the hotel on December 2, 2009. The receiver is in possession of, and operating the hotel pursuant to that receivership. The receiver is accepting all receipts, paying all expenses of the operation pending a resolution of the foreclosure currently pending. The Debtor is not receiving any funds from the receiver, and has loaned the receiver, pre-petition, the sum of \$40,000.

The Debtor will continue in its business of managing its ownership interests in income producing real estate.

VIII. CRITICAL PLAN PROVISIONS

Listed below are the sources of money earmarked to pay creditors and interest-holders.

a. Future earnings from continued operations of the Debtor, including rental income, interest income, potential sales and/or refinances of properties, and note payments due to the Debtor.

Most likely, general unsecured creditors can expect payment:

- a. beginning 30 days after the Effective Date of this Plan
- b. in the amount of 1/3 of each creditors' unsecured claim plus 4% interest
- c. and continuing every month for 2 additional months.

IX. DESCRIPTION AND TREATMENT OF CLAIMS

a. Overview of Plan Payments

Below is a summary of who gets paid what and when and from what source. The identity of members within a particular class is explained beginning on the next page. The second column lists two amounts. First, the amount of each payment, or if only one is to be made, then that amount; second, the total amount that

will be paid. The Proponent is usually not required by law to pay an unsecured creditor or interest holder everything it would otherwise be entitled to, had a bankruptcy case not commenced.

The "Payment Due Date" column states the frequency with which payments will be made and the starting and ending dates. Look at the starting date to figure out who will be paid before and after you and in what amount. The "Source of Payment" column describes the expected source of payment. Further details regarding the source of payment are found in sections X and XI.

The timing of payments to many creditors is determined by the "Effective Date." Administrative claims, unless otherwise stated, must be paid by the Effective Date. The timing of payments to impaired creditors is measured from the Effective Date. In this case, the projected Effective Date is December 20, 2010.

<u>Payment Recipient</u>	<u>Amount of each Payment</u> <u>(Total amount to be paid)</u>	<u>Payment Due Date</u>	<u>Source of Payment</u>
Clerk's Office Fees	\$0 (estimated) \$0 (estimated)	Effective Date	
Office of the U.S. Trustee	\$0 (estimated) \$0 (estimated)	Effective Date	
Leslie Cohen Law PC	\$0 - \$65,000 above retainer \$0 - \$65,000	Later of (i) Effective Date or (ii) entry of final order approving LCL's fees and expenses	Estate Funds
Michael Widener	\$10,000 (estimated)	Effective Date Pursuant to Fee	Estate Funds
Bonnet, Fairbourn, Friedman & Balint	\$10,000 (estimated)	Application	
Dennis Williams	\$10,000 (estimated)	Effective Date Pursuant to Fee	Estate Funds
Adams, Stepner, Woltermann & Dusing PLLC	\$10,000 (estimated)	Application	
Capstone Real Estate Services, Inc.	\$0 (estimated) \$0 (estimated)	Effective Date Paid current in accordance with management agreement dated July 28, 2008	
Robert Wyndelts and Wyndelts & Gagnon PLC	\$25,000 (estimated) \$25,000 (estimated)	Effective Date pursuant to Fee Application	Estate Funds
Justin Enbody and Enbody, Inc.	\$25,600 (estimated) \$25,600 (estimated)	Effective Date pursuant to Fee Application	Estate Funds
Hagan & Associates	\$35,297 (estimated) \$35,297 (estimated)	Effective Date pursuant to Fee Application	Estate Funds
CB Richard Ellis	\$0 \$0	Fees to be paid as commission directly from escrow upon sale of property and following Court order approving sale of property	Sale of Property
Century 21 All Pro	\$0 \$0	Fees to be paid as commission directly from escrow upon sale of property and following Court order approving sale of property	Sale of Property

CLASS 1A Richardson ISD Tax Office and Dallas County Tax Office	\$127,546	Paid in full upon sale of each unit at Oak Trail Villas Properly Any unpaid taxes all due by 5/24/15	Sale of Property
CLASS 1B Kenton County and City of Fort Mitchell Kentucky *Disputed*	\$ 5% interest only on allowed claim \$147,534 or lesser allowed total claim	Monthly All unpaid principal and interest due in full upon earlier of 12/31/12 or sale of property to third party	Post confirmation income Post confirmation income or Sale of Property
CLASS 1C Property Taxes (Sunset Crossing, Shalamar, 2 nd Street, Villages, National)	\$0 \$0	These taxes are current. Will be paid as taxes come due; Any unpaid taxes paid in full upon sale of property	Post confirmation income or Sale of Property
CLASS 1D Colette Franklin Tax Assessor	\$22,500.00 \$51,794.99 + interest at 4%	Two yearly payments commencing on or before 12/31/10 12/31/10 - 12/31/11	Post confirmation income
CLASS 2 Secured Claim of Washington Mutual Bank N.A.	\$3,500 \$1,401,547 + interest at 4% 1 st Deed \$1,039,416 2 nd Deed \$362,131	Monthly commencing Effective Date Effective Date through the earlier of 4 years after Effective Date or Sale of Property	Post confirmation income Post confirmation income or Sale of Property
CLASS 3 Secured Claim of Bank Midwest N.A.	\$ Monthly Debt service varies as properties are sold and refinanced. \$20,440,560.00 + interest at 4.25%	Monthly commencing 10 th day of the first month following Plan Confirmation Through earlier of April 1, 2010 or sale of property	Post confirmation income from rents, refinances and/or sales of assets Post confirmation income or proceeds from refinance and/or Sale of Property
CLASS 4 General Unsecured Claims	\$26,931.55 \$80,259.00	Three monthly payments commencing on Effective Date	Estate Funds and post- confirmation income

CLASS 5 Insider claims	n/a	n/a	n/a
CLASS 6 Shareholder Interests	\$0 \$0	Shareholders will retain their shares of stock and receive \$0 on their unsecured debt	

No claimant or interest holder is an affiliate of the Debtor.

On the Effective Date the Debtor, as the Disbursing Agent, will deposit into a segregated account ("Reserve Account") an amount of cash equal to 1/3 (one-third) of the aggregate amount of disputed unsecured claims. Cash together with interest accruing thereon will be held in trust for the benefit of holders of disputed claims.

When a disputed claim becomes allowed, the Disbursing Agent will distribute to the holder thereof an amount equal to 1/3 (one-third) of its claim plus accrued interest thereon. Thereafter, payments to that creditor will continue in accordance with the terms of the Plan. If a surplus arises from the fact that not all claims are allowed, then that money shall revert back to the Debtor.

Below is a detailed description and treatment of administrative expenses, claims and interests

b. Administrative Expenses

1. These include the "actual, necessary costs and expenses of preserving the estate" as determined by the Court after notice to creditors of a request for payment and after a hearing thereon.
2. The Code requires that allowed administrative expenses be paid on the Effective Date unless the party holding the administrative expense agrees otherwise. The claimants have not agreed otherwise.

Administrative Expense #1.

Claimant: Clerk's Office Fees

\$ 0 Estimated subject to court approval. To be paid in full on Effective Date.

Administrative Expense # 2.

Claimant: Office of the U.S. Trustee Fees

\$ 0, subject to court approval. To be paid in full on Effective Date.

Administrative Expense # 3.

Claimant: Leslie Cohen Law, PC

\$ 0 - \$65,000 (estimated net of retainer and amounts

paid upon interim fee application and such reimbursed fees based on Principal's advance), subject to court approval. Cohen has reduced the retainer to \$73,050. The balance awarded, if any, may be paid in full upon the later of (i) the Effective Date, or (ii) entry of a final order approving Cohen's fees and expenses.

Administrative Expense # 4.

Claimant: Michael Widener - Bonnett, Fairbourn, Friedman & Balint, P.C.

\$ 10,000 (estimated), subject to court approval. To be paid in full on Effective Date pursuant to fee application.

Administrative Expense # 5.

Claimant: Dennis Williams- Adams, Stepner, Woltermann & Dusing PLLC

\$ 10,000 (estimated), subject to court approval. To be paid in full on Effective Date pursuant to fee application.

Administrative Expense # 6.

Claimant: Capstone Real Estate Services, Inc.

\$ 0, subject to court approval. Paid current in accordance with management agreement dated July 28, 2008.

Administrative Expense # 7.

Claimant: Robert Wyndelts and Wyndelts & Gagnon PLC

\$ 25,000 (estimatd), subject to court approval. To be paid in full on Effective Date pursuant to fee application.

Administrative Expense # 8.

Claimant: Justin Enbody and Enbody Inc.

\$ 25,600 (estimated), subject to court approval. To be paid in full on Effective Date pursuant to fee application.

Administrative Expense # 9.

Claimant: Hagan and Associates

\$ 35,297 (estimated), subject to court approval. To be paid in full on Effective Date pursuant to fee application.

Administrative Expense # 10.

Claimant: CB Richard Ellis

\$ 0, subject to court approval. Fees to be paid as commission directly from escrow upon sale property and following Court order approving sale of property.

Administrative Expense # 11.

Claimant: Century 21 All Pro

\$ 0, subject to court approval. Fees to be paid as commission directly from escrow upon sale property and following Court order approving sale of property

TOTAL \$ 105,297 - 170,297 estimated

c. Unsecured Tax Claims

1. These include certain types of property, sales, and income taxes.
2. The Code requires that the holders of such claims receive regular installment payments in cash over a period ending not later than five years after the date of the order for relief, unless agreed otherwise. The claimants have not agreed otherwise. The total cash payments must have a

present value equal to the amount of the allowed claim. The treatment of this claim is in a manner not less favorable than the most favored nonpriority unsecured claim provided in this Plan (other than any cash payments to an administratively convenient class). The amount of the allowed claim includes the amount of tax owed plus interest of 4% or such other amount as is ordered by the Court. The present value is calculated as of the Effective Date.

3. The Debtor does not have any unsecured priority tax claims.

TOTAL TAX CLAIM(S) \$ 0

d. **CLASS ONE - SECURED PROPERTY TAX CLAIMS**

1. CLASS 1(A)

Secured Claim of Richardson ISD Tax Office and Dallas
County Tax Office

Description of Collateral: Oak Trail Villas

Total amount of allowed claim as of September 21, 2010:

\$127,546

Total amount of payments (over time) to satisfy the

secured claim: Paid in full upon sale of each unit at Oak Trail Villas Property, any unpaid taxes all due by 5/24/15

Interest rate (to compensate creditor because claim is paid over time): 4% or such other amount as is ordered by the Court.

Impaired

First payment date: Sale of each unit

Amount of each installment: Payment in full on respective unit including interest at 4%

Frequency of payments: Upon sale of each unit

Total yearly payments: Unknown

Final payment date: Not later than 5/24/15

Lien is not modified in any way by the Plan.

2. CLASS 1(B)

Secured Claim of Kenton County and City of Fort

Mitchell Kentucky

THIS CLAIM IS DISPUTED

Description of Collateral: Drawbridge

Total amount of claim as of September 21, 2010:

\$147,534

Total amount of payments (over time) to satisfy the

secured claim: If allowed, pay interest only
monthly; All unpaid principal and interest
due in full upon the earlier of 12/31/12 or
sale of property to third party

Interest rate (to compensate creditor because claim is
paid over time): Interest on allowed claim at
4%

Impaired

First payment date: 1st of month following Court's
determination on allowance of claim.

Amount of each installment: Interest on allowed claim
at 4%

Frequency of payments: Monthly

Total yearly payments: 12

Final payment date: All unpaid principal and interest
due in full upon the earlier of 12/31/12 or
sale of property to third party

Lien is not modified in any way by the Plan.

3. CLASS 1(C)

Secured Property Taxes related to Sunset Crossing,
Shalamar, 2nd Street, Villages and National
Properties

Description of Collateral: Sunset Crossing, Shalamar,
2nd Street, Villages and National

Total amount of claim as of September 21, 2010: \$0

Total amount of payments (over time) to satisfy the
secured claim: These taxes are current. Will
be paid as taxes come due; Paid in full upon
sale of property

Interest rate (to compensate creditor because claim is
paid over time):

Unimpaired

First payment date: As due.

Amount of each installment: As due

Frequency of payments: As due

Total yearly payments: Unknown

Final payment date: Sale of related properties

4. CLASS 1(D)

Secured Claim of Colette Franklin Tax Assessor

Description of Collateral: Metro Cinemas

Total amount of claim as of September 21, 2010:

\$51,794.99

Total amount of payments (over time) to satisfy the
secured claim: \$51,794.99

Interest rate (to compensate creditor because claim is
paid over time): 4% or such other rate as
ordered by the Court.

Impaired

First payment date: 12/31/10.

Amount of each installment:

First Payment on or before 12/31/10: \$22,500

Second Payment on or before 12/31/11: Balance due

Frequency of payments: Annually

Total yearly payments: \$51,794.99 + interest

Final payment date: On or before 12/31/11

e. CLASS TWO

Washington Mutual Bank N.A.

Description of Collateral: first and second mortgage on

Manhattan Beach property: 220-21st Place

Manhattan Beach Court

Total amount of allowed claim: \$1,401,547: \$1,039,416 on
the first mortgage, and \$362,131 on the
second mortgage

Total amount of payments (over time) to satisfy the
secured claim: Commencing on the Effective
Date, subject to a reduction in the interest

rate to 4%, the member of this class will be paid interest at \$3,500 per month; Member will be paid principal and interest in full upon the earlier of 4 years after Effective Date or sale of property.

Interest rate (to compensate creditor because claim is paid over time):4%

Impaired

First payment date: Effective Date

Amount of each installment: \$3,500

Frequency of payments: Monthly

Total yearly payments:12

Final payment date: Earlier of 4 years after Effective Date or sale of property.

Lien is not modified in any way by the Plan.

Additional comments:

f. CLASS THREE

Secured Claims of Bank Midwest N.A.

Description of Collateral: National Drive, Villages at Pinnacle Peak, Shalamar Apartments, Drawbridge Inn, Sunset Crossing, Oak Trail Villas, Second Street property and equipment

lease to Metro Cinemas

Total amount of allowed claim:\$20,440,560.00

Total amount of payments (over time) to satisfy the
secured claim: The member of this class will
be paid in accordance with the terms of the
Loan Modification Agreement entered into in
September 2010. Pursuant to the Loan
Modification Agreement, all loans by member
will be consolidated and cross-
collateralized, with payments to continue
through April 2012.

Interest rate (to compensate creditor because claim is
paid over time):4.25%. If the Debtor
confirms a consensual Plan on or before
11/30/10 or such later date as agreed to
accommodate scheduling issues but no later
than 12/31/10, Bank Midwest will waive all
late charges and that portion of default
interest accruing from default date through
3/31/10 and default interest after 7/31/10

Impaired

First payment date: The 10th of the first month
following Plan confirmation.

Amount of each installment: Monthly debt service
payment shall be made per each individual
property until such property is refinanced or
sold. All default interest not waived per
the cash collateral stipulation and all
allowed reasonable attorneys fees and costs
shall be paid at Plan confirmation.

Frequency of payments: Monthly

Total yearly payments: 12

Final payment date: Earlier of April 1, 2012 or sale or
refinance of property.

Lien is modified by the Plan in that it is now cross-
collateralized among all the property in
which Bank Midwest has a security interest.

Additional comments:

g. CLASS FOUR

Unsecured Claims

See Exhibit "B" for list of claimants and amount owed
each.

Total amount of allowed claims:\$ 80,259

Total amount of payments (over time) to satisfy claims:

Three installment payments of \$26,931.55,
totaling \$80,794.65.

Interest rate :4%

Impaired

First payment date: 30 day after the Effective Date.

Amount of each installment: 1/3 of debt

Frequency of payments: 3 monthly payments

Total yearly payments: 3 payments total

Final payment date: 90 days after Effective Date

Additional comments:

In full and complete satisfaction of these
Unsecured Claims, each holder of an Allowed Class
3 Claim will be paid in full through 3 monthly
installments commencing 30 days after the
Effective Date with interest at 4%.

h. CLASS FIVE

Insider Claims

1. This is the claim of a person as defined in 11
U.S.C.A. ' 101(31) (West Supp. 2006).
Essentially, an insider is a person with a close
relationship with the debtor, other than a

creditor-debtor relationship.

Debtor does not have any insider claims.

TOTAL INSIDER CLAIMS \$ 0

i. **CLASS SIX**

Shareholders Interests

1. Under the Plan, shareholders simply retain their shares of stock in the Debtor.
2. The Debtor's Equity/Interest Holders are as follows:
 - a. Stephen Collias - 49 ½ %
 - b. Gary Hall - 49 ½ %
 - c. Franklin Finance - 1%

X. SOURCE OF MONEY TO PAY CLAIMS AND INTEREST-HOLDERS

The Plan cannot be confirmed unless the Court finds that it is "feasible," which means that the Proponent has timely submitted evidence establishing that the Debtor will have sufficient funds available to satisfy all expenses, including the scheduled creditor payments discussed above. What follows is a statement of projected cash flow for the duration of the Plan. The focus is on projected cash receipts and cash disbursements. All non-cash items such as depreciation, amortization, gains and losses are omitted. A positive number reflects a source of cash; a (negative number) reflects a use of cash. A more detailed statement of cash flow projections for the duration of Plan payments is attached as Exhibit "C".

	<u>Years of Plan Payments</u> <u>2011 - 2012</u>
Net cash flow	
<u>From operating activities:</u>	
Cash in DIP accounts	1,210,886
Less Borrower Reserve	
and Escrow accounts	(189,081)
Monthly Cashflow	(1,648,906)
Sales/Dispositions/Refinances	(39,577,597)
Total	<u>42,248,308</u>
Yearly plan payments:	(32,957,118)
Net cash available to Debtor	
after all plan payments made:	9,291,189
Plus future proceeds from Oak	
Oak Trail Villas after 2012	<u>1,450,465</u>
Total	<u>10,741,654</u>

Section XV(c) states the assumptions and details surrounding the statement of projected cash flow.

On the Effective Date, the Plan pays \$105,297 - \$170,297 in Administrative Claim, depending on Administrative Claims accrued as of Effective Date. The Plan also pays Washington Mutual Bank N.A. \$3,500 on the Effective Date and for payment to Bank Midwest N.A. in the amount of \$532,493. (The projections also show a \$549,517 adequate protection payment to Bank Midwest which is anticipated to be paid as soon as the Court enters an order approving the Stipulation for Use of Cash Collateral filed on September 7, 2010.) Finally, the Plan pays \$26,931.55 to General Unsecured creditors on the Effective Date.

**XI. FINANCIAL RECORDS TO ASSIST IN DETERMINING WHETHER PROPOSED
PAYMENT IS FEASIBLE**

Attached as Exhibit "D" are three types of consolidated financial documents, including balance sheets, cash flow statements and income and expense statements for the Debtor and its related entities for the period including the most recent twelve-month calendar year and all months subsequent thereto.

XII. ASSETS AND LIABILITIES OF THE ESTATE

a. Assets

The identity and fair market value of the estate's assets are listed in Exhibit "E" so that the reader can assess what assets are at least theoretically available to satisfy claims and to evaluate the overall worth of the bankruptcy estate. The Debtor has given their best estimate of fair market value based on their knowledge and experience. Appraised values are also shown on this Exhibit and in some instances are less than Debtor's estimated fair market value for such assets. However for cash flow purposes the Debtor's assumptions are based on the lower of appraised values or Debtor's best estimate of fair market value.

Whether the Plan proposes to sell any of these assets is discussed in section XVI.

b. Liabilities

Exhibit "F" shows the allowed claims against the estate, claims whose treatment is explained in detail by section IX.

c. Summary

The fair market value of all assets equals \$36,370,875. Total liabilities equal \$22,249,195.88.

XIII.TREATMENT OF NONCONSENTING CLASSES

As stated above, even if all classes do not consent to the proposed treatment of their claims under the Plan, the Plan may nonetheless be confirmed if the dissenting classes are treated in a manner prescribed by the Code. The process by which dissenting classes are forced to abide by the terms of a plan is commonly referred to as "cramdown." The Code allows dissenting classes to be crammed down if the Plan does not "discriminate unfairly" and is "fair and equitable." The Code does not define discrimination, but it does provide a minimum definition of "fair and equitable." The term can mean that secured claimants retain their liens and receive cash payments whose present value equals the value of their security interest. For example, if a creditor lends the Debtor \$100,000 and obtains a security interest in property that is worth only \$80,000, the "fair and equitable" requirement means that the claimant is entitled to cash payments whose present value equals \$80,000 and not \$100,000. The term means that unsecured claimants whose claims are not fully

satisfied at least know that no claim or interest that is junior to theirs will receive anything under the Plan, except where the Debtor is an individual, has elected to retain property included in the Estate under 11 U.S.C.A. § 1115 (West Supp. 2006) and has satisfied 11 U.S.C.A. § 1129(b)(2)(B)(ii) (West Supp. 2006).

"Fair and equitable" means that each holder of an interest must receive the value of such interest or else no junior interest is entitled to receive anything.

Therefore, if a class of general unsecured claims votes against the Plan, the Plan cannot be confirmed where the Debtor or a class of interest holders (e.g. shareholders or partners) will receive or retain any property under the Plan, unless the Plan provides that the class of general unsecured claims shall be paid in full with interest. These are complex statutory provisions and the preceding paragraphs do not purport to state or explain all of them.

XIV. TREATMENT OF NONCONSENTING MEMBERS OF CONSENTING

CLASS (CHAPTER 7 LIQUIDATION ANALYSIS)

The Plan must provide that a nonconsenting impaired claimant or interest holder of a consenting class receive at least as much as would be available had the Debtor filed a Chapter 7 petition instead.

In a Chapter 7 case the general rule is that the Debtor's assets are sold by a trustee. Unsecured creditors generally share in the proceeds of sale only after secured creditors and administrative claimants are paid. Certain unsecured creditors get paid before other unsecured creditors do. Unsecured creditors with the same priority share in proportion to the amount of their allowed claim in relationship to the total amount of allowed claims.

A creditor would recover from the assets of the bankruptcy estate less under Chapter 7 than under Chapter 11 for three reasons.

First, the liquidation value of the company is estimated to be 30% less than its fair market value as a going concern because the value of the assets is dependent upon ongoing management and

expertise, and the ability to sell the properties over a 2-year period. Rents must be collected, properties must be maintained, sales and refinances must be negotiated, properties need to be listed and marketed at appropriate times, and all assets must be constantly monitored to ensure maximum performance and disposition. Debtor's current management is well suited to handle these matters based on their substantial experience.

Second, in a chapter 7 case a trustee is appointed and is entitled to compensation from the bankruptcy estate in an amount no more than 25% of the first \$5,000 of all moneys disbursed, 10% on any amounts over \$5,000 and up to \$50,000, 5% on all amounts over \$50,000 and up to \$1,000,000, and such reasonable compensation no more than 3% of moneys over \$1,000,000. Also, a chapter 7 trustee would have additional administrative expense, such as professionals, which will increase cost. Finally, though inapplicable here, a chapter 7 recovery may be less because an individual debtor is permitted to exempt a certain amount of the sales proceeds before unsecured creditors are paid anything.

	Chapter 7	Chapter 11
1. value of assets	\$25,459,612	\$41,000,000
2. administrative exp.	\$500,000 approx + \$200,000 ch 11 expense \$700,000 TOTAL	\$200,000 approx.
secured claims (includes default interest being waived in the Plan)	\$24,139,941	\$26,991,622
secured taxes claims	\$326,875	\$326,875
3. chapter 7 trustee fee	\$763,788	n/a
4. exemption(s)	n/a	n/a
TOTAL AVAILABLE FOR DISTRIBUTION TO GENERAL UNSECURED.	(\$ 470,922)	\$ 13,481,503
unsecured creditors receive payment of 0% of total claims		unsecured creditors receive payment of 100% plus interest of total allowed claims under Plan

Also, unsecured creditors would be paid much more slowly under a chapter 7 than under the Debtor's Plan. Here, unsecured creditors will be paid in full within 90 days following the

Effective Date. In a ch. 7, even if the trustee could sell assets promptly, it would take at least that long to close the asset sales and another estimated 12 months to get approval of final report and distribution to creditors.

Additionally, the Plan here is the result of negotiations with Bank Midwest, which allow for a waiver of over \$500,000 in default interest. It is unlikely that the bank would offer this same deal to a ch. 7 trustee.

XV. FUTURE DEBTOR

a. Management of Debtor

1. Names of persons who will manage the Debtor's business affairs: Stephen Collias & Marc Heenan
2. Proposed compensation to persons listed above:
Collias: \$150,000 annually; Heenan \$125,000 annually
3. Qualifications: See resumes attached as Exhibit "G"
4. Affiliation of persons to Debtor: Collias: 49 ½ shareholder; Heenan: none
5. Job description: Management of Assets

b. Disbursing Agent

Debtor is responsible for collecting money intended for distribution to claimants and transmitting it to them.

The disbursing agent's address and telephone number are:

429 Santa Monica Blvd., Suite 625

Santa Monica, CA 90401

Telephone: 310.587.0037

1. Proposed compensation to person listed above: See above.
2. Qualifications: See above.
3. Affiliation of person to Debtor: See above.
4. Job description: See above.

c. Future Financial Outlook

The Proponent believes that the Debtor's economic health will improve from its prebankruptcy state for the following reasons. First, market conditions are improving. Second, the Chapter 11 has afforded the Debtor additional time to allow for optimal marketing and sale of assets for a more favorable economic return on sale and/or refinance. Third, Debtor has additional time due to the extended terms with Bank Midwest per

the Loan Modification Agreement, as well as a partial waiver of default interest by Bank Midwest.

Section X provides a summary of the projected cash flow of the Debtor for the duration of the Plan. The following assumptions underlie the projections: Continued operations and cash flow per Exhibit "C". As previously stated, Plan payments will come from the continued operation of the Debtor's business, including rental income, refinance and sale proceeds. If the business generates insufficient funds to provide all of the Plan payments, then the Proponent will make up the shortfall under the following conditions and subject to the following terms: Sale and refinance of assets. The Proponent's financial solvency, which is relevant to its ability to honor its commitment to make up any shortfall, is demonstrated by the following facts: values exceed liabilities per the financial statements at Exhibit "D". Also, Debtor has a current cash investment balance of \$ 11,780,118 and the investors have shown their capability and willingness to invest additional monies necessary to meet obligations as was evidence by the additional cash infusion in 2009 of \$842,000.

**XVI. SALE OR TRANSFER OF PROPERTY; ASSUMPTION OF CONTRACTS AND
LEASES; OTHER PROVISIONS**

The Plan provides for the following:

a. The Assumption of Contracts

Effective as of, and conditioned on, the occurrence of the Effective Date, the Debtor will assume all of the executory contracts and unexpired leases set forth in Exhibit "H." The Debtor may amend Exhibit "H" to add thereto any executory contract or unexpired leases, or to delete therefrom any executory contract or lease, up to and including the Confirmation Date. However, if any amendments are made to Exhibit "H" less than twenty-four (24) days before the Confirmation Date, the affected contract or lease parties shall have fifteen (15) days from the date of service of notice of such amendments within which to serve on the Debtor a written objection to the same. Upon receipt of any such objection, the Debtor shall promptly set a hearing on the same, and the assumption or rejection of the affected contract or lease shall be delayed until the Bankruptcy Court makes a determination on this issue (such determination may be made after the Confirmation Date, without delaying the confirmation of the Plan).

Payment of Allowed Cure Claims, if any, shall be paid over a period not to exceed thirty-six (36) months, in equal monthly installments commencing on the Effective Date.

b. The Rejection of Contracts

At present, the Debtor does not anticipate rejecting any executory contracts. The Debtor reserves the right to amend this section of the Plan to add thereto any executory contracts or leases, or to delete therefrom any executory contract or unexpired lease, up to and including the Confirmation Date. However, if any amendments are made to this section of the Plan later than twenty-four (24) days before the Confirmation Date, the affected contract or lease parties shall have fifteen (15) days from the date of service of notice of such amendments within which to serve on the Debtor a written objection to the same. Upon receipt of any such objection, the Debtor shall promptly set a hearing on the same, and the rejection of the affected contract or lease shall be delayed until the Bankruptcy Court makes a determination on this issue (such determination may be made after the Confirmation Date, without delaying the confirmation of the Plan). To the extent that an executory contract or unexpired lease has been rejected by the Debtor prior to the Confirmation Date pursuant to an order of the Bankruptcy Court, such rejection shall not be affected by the Plan

The Court must make certain findings of fact before approving the aforementioned provisions as part of the Plan. The Proponent will request that the Court make the appropriate findings at the confirmation hearing, based upon evidence submitted in support of the confirmation motion.

XVII. BANKRUPTCY PROCEEDINGS

This case was commenced on May 24, 2010. On June 14, 2010, Bank Midwest N.A. filed its Motion for Relief from Stay and its Motion to Appoint Chapter 11 Trustee. By stipulation, these matters are still pending before the Court, with hearings set for October 12, 2010.

The Notice of Claims Bar Date was served on July 14, 2010.

On July 20, 2010, Debtor substituted Leslie Cohen Law PC as its Bankruptcy Counsel. The order approving the employment of Leslie Cohen Law PC was entered on August 3, 2010.

On July 20, 2010, Debtor filed its Motion to Use Cash Collateral pertaining to the Shalamar Property. There were no opposition to this Motion, and the Court's order approving it is pending.

As of the filing of this Disclosure Statement and Plan, Debtor has filed Applications to Employ all of its Professionals

in this case, as listed under the Administrative Claims section of this Plan. The Court entered an order approving the employment of CBRE on August 30, 2010. Order and objection periods on the other applications are still pending.

On September 7, 2010, Debtor filed its stipulation with Bank Midwest N.A. concerning use of cash collateral. There have been no objections to this stipulation, and the Debtor is awaiting the Court's order approving the stipulation.

XVIII. TAX CONSEQUENCES OF PLAN

All required tax reporting has been done on a timely basis, including recent tax obligations for 2009 which were just completed on September 15. Proceeding forward, all taxes will be maintained current except as referenced in the schedule of priority claims for real estate taxes for 3 of the Debtor's assets. The accelerated debt reduction requirement by Bank Midwest may create tax consequences for the Debtor, but is not expected to affect creditors. Parties in interest should contact their own tax advisors to determine any tax implications.

XIX. EFFECT OF CONFIRMATION OF PLAN

a. General comments

The provisions of a confirmed Plan bind the Debtor, any entity acquiring property under the Plan, and any creditor, interest holder, or general partner of the Debtor, even those who do not vote to accept the Plan.

The confirmation of the Plan vests all property of the estate in the Debtor.

The automatic stay is lifted upon confirmation as to property of the estate. However, the stay continues to prohibit collection or enforcement of pre-petition claims against the Debtor or the Debtor's property until the date the Debtor receives a discharge, if any. If the Debtor does not seek a discharge, the discharge is deemed denied, and the stay as to the Debtor and the Debtor's property terminates upon entry of the order confirming the Plan.

b. Discharge of liability for payment of debts; status
of liens; equity security holders

Unless the Debtor is not entitled to receive a discharge pursuant to 11 U.S.C.A. 1141(d)(3) (West 2004), the debtor may obtain a discharge only upon specific order of the Court.

c. Modification of the Plan

The Proponent may modify the Plan pursuant to 11 U.S.C.A. § 1127 (West 2004 & Supp. 2006).

d. Post-Confirmation Causes of Action

To the best knowledge of the Proponent, the estate has the following causes of action: a) tax disputes, b) ongoing collection actions against various borrowers which may have arisen or may arise in the future , c) other actions, if any, which are currently being evaluated, including, without limitation, avoidance actions, if any.

The Reorganized Debtor is designated as representative of the estate under 11 U.S.C.A. § 1123(b)(3) (West 2004) and shall have the right to assert any or all of the above causes of action post-confirmation in accordance with applicable law.

e. Final Decree

Once the Plan has been consummated, a final decree may be entered upon motion of the Proponent. The effect of the final decree is to close the bankruptcy case. After such closure, a party seeking any type of relief relating to a Plan provision can seek such relief in a state court of general jurisdiction.

XX. DECLARATION IN SUPPORT OF DISCLOSURE STATEMENT AND PLAN

I, Stephen Collias, declare under penalty of perjury under the laws of the United States of America that the following statements are true and based upon personal knowledge.

1. Marc Heenan and I, together with counsel, are the individuals who prepared this document.
2. The source of all financial data is Debtor's books and records.
3. All facts and representations in the Plan and Disclosure Statement are true to the best of my knowledge.
4. No fact material to a claimant or equity security holder in voting to accept or reject the proposed Plan has been omitted.
5. The name of the person(s) who prepared the cash flow projections and the other financial documents is Marc Heenan, and such person was acting within the capacity of his position as Senior Vice President for the Debtor.

6. The accounting method used to prepare the cash flow projections and the other financial documents is cash.

Date: 9/21/10

A handwritten signature in black ink, appearing to read "Stephen Collias", is written over a horizontal line.

Stephen Collias

BALLOT FOR ACCEPTING OR REJECTING PLAN

Franklin Pacific Finance, LLLP filed a Plan of Reorganization on September 21, 2010. By this ballot you will decide whether to accept or reject this Plan.

The Plan referred to in this ballot can be confirmed by the Court and thereby bind you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the Plan.

If the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements of 11 U.S.C.A. § 1129(b) (West 2004 & Supp. 2006).

Check the appropriate line below, which describes your interest:

_____ The undersigned, a creditor with an allowed claim in the amount of \$_____:

_____ The undersigned, a holder of a bond in the amount of \$_____, with a stated maturity date of _____, registered in the name of _____, and bearing serial number(s)_____:

_____ The undersigned, the holder of _____ shares of _____ (explain type of stock) stock, with a certificate(s) No. _____:

[] Accepts the Plan

[] Rejects the Plan

Print or type name: _____

State which class you are a member of: _____

Signed: _____

If appropriate, by: _____ as _____

Address:

Return this ballot on or before _____ to:

Leslie Cohen Law PC
Attn: Jaime Williams
506 Santa Monica Blvd.
Suite 200
Santa Monica, CA 90401

In re: FRANKLIN PACIFIC FINANCE, LLLP Debtor(s).	CHAPTER 11 CASE NUMBER 2:10-bk-30727-VZ
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NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

506 Santa Monica Blvd., Suite 200, Santa Monica, CA 90401

A true and correct copy of the foregoing document described **DEBTORS PROPOSED DISCLOSURE STATEMENT AND PLAN REORGANIZATION** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On 9/21/10 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Leslie A Cohen leslie@lesliecohenlaw.com, jaime@lesliecohenlaw.com
Sheri Kanesaka kanesaka@gmail.com
Dare Law dare.law@usdoj.gov
William D May dp@srwadelaw.com
Hal M Mersel mark.mersel@bryancave.com
United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
Stephen R Wade dp@srwadelaw.com

☐ Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):

On _____ I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____ I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

9/21/10
Date

J'aime Williams
Type Name

/s/ J'aime Williams
Signature

EXHIBIT A

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODEBTOR H W J C	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No. xxxxxx8856			6-20-06					
Bank Midwest, N.A. 100 Main Kansas City, MO 64196-6458	X		UCC-1 Theater Equipment leased to Metro Cinemas Colleyville, TX					
			Value \$ 639,555.00				167,089.00	0.00
Account No. xxxxxx7530			3-20-07					
Bank Midwest, N.A. 100 Main Kansas City, MO 64196-6458	-		Deed of Trust sfr 6789 N. National Drive Parkville, MO 64452 Platte County					
			Value \$ 950,000.00				660,000.00	0.00
Account No. xxxxx6081			5-12-05					
Bank Midwest, N.A. 100 Main Kansas City, MO 64196-6458	-		Deed of Trust Retail Property Villages at Pinnacle Peak, Building 5 10452 East Jomax Road Scottsdale, AZ 85262					
			Value \$ 1,200,000.00				800,000.00	0.00
Account No. xxxxxx9210			12-19-07					
Bank Midwest, N.A. 100 Main Kansas City, MO 64196-6458	-		Deed of Trust Shalamar Apartments (162 Units) 1640 Aquarena Springs Drive San Marcos, TX 78666 Hays County					
			Value \$ 6,300,000.00				3,525,000.00	0.00
Subtotal (Total of this page)							5,152,089.00	0.00

1 continuation sheets attached

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E B O R	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No.			Note Receivable from Drawbridge Inn LLC					
Bank Midwest, N.A. 100 Main Kansas City, MO 64196-6458			secured by Drawbridge Inn hotel Fort Mitchell, KY					
			Value \$ 8,429,826.00				5,226,090.00	0.00
Account No.			Note Receivable from Sunset Crossing					
Bank Midwest, N.A. 100 Main Kansas City, MO 64196-6458			secured by Sunset Crossing Retail Center San Angelo, TX					
			Value \$ 5,842,340.00				3,807,368.00	0.00
Account No. xxxx7421			various					
Colette Franklin Tax Assessor 3075 Mustang Dr. Grapevine, TX 76051			personal property taxes					
			Theater Equipment leased to Metro Cinemas Colleyville, TX					
			Value \$ 639,555.00				79,632.00	0.00
Account No. xxxxxx1388			1-25-08					
Washington Mutual Bank, NA (Chase) POBox 78148 Phoenix, AZ 85062-8148			First Mortgage sfr 220 21st Place Manhattan Beach, CA 90266 Los Angeles County					
			Value \$ 1,650,000.00				1,045,922.00	0.00
Account No. xxxxxx3763			1-25-08					
Washington Mutual Bank, NA (Chase) POBox 78148 Phoenix, AZ 85062-8148			Second Mortgage sfr 220 21st Place Manhattan Beach, CA 90266 Los Angeles County					
			Value \$ 1,650,000.00				360,000.00	0.00
Subtotal (Total of this page)							10,519,012.00	0.00
Total (Report on Summary of Schedules)							15,671,101.00	0.00

Sheet **1** of **1** continuation sheets attached to
Schedule of Creditors Holding Secured Claims

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar A & M Cleaning 193 Valero Drive San Marcos, TX 78666	-	Trade debt				405.94
Account No. Bonnett, Fairbourn, Freedman etc. 2901 N. Central Ave Suite 1000 Phoenix, AZ 85012	-	various legal services				8,500.00
Account No. Shalamar C&J Painting & Carpet Cleaning POBox 200573 Austin, TX 78720	-	Trade debt				3,949.74
Account No. xx1664 Classified Ventures 2563 Collections Center Drive Chicago, IL 60693	-	Trade debt				528.00
Subtotal (Total of this page)						13,383.68

4 continuation sheets attached

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar			Trade debt				952.00
Cleaning Network POBox 41975 Austin, TX 78704		-					
Account No. Shalamar			Trade debt				4,687.29
Cowboys Painting 15405 Connie Street, #B Austin, TX 78728		-					
Account No. Shalamar			Trade debt				276.04
CSN Support Services 252 McGarity Kyle, TX 78640		-					
Account No.			various Consulting Services				3,000.00
Enbody, Inc. 14431 Ventura Blvd Suite 269 Sherman Oaks, CA 91423		-					
Account No. Shalamar			Trade debt				3,537.40
Frank's Painting 110 N 1H 35 Suite 315-189 Round Rock, TX 78664		-					
Subtotal (Total of this page)							12,452.73

Sheet no. **1** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar			Trade debt				1,196.90
Green Grass 5333 Randolph Blvd. San Antonio, TX 78233							
Account No. Shalamar			Trade debt				560.00
Greensheet POBox 140721 Austin, TX 78704							
Account No. xxx6493			Trade debt				4,285.44
HD Supply Facilities Maint. Group 10641 Scripps Summit Court San Diego, CA 92131							
Account No. Shalamar			Trade debt				757.12
J4 Development 2808 Longhorn Blvd., Suite 306 Austin, TX 78758							
Account No. x3827			Trade debt				3,957.88
Premium Cuts Lawn Svc & Maint. POBox 820108 Austin, TX 78708							
Sheet no. <u>2</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							Subtotal (Total of this page)
							10,757.34

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar Rasa Floors POBox 619130 Dallas, TX 75261		-	Trade debt				26,799.50
Account No. SAA Architects 6083 Bristol Parkway Culver City, CA 90230		-	various architectural services				3,500.00
Account No. Shalamar South Central Texas Apt. Blue Book 112 West Hopkins Street San Marcos, TX 78666		-	Trade debt				2,405.00
Account No. Shalamar Sunset Carpet Care POBox 142342 Austin, TX 78714		-	Trade debt				97.38
Account No. xx9488 Wilmar POBox 404284 Atlanta, GA 30384		-	Trade debt				1,504.73

Sheet no. **3** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority ClaimsSubtotal
(Total of this page)**34,306.61**

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. xxxxx8868			Trade debt				161.11
Worldwide Pest Control 5808 1H 10 West San Antonio, TX 78201		-					
Account No.			various				9,197.42
Wyndelts & Gagnon 4800 N. Scottsdale Rd. Suite 1400 Scottsdale, AZ 85251		-	accounting services				
Account No.							
Account No.							
Account No.							

Sheet no. **4** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

Subtotal
(Total of this page)

9,358.53

Total
(Report on Summary of Schedules)

80,258.89

EXHIBIT B

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar A & M Cleaning 193 Valero Drive San Marcos, TX 78666	-	Trade debt				405.94
Account No. Bonnett, Fairbourn, Freedman etc. 2901 N. Central Ave Suite 1000 Phoenix, AZ 85012	-	various legal services				8,500.00
Account No. Shalamar C&J Painting & Carpet Cleaning POBox 200573 Austin, TX 78720	-	Trade debt				3,949.74
Account No. xx1664 Classified Ventures 2563 Collections Center Drive Chicago, IL 60693	-	Trade debt				528.00
Subtotal (Total of this page)						13,383.68

4 continuation sheets attached

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar			Trade debt				952.00
Cleaning Network POBox 41975 Austin, TX 78704		-					
Account No. Shalamar			Trade debt				4,687.29
Cowboys Painting 15405 Connie Street, #B Austin, TX 78728		-					
Account No. Shalamar			Trade debt				276.04
CSN Support Services 252 McGarity Kyle, TX 78640		-					
Account No.			various Consulting Services				3,000.00
Enbody, Inc. 14431 Ventura Blvd Suite 269 Sherman Oaks, CA 91423		-					
Account No. Shalamar			Trade debt				3,537.40
Frank's Painting 110 N 1H 35 Suite 315-189 Round Rock, TX 78664		-					
Subtotal (Total of this page)							12,452.73

Sheet no. 1 of 4 sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

Sheet no. **1** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D W I F E J O I N T O R	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No. Shalamar				Trade debt				1,196.90
Green Grass 5333 Randolph Blvd. San Antonio, TX 78233		-						
Account No. Shalamar				Trade debt				560.00
Greensheet POBox 140721 Austin, TX 78704		-						
Account No. xxx6493				Trade debt				4,285.44
HD Supply Facilities Maint. Group 10641 Scripps Summit Court San Diego, CA 92131		-						
Account No. Shalamar				Trade debt				757.12
J4 Development 2808 Longhorn Blvd., Suite 306 Austin, TX 78758		-						
Account No. x3827				Trade debt				3,957.88
Premium Cuts Lawn Svc & Maint. POBox 820108 Austin, TX 78708		-						
Sheet no. <u>2</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims								Subtotal (Total of this page)
								10,757.34

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar Rasa Floors POBox 619130 Dallas, TX 75261		-	Trade debt				26,799.50
Account No. SAA Architects 6083 Bristol Parkway Culver City, CA 90230		-	various architectural services				3,500.00
Account No. Shalamar South Central Texas Apt. Blue Book 112 West Hopkins Street San Marcos, TX 78666		-	Trade debt				2,405.00
Account No. Shalamar Sunset Carpet Care POBox 142342 Austin, TX 78714		-	Trade debt				97.38
Account No. xx9488 Wilmar POBox 404284 Atlanta, GA 30384		-	Trade debt				1,504.73
Subtotal (Total of this page)							34,306.61

Sheet no. **3** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. xxxxx8868			Trade debt				161.11
Worldwide Pest Control 5808 1H 10 West San Antonio, TX 78201		-					
Account No.			various				9,197.42
Wyndelts & Gagnon 4800 N. Scottsdale Rd. Suite 1400 Scottsdale, AZ 85251		-	accounting services				
Account No.							
Account No.							
Account No.							

Sheet no. **4** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

Subtotal
(Total of this page)

9,358.53

Total
(Report on Summary of Schedules)

80,258.89

EXHIBIT C

Franklin Pacific Finance

9/21/2010

Projected Cashflow Statement

At End of Loan Maturity

	<u>Sept 2010 - April 2012</u>
Sources	
Cash in DIP Accounts ^(a)	\$1,210,886
Less Borrower Reserve and Escrow Accounts ^(b)	-\$189,081
Monthly Cashflow	\$1,648,906
Sales / Dispositions / Refinances	\$39,577,597
Total Cash Sources	\$42,248,308
Uses	
Adequate Protection Payment	-\$549,517
Default Interest and Collection Costs	-\$532,493
Payment of Unsecured Creditors (FPF)	-\$80,259
Payment of Unsecured Creditors (FPF Oak Trails)	-\$40,946
Administrative Fees	-\$170,897
BMW Debt Service	-\$740,810
Non-BMW Debt Service	-\$211,000
Operating Expenses	-\$851,068
BMW Principal Paydown ^(c)	-\$20,530,636
Non-BMW Principal Paydown	-\$5,326,072
Total CapEx, Taxes, Etc.	-\$3,923,422
Total Cash Uses	-\$32,957,118
Cash Available for Return & Distribution	\$9,291,189
Plus 11 Units at OTV (owned free and clear)	\$1,450,465

Notes:

(a) Balances as of August 31, 2010. Includes FPF Oak Trails DIP account.

(b) Includes the Sunset Crossing Reserve Account and Shalamar Tax and Security Deposit Liabilities.

Franklin Pacific Finance

9/21/2010

Projected Cashflow Statement

At Projected Court Confirmation Date

	<u>At Dec. 20, 2010</u>
Sources	
Cash in DIP Accounts ^(a)	\$1,210,886
Less Borrower Reserve and Escrow Accounts ^(b)	-\$189,081
Monthly Cashflow	\$381,884
Sales / Dispositions / Refinances	\$6,391,765
Total Cash Sources	<u>\$7,795,454</u>
Uses	
Adequate Protection Payment	-\$549,517
Default Interest and Collection Costs	-\$532,493
Payment of Unsecured Creditors (FPF)	-\$80,259
Payment of Unsecured Creditors (FPF Oak Trails)	\$0
Administrative Fees	-\$170,897
BMW Debt Service	-\$257,729
Non-BMW Debt Service	-\$37,000
Operating Expenses	-\$149,600
BMW Principal Paydown ^(c)	-\$4,307,368
Non-BMW Principal Paydown	\$0
Total CapEx, Taxes, Etc.	-\$900,150
Total Cash Uses	<u>-\$6,985,013</u>
Cash Available for Return & Distribution	<u><u>\$810,441</u></u>

Notes:

(a) Balances as of August 31, 2010. Includes FPF Oak Trails DIP account.

(b) Includes the Sunset Crossing Reserve Account and Shalamar Tax and Security Deposit Liabilities.

	(Sept - Dec) 2010	2011	(Jan - April) 2012	GRAND TOTAL
RECURRING CASH SOURCES				
<i>Rents, Principal & Interest</i>				
BMW Cash Collateral Subtotal	221,812	722,410	122,396	1,066,618
Unrestricted Cashflow Subtotal	160,072	422,216	-	582,288
<i>Total Recurring Sources</i>	381,884	1,144,626	122,396	1,648,906
NON-RECURRING CASH SOURCES				
<i>Disposition/Refinances</i>				
Bank Midwest Portfolio	6,391,765	13,363,983	10,409,349	30,165,097
Non-Bank Midwest Portfolio	-	9,412,500	-	9,412,500
<i>Total Sales/Refinances</i>	6,391,765	22,776,483	10,409,349	39,577,597
TOTAL SOURCES	6,773,649	23,921,108	10,531,745	41,226,503
RECURRING CASH USES				
<i>Interest</i>				
BMW P&I	(257,729)	(429,525)	(53,555)	(740,810)
Non- Bank Midwest P&I	(37,000)	(174,000)	-	(211,000)
<i>Total Interest</i>	(294,729)	(603,525)	(53,555)	(951,810)
<i>Asset Outflows - CapEx, TIs, Taxes, Insurance, Etc.</i>				
Bank Midwest Portfolio	(868,483)	(2,219,624)	(721,981)	(3,810,088)
Non-Bank Midwest Portfolio	(15,000)	(15,000)	-	(30,000)
Legal	(16,667)	(50,000)	(16,667)	(83,333)
<i>Total</i>	(900,150)	(2,284,624)	(738,647)	(3,923,422)
<i>FPF Operations</i>				
Payroll	(128,668)	(386,004)	(128,668)	(643,340)
General & Administrative	(20,932)	(106,796)	(80,000)	(207,728)
<i>Total FPF Operations</i>	(149,600)	(492,800)	(208,668)	(851,068)
NON-RECURRING CASH USES				
<i>Paydown/Retirement of Debt</i>				
Bank Midwest Portfolio	(4,307,368)	(10,855,320)	(5,367,947)	(20,530,636)
Non-Bank Midwest Portfolio	-	(5,326,072)	-	(5,326,072)
<i>Total Debt Paydown</i>	(4,307,368)	(16,181,392)	(5,367,947)	(25,856,707)
TOTAL CASH USES	(5,651,847)	(19,562,341)	(6,368,818)	(31,583,006)
NET CASH SURPLUS / (DEFICIT)	1,121,802	4,358,768	4,162,927	9,643,496

9/17/2010

Franklin Pacific Finance**2010-2011 Cashflow Projections**

	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL 2010
RECURRING CASH SOURCES					
<i>Rents, Principal & Interest</i>					
Drawbridge	-	-	-	-	-
National	-	3,250	3,250	3,250	9,750
Metro	7,000	7,000	7,000	7,000	28,000
Shalamar	25,000	25,000	25,000	25,000	100,000
Sunset Crossing	42,031	42,031	-	-	84,062
Villages	-	-	-	-	-
BMW Cash Collateral Subtotal	74,031	77,281	35,250	35,250	221,812
2nd Street (BMW)	-	-	-	-	-
Oak Trail Villas (BMW)	-	-	-	-	-
Aviation Application (1st Source)	-	-	-	-	-
Manhattan Beach (Chase)	6,000	6,000	6,000	6,000	24,000
Southern Data	3,400	3,400	3,400	3,400	13,600
Marson	-	-	-	-	-
Park 3000 (Net after Debt Service)	25,000	25,000	25,000	25,000	100,000
HC Finance - Motti	5,000	5,000	5,000	5,000	20,000
HC Finance - Kamp	618	618	618	618	2,472
Unrestricted Cashflow Subtotal	40,018	40,018	40,018	40,018	160,072
Total Recurring Sources	114,049	117,299	75,268	75,268	381,884
NON-RECURRING CASH SOURCES					
<i>Disposition/Refinances</i>					
2nd Street	-	-	-	-	-
Drawbridge	-	-	-	-	-
National	-	-	-	-	-
Metro	-	-	-	-	-
Oak Trail Villas (BMW)	557,100	-	167,333	167,333	891,765
Shalamar	-	-	-	-	-
Sunset Crossing	-	5,500,000	-	-	5,500,000
Villages	-	-	-	-	-
Park 3000	-	-	-	-	-
Aviation Application (1st Source)	-	-	-	-	-
Manhattan Beach (Chase)	-	-	-	-	-
Marson	-	-	-	-	-
HC Finance - Motti	-	-	-	-	-
HC Finance - Kamp	-	-	-	-	-
Total Sales/Refinances	557,100	5,500,000	167,333	167,333	6,391,765
TOTAL SOURCES	671,149	5,617,299	242,601	242,601	6,773,649

9/17/2010

Franklin Pacific Finance

2010-2011 Cashflow Projections

	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL 2010
RECURRING CASH USES					
<i>Interest</i>					
BMW P&I	(84,295)	(58,166)	(57,812)	(57,457)	(257,729)
Aviation Application (1st Source)	(11,000)	(4,000)	(4,000)	(4,000)	(23,000)
Manhattan Beach (Chase)	(3,500)	(3,500)	(3,500)	(3,500)	(14,000)
Total Interest	(98,795)	(65,666)	(65,312)	(64,957)	(294,729)
<i>Asset Outflows - CapEx, Taxes, Insurance, Etc.</i>					
2nd Street	(38,000)	(50,000)	(50,000)	(50,000)	(188,000)
Drawbridge			(50,000)	(303,000)	(353,000)
National	(125)	(125)	(125)	(15,560)	(15,935)
Metro	-	-	-	(22,500)	(22,500)
Oak Trail Villas (BMW)	(133,034)	-	(73,542)	(73,473)	(280,048)
Shalamar	-	-	-	-	-
Sunset Crossing					
Villages		(6,000)	-	(3,000)	(9,000)
Aviation Application (1st Source)					
Manhattan Beach (Chase)				(15,000)	(15,000)
LEGAL	(4,167)	(4,167)	(4,167)	(4,167)	(16,667)
Total	(175,325)	(60,292)	(177,834)	(486,699)	(900,150)
FPF Operations					
Payroll	(32,167)	(32,167)	(32,167)	(32,167)	(128,668)
General & Administrative	(5,233)	(5,233)	(5,233)	(5,233)	(20,932)
Total FPF Operations	(37,400)	(37,400)	(37,400)	(37,400)	(149,600)
NON-RECURRING CASH USES					
<i>Paydown/Retirement of Debt/Renewal Fees</i>					
2nd Street	-	-	-	-	-
Drawbridge	-	-	-	-	-
National	-	-	-	-	-
Metro	-	-	-	-	-
Oak Trail Villas (BMW)	(300,000)	-	(100,000)	(100,000)	(500,000)
Shalamar	-	-	-	-	-
Sunset Crossing	-	(3,807,368)	-	-	(3,807,368)
Villages	-	-	-	-	-
Park 3000	-	-	-	-	-
Aviation Application (1st Source)	-	-	-	-	-
Manhattan Beach (Chase)	-	-	-	-	-
Total Debt Paydown	(300,000)	(3,807,368)	(100,000)	(100,000)	(4,307,368)
TOTAL CASH USES	(611,520)	(3,970,725)	(380,545)	(689,057)	(5,651,847)
Surplus/ (Deficit)	59,629	1,646,574	(137,945)	(446,456)	1,121,802

Franklin Pacific Fina

2010-2011 Cashflow Proj

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	TOTAL 2011
RECURRING CASH SOURCES													
<i>Rents, Principal & Interest</i>													
Drawbridge	(26,567)	(17,078)	32,578	43,463	60,617	17,049	89,436	34,090	57,237	122,526	(25,877)	(18,711)	368,983
National	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	39,500
Metro	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,080
Shalamar	-	-	-	-	-	-	-	-	-	-	-	-	0
Sunset Crossing Villages	-	-	-	-	9,143	9,143	9,143	9,143	9,143	9,143	9,143	9,143	73,147
BMW Cash Collateral Subtotal	(16,317)	(6,828)	42,828	53,713	80,011	36,443	108,829	53,484	76,631	141,919	(6,484)	682	564,810
2nd Street (BMW)	-	-	-	15,000	15,000	15,000	15,000	15,000	15,000	22,500	22,500	22,500	157,500
Oak Trail Villas (BMW)	-	-	-	-	-	-	-	-	-	-	-	-	0
Aviation Application (1st Source)	-	-	-	-	-	-	-	-	-	-	-	-	0
Manhattan Beach (Chase)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	-	-	-	-	36,000
Southern Data	3,400	3,400	-	-	-	-	-	-	-	-	-	-	6,800
Marson	-	-	-	-	-	-	-	-	-	-	-	-	0
Park 3000 (Net after Debt Servi	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
HC Finance - Motti	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
HC Finance - Kamp	618	618	618	618	618	618	618	618	618	618	618	618	7,416
Unrestricted Cashflow Subtotal	40,018	40,018	36,618	51,618	51,618	51,618	51,618	51,618	45,618	53,118	53,118	53,118	509,116
<i>Total Recurring Sources</i>	23,701	33,190	79,446	105,331	131,629	88,061	160,447	105,102	122,249	195,037	46,634	53,800	1,144,626
NON-RECURRING CASH SOUR													
<i>Disposition/Refinances</i>													
2nd Street	-	-	-	-	-	-	-	-	-	-	-	1,800,000	1,800,000
Drawbridge	-	-	-	-	-	-	-	-	-	-	-	-	0
National	-	-	-	-	-	-	-	-	-	-	-	-	950,000
Metro	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Oak Trail Villas (BMW)	167,333	167,333	167,333	334,665	334,665	334,665	334,665	334,665	334,665	334,665	334,665	334,665	3,513,983
Shalamar	5,500,000	-	-	-	-	-	-	-	-	-	-	-	5,500,000
Sunset Crossing Villages	-	-	-	-	-	-	-	-	-	-	-	1,100,000	1,100,000
Park 3000	-	-	-	-	-	-	-	-	-	-	-	7,000,000	7,000,000
Aviation Application (1st Source)	-	-	-	-	-	-	-	-	-	-	-	712,500	712,500
Manhattan Beach (Chase)	-	-	-	-	-	-	-	1,700,000	-	-	-	-	1,700,000
Marson	-	-	-	-	-	125,000	-	-	-	-	-	-	125,000
HC Finance - Motti	-	-	-	-	-	-	-	-	-	-	-	-	0
HC Finance - Kamp	-	-	-	-	-	-	-	250,000	-	-	-	-	250,000
<i>Total Sales/Refinances</i>	5,667,333	167,333	167,333	334,665	334,665	459,665	334,665	2,284,665	334,665	334,665	334,665	12,897,165	23,651,483
TOTAL SOURCES	5,691,033	200,523	246,778	439,996	466,294	547,726	495,112	2,389,767	456,914	529,702	381,299	12,950,965	24,796,108

Franklin Pacific Financial

2010-2011 Cashflow Projection

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	TOTAL 2011
RECURRING CASH USES													
<i>Interest</i>													
BMW P&I	(40,249)	(39,895)	(39,541)	(38,833)	(38,124)	(37,416)	(36,708)	(35,999)	(35,291)	(34,583)	(33,874)	(19,011)	(429,526)
Aviation Application (1st Source)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(132,000)
Manhattan Beach (Chase)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(42,000)
Total Interest	(54,749)	(54,395)	(54,041)	(53,333)	(52,624)	(51,916)	(51,208)	(50,499)	(49,791)	(49,083)	(48,374)	(33,511)	(603,526)
<i>Asset Outflows - CapEx, Taxes, .</i>													
2nd Street	(83,000)	(50,000)	(38,000)				(50,000)	(50,000)	(50,000)	(50,000)			(371,000)
Drawbridge	(50,000)	(50,000)									(50,000)		(278,000)
National	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)		(1,000)
Metro													
Oak Trail Villas (BMW)	(68,612)	(68,751)	(68,890)	(134,825)	(135,103)	(135,381)	(135,659)	(135,937)	(136,215)	(136,494)	(136,772)		(1,429,589)
Shalamar													
Sunset Crossing													
Villages			(103,000)		(6,000)	(3,000)			(3,000)		(6,000)		(134,000)
Aviation Application (1st Source)													
Manhattan Beach (Chase)													
LEGAL	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)	(4,167)		(50,000)
Total	(205,904)	(173,043)	(214,182)	(139,117)	(145,395)	(142,673)	(189,951)	(190,229)	(193,507)	(190,785)	(197,063)	(302,777)	(2,244,824)
<i>FPF Operations</i>													
Payroll	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)	(32,167)		(386,004)
General & Administrative	(5,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)	(9,233)		(106,796)
Total FPF Operations	(37,400)	(41,400)	(41,400)	(41,400)	(41,400)	(41,400)	(41,400)	(41,400)	(41,400)	(41,400)	(41,400)	(41,400)	(492,800)
NON-RECURRING CASH USE													
<i>Paydown/Retirement of Debt/Re.</i>													
2nd Street												(1,800,000)	(1,800,000)
Drawbridge													
National												(891,000)	(891,000)
Metro												(225,570)	(225,570)
Oak Trail Villas (BMW)	(100,000)	(100,000)	(100,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)		(2,100,000)
Shalamar	(4,758,750)												(4,758,750)
Sunset Crossing													
Villages												(1,080,000)	(1,080,000)
Park 3000												(3,365,622)	(3,365,622)
Aviation Application (1st Source)												(543,430)	(543,430)
Manhattan Beach (Chase)													
Total Debt Paydown	(4,858,750)	(100,000)	(100,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(8,105,642)	(16,181,392)
TOTAL CASH USES	(5,156,803)	(368,838)	(409,623)	(433,849)	(439,419)	(435,989)	(482,559)	(1,899,128)	(484,698)	(481,268)	(486,838)	(8,483,330)	(19,562,341)
Surplus/ (Deficit)	534,231	(168,315)	(162,844)	6,147	26,875	111,737	12,553	490,638	(27,785)	48,434	(105,539)	4,467,635	5,233,768

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Franklin Pacific Fina

2010-2011 Cashflow Proj

	Jan-12	Feb-12	Mar-12	Apr-12	TOTAL 2012	GRAND TOTAL
RECURRING CASH SOURCES						
<i>Rents, Principal & Interest</i>						
Drawbridge	(26,567)	(17,078)	32,578	43,463	32,396	401,159
National	-	-	-	-	-	48,750
Metro	-	-	-	-	-	112,000
Shalamar	-	-	-	-	-	100,000
Sunset Crossing	-	-	-	-	-	84,062
Villages	-	-	-	-	-	73,147
BMW Cash Collateral Subtotal	(26,567)	(17,078)	32,578	43,463	32,396	819,118
2nd Street (BMW)	22,500	22,500	22,500	22,500	90,000	247,500
Oak Trail Villas (BMW)	-	-	-	-	-	-
Aviation Application (1st Source)	-	-	-	-	-	-
Manhattan Beach (Chase)	-	-	-	-	-	72,000
Southern Data	-	-	-	-	-	20,400
Marson	-	-	-	-	-	-
Park 3000 (Net after Debt Servi	-	-	-	-	-	400,000
HC Finance - Motti	-	-	-	-	-	80,000
HC Finance - Kamp	-	-	-	-	-	9,888
Unrestricted Cashflow Subtotal	22,500	22,500	22,500	22,500	90,000	739,788
<i>Total Recurring Sources</i>	(4,067)	5,422	55,078	65,963	122,396	1,558,906
NON-RECURRING CASH SOU						
<i>Disposition/Refinances</i>						
2nd Street	-	-	-	2,500,000	2,500,000	4,300,000
Drawbridge	-	-	-	6,570,689	6,570,689	6,570,689
National	-	-	-	-	-	950,000
Metro	-	-	-	-	-	500,000
Oak Trail Villas (BMW)	334,665	334,665	334,665	334,665	1,338,660	5,744,408
Shalamar	-	-	-	-	-	5,500,000
Sunset Crossing	-	-	-	-	-	5,500,000
Villages	-	-	-	-	-	1,100,000
Park 3000	-	-	-	-	-	7,000,000
Aviation Application (1st Source)	-	-	-	-	-	712,500
Manhattan Beach (Chase)	-	-	-	-	-	1,700,000
Marson	-	125,000	-	-	125,000	250,000
HC Finance - Motti	-	-	-	504,000	504,000	504,000
HC Finance - Kamp	-	-	-	-	-	750,000
<i>Total Sales/Refinances</i>	334,665	459,665	334,665	9,909,354	11,038,349	41,081,597
TOTAL SOURCES	330,598	465,087	389,743	9,975,317	11,160,745	42,640,503

9/17/2010

Franklin Pacific Fina

2010-2011 Cashflow Proj

	Jan-12	Feb-12	Mar-12	Apr-12	TOTAL 2012	GRAND TOTAL
RECURRING CASH USES						
<i>Interest</i>						
BMW P&I	(18,374)	(17,736)	(17,445)	-	(53,555)	(740,810)
Aviation Application (1st Source)					-	(155,000)
Manhattan Beach (Chase)					-	(56,000)
Total Interest	(18,374)	(17,736)	(17,445)	-	(53,555)	(951,810)
<i>Asset Outflows - CapEx, Taxes, .</i>						
2nd Street	(22,000)			(5,000)	(27,000)	(586,000)
Drawbridge	(50,000)	(50,000)		(44,000)	(144,000)	(775,000)
National					-	(32,870)
Metro					-	(22,500)
Oak Trail Villas (BMW)	(137,328)	(137,606)	(137,884)	(138,162)	(550,981)	(2,260,718)
Shalamar					-	-
Sunset Crossing					-	-
Villages					-	(133,000)
Aviation Application (1st Source)					-	-
Manhattan Beach (Chase)					-	(30,000)
LEGAL	(4,167)	(4,167)	(4,167)	(4,167)	(16,667)	(83,333)
Total	(213,495)	(191,773)	(142,051)	(191,329)	(738,647)	(3,923,422)
<i>FPF Operations</i>						
Payroll	(32,167)	(32,167)	(32,167)	(32,167)	(128,668)	(643,340)
General & Administrative	(20,000)	(20,000)	(20,000)	(20,000)	(80,000)	(207,728)
Total FPF Operations	(52,167)	(52,167)	(52,167)	(52,167)	(208,668)	(851,068)
NON-RECURRING CASH USE						
<i>Paydown/Retirement of Debt/Re.</i>						
2nd Street				(1,906,322)	(1,906,322)	(3,706,322)
Drawbridge				(3,019,299)	(3,019,299)	(3,019,299)
National					-	(891,000)
Metro					-	(225,570)
Oak Trail Villas (BMW)	(186,000)	(180,000)	(82,327)		(442,327)	(3,042,327)
Shalamar					-	(4,758,750)
Sunset Crossing					-	(3,807,368)
Villages					-	(1,080,000)
Park 3000					-	(3,365,622)
Aviation Application (1st Source)					-	(543,450)
Manhattan Beach (Chase)					-	(1,417,000)
Total Debt Paydown	(180,000)	(180,000)	(82,327)	(4,925,621)	(5,367,947)	(25,856,707)
TOTAL CASH USES	(464,036)	(441,676)	(293,989)	(5,169,117)	(6,368,818)	(31,583,006)
Surplus/ (Deficit)	(133,438)	23,411	95,753	4,806,200	4,791,927	11,057,496

EXHIBIT D

Franklin Pacific Finance, LLLP**Consolidated Balance Sheet**

As of December 31, 2009

	<u>Total</u>
Assets	
Cash and restricted cash	\$638,762
Accounts receivable	62,869
Notes receivable	15,366,212
Investments in real estate	22,452,881
Investment in businesses	345,675
Equipment	249,341
Other assets	168,809
Total assets	<u>\$39,284,548</u>
Liabilities	
Accounts payable	270,205
Liability related to restricted cash	490,547
Other liabilities	312,779
Notes payable	
Notes payable on notes receivable	9,046,730
Notes payable on real estate	16,092,310
Note payable on businesses	701,698
Note payable on equipment	167,089
Subtotal Notes Payable	<u>26,007,827</u>
Total liabilities	27,081,359
Equity	
Opening contributions	350,813
Additional paid in capital	12,115,034
Preferred return paid	(2,174,400)
Retained earnings	4,423,182
Distributions retained earnings	(2,619,591)
Net Income	124,896
Noncontrolling interests	(16,744)
Total Equity	<u>12,203,190</u>
Total Liabilities and equity	<u>\$39,284,549</u>

Franklin Pacific Finance, LLLP**Consolidated Profit & Loss**

January - December 2009

	<u>Total</u>
Revenue	
Rental and lease income	\$2,196,848
Sale of condominium units	933,984
Interest income	773,171
Other income	38,526
Total Revenue	<u>\$3,942,529</u>
Operating Expenses	
Commerical asset operating expenses	1,403,174
Cost of Condominium sales	706,483
Payroll	328,448
Interest expense on performing notes	283,953
Office, rent and parking	143,076
Legal	85,118
Accounting and tax	86,722
Contract Labor	44,341
Insurance	42,783
Storage	26,896
License, Permits & Fees	22,773
HOA fees on condominium units	10,964
Total Operating Expenses	<u>3,184,730</u>
Net Operating Income	<u><u>\$757,799</u></u>
Non-Operating Expenses	
Interest expense on real estate and equipment	364,143
Leasing commissions	38,384
Total Non-Operating Expenses	<u>402,527</u>
Net Income before Depreciation	<u><u>355,272</u></u>
Other Expenses	
Depreciation	230,376
Net Income	<u><u>124,896</u></u>

Franklin Pacific Finance, LLLP

Consolidated Statement of Cash Flows

January - December 2009

	<u>Total</u>
Operating activities	
Net Income	124,896
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Depreciation	230,376
Accounts receivable	(44,671)
Other assets	(88,867)
Accounts payable	45,504
Other liabilities	166,767
Liabilities related to restricted cash	108,845
Other	3,929
Net cash provided by operating activities	<u>\$546,779</u>
Investing activities	
Purchases and additions to real estate	(828,160)
Capitalized costs on non-performing loans	(255,768)
Principal payments on notes receivable	109,348
Net cash provided by investing activities	<u>(\$974,580)</u>
Financing activities	
Principal additions to notes payable	289,438
Principal reductions to notes payable	(833,672)
Additional capital contributions by members	886,726
Net cash provided by financing activities	<u>\$342,492</u>
Net cash increase for period	(85,309)
Cash at beginning of period	<u>724,071</u>
Cash at end of period*	<u><u>\$638,762</u></u>
* Restricted Portion	523,035

Franklin Pacific Finance, LLLP**Consolidated Balance Sheet**

As of June 30, 2010

	<u>Total</u>
Assets	
Cash	\$1,239,879
Restricted cash	605,760
Accounts receivable	84,417
Notes receivable	14,963,629
Investments in real estate	22,672,894
Investment in Aviation Application	1,106,111
Depreciation	(866,052)
Net Investment in Aviation Application	240,059
Equipment	249,341
Other assets	103,147
Total assets	<u>\$40,159,124</u>
Liabilities	
Accounts payable	222,848
Liability related to restricted cash	625,198
Other liabilities	156,527
Notes payable	
Notes payable on notes receivable	9,033,458
Notes payable on real estate	15,973,846
Note payable on businesses	655,066
Note payable on equipment	167,089
Subtotal Notes Payable	<u>\$25,829,459</u>
Total liabilities	\$26,834,031
Equity	
Opening contributions	350,813
Additional paid in capital	11,791,735
Preferred return paid	(2,174,400)
Retained earnings	4,546,323
Distributions retained earnings	(2,619,591)
Net Income	1,445,478
Noncontrolling interests	(15,266)
Total Equity	<u>\$13,325,093</u>
Total Liabilities and equity	<u>\$40,159,124</u>

Franklin Pacific Finance, LLLP

Consolidated Profit & Loss

January - June 2010

	<u>Total</u>
Revenue	
Rental and lease income	\$1,224,592
Sale of condominium units	193,500
Interest income	1,273,139
Other income	122,588
Total Revenue	<u>\$2,813,819</u>
Operating Expenses	
Commerical asset operating expenses	611,071
Cost of condominium sales	164,086
Payroll	178,559
Interest expense on performing notes	15,389 *
Office, rent and parking	67,183
Legal	54,095
Accounting and tax	16,439
Contract Labor	8,150
Insurance	19,933
Total Operating Expenses	<u>\$1,139,144</u>
Net Operating Income	<u><u>\$1,674,675</u></u>
Non-Operating Income (Expenses)	
HOA fees on condominium units	135
Interest expense on real estate and equipment	(116,617)
Total Non-Operating Expenses	<u>(\$116,482)</u>
Net Operating Income	<u><u>\$1,558,193</u></u>
Depreciation	112,715 **
Net Income before Depreciation	<u><u>\$1,445,478</u></u>

** - Interest expense is only reflected for the month of January 2010 for BMW & First Source assets. As the amount of the expense and probability of the timing of the payments is uncertain, we have not accrued amounts for February - June 2010. In addition, it is the companies policy to capitalize interest on non-performing assets. All interest paid related to those assets is capitalized to the basis of the assets and will be reflected in the gain upon exit.*

***Depreciation on some assets is booked at year end in conjunction with preparing tax returns.*

EXHIBIT E

Franklin Pacific Finance Portfolio

9/21/2010

Basis and Value per Most Recent Appraisals

Asset Name	Est	Appraisal		LTV
	Mkt. Value	Value	Date	
Bank Midwest				
Drawbridge Inn	\$7,500,000	\$6,700,000	Oct-09	78.0%
Sunset Crossing	\$5,819,625	\$10,450,000	Mar-09	36.4%
Shalamar Apartments ^(a)	\$6,300,000	\$6,050,000	Sep-09	58.3%
Oak Trail Villas	\$6,000,000	\$3,150,000	Oct-09	96.6%
2nd Street ^(b)	\$5,250,000	\$2,535,000	Oct-09	126.7%
Villages	\$1,350,000	\$600,000	Oct-09	133.3%
3789 National	\$950,000	\$880,000	Feb-09	75.0%
Metro Cinema	\$500,000	\$639,555	Oct-09	26.1%
Total BMW Portfolio	\$33,669,625	\$31,004,555		65.9%
220 21st Place (WaMu Chase)	\$1,500,000	\$1,600,000	Apr-05	88.6%
Bank Accounts	\$1,181,181	\$1,181,181		
Misc Office Furniture	\$20,069	\$20,069		
Total Assets Subject to Ch. 11 Filings	\$36,370,875	\$33,805,805		

(a) Per CBRE Broker opinion of value

(b) SPE not included in the filing. FPF is entitled to 75% of the profit.

EXHIBIT F

Franklin Pacific Finance

Liabilities

Bank Midwest			\$20,440,560.00	
Washington Mutual			\$1,401,547.00	
Richardson ISD Tax Office and Dallas County Tax Office			\$127,546.00	
Colette Franklin Tax Assessor			\$51,749.99	
Kenton County and City of Fort Mitchell			\$147,534.00	* Disputed
Unsecured Claims (See attached)			\$80,258.89	

Total:

\$22,249,195.88

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar A & M Cleaning 193 Valero Drive San Marcos, TX 78666	-	Trade debt				405.94
Account No. Bonnett, Fairbourn, Freedman etc. 2901 N. Central Ave Suite 1000 Phoenix, AZ 85012	-	various legal services				8,500.00
Account No. Shalamar C&J Painting & Carpet Cleaning POBox 200573 Austin, TX 78720	-	Trade debt				3,949.74
Account No. xx1664 Classified Ventures 2563 Collections Center Drive Chicago, IL 60693	-	Trade debt				528.00
Subtotal (Total of this page)						13,383.68

4 continuation sheets attached

In re **Franklin Pacific Finance, LLLP**

Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No. Shalamar		-		Trade debt				952.00
Cleaning Network POBox 41975 Austin, TX 78704								
Account No. Shalamar		-		Trade debt				4,687.29
Cowboys Painting 15405 Connie Street, #B Austin, TX 78728								
Account No. Shalamar		-		Trade debt				276.04
CSN Support Services 252 McGarity Kyle, TX 78640								
Account No.		-		various Consulting Services				3,000.00
Enbody, Inc. 14431 Ventura Blvd Suite 269 Sherman Oaks, CA 91423								
Account No. Shalamar		-		Trade debt				3,537.40
Frank's Painting 110 N 1H 35 Suite 315-189 Round Rock, TX 78664								
Subtotal (Total of this page)								12,452.73

Sheet no. 1 of 4 sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

Sheet no. **1** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar			-	Trade debt			1,196.90
Green Grass 5333 Randolph Blvd. San Antonio, TX 78233							
Account No. Shalamar			-	Trade debt			560.00
Greensheet POBox 140721 Austin, TX 78704							
Account No. xxx6493			-	Trade debt			4,285.44
HD Supply Facilities Maint. Group 10641 Scripps Summit Court San Diego, CA 92131							
Account No. Shalamar			-	Trade debt			757.12
J4 Development 2808 Longhorn Blvd., Suite 306 Austin, TX 78758							
Account No. x3827			-	Trade debt			3,957.88
Premium Cuts Lawn Svc & Maint. POBox 820108 Austin, TX 78708							
Sheet no. <u>2</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims							Subtotal (Total of this page)
							10,757.34

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Shalamar Rasa Floors POBox 619130 Dallas, TX 75261		-	Trade debt				26,799.50
Account No. SAA Architects 6083 Bristol Parkway Culver City, CA 90230		-	various architectural services				3,500.00
Account No. Shalamar South Central Texas Apt. Blue Book 112 West Hopkins Street San Marcos, TX 78666		-	Trade debt				2,405.00
Account No. Shalamar Sunset Carpet Care POBox 142342 Austin, TX 78714		-	Trade debt				97.38
Account No. xx9488 Wilmar POBox 404284 Atlanta, GA 30384		-	Trade debt				1,504.73

Sheet no. **3** of **4** sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority ClaimsSubtotal
(Total of this page)**34,306.61**

In re Franklin Pacific Finance, LLLPCase No. LA 2:10-30727 VZ

Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. xxxxx8868			Trade debt				161.11
Worldwide Pest Control 5808 1H 10 West San Antonio, TX 78201		-					
Account No.			various				9,197.42
Wyndelts & Gagnon 4800 N. Scottsdale Rd. Suite 1400 Scottsdale, AZ 85251		-	accounting services				
Account No.							
Account No.							
Account No.							

Sheet no. 4 of 4 sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

Subtotal
(Total of this page)

9,358.53

Total
(Report on Summary of Schedules)

80,258.89

EXHIBIT G

FPF Unique Qualifications

FPF is uniquely qualified to manage the portfolio based upon the successful track record of the firm and its key officers and its intimate familiarity with the specific assets and the issues related to them. FPF has owned and managed the assets within the portfolio since 2005. In regards to real property, FPF has become an expert in the specific product types, the geographic submarkets and the most capable third-parties (brokers and property managers) of each property. In regards to loans and leases, FPF has built strong relationships with its Borrowers and Tenants that make it the best manager of such property. Its understanding of the tenants their issues are critical to keeping a current payment stream.

Commencing in 1994 with KWP Financial and currently at Franklin Pacific Finance, Mr. Collias as manager has never posted a loss on an annual basis. FPF acquires distressed commercial real estate loans from financial institutions and the Federal Government. The challenges of this business usually include the foreclosure of real estate, the curing of problems including but not limited to completion of construction, environmental remediation, leasing and marketing and ultimately the successful sale of the asset.

A bio of the officers of FPF is found below:

Stephen J. Collias, President

Mr. Collias founded Franklin Pacific Finance in November of 2004. Previously, he founded KWP Financial in 1994 to capitalize on the failed S&Ls of late 1980's. As President, he grew the company's portfolio to over \$135MM in debt obligations. Prior to KWP, Mr. Collias served as VP-Development for Pacific West and as President of S.J. Collias Co., his own industrial development firm. Previously, Mr. Collias served as Project Manager of Emkay Development based in Phoenix, a Morrison Knudsen subsidiary. Mr. Collias received his BA in Finance from Boise State University.

Marc P. Heenan, Senior Vice President

Mr. Heenan joined FPF in 2005 and has worked with Mr. Collias since 1999. Mr. Heenan's primary responsibilities include new deal sourcing, underwriting, bank reporting, loan servicing, asset management (loans and REO) and closings. At KWP Financial (1999-2004), Mr. Heenan helped purchase and manage over \$45MM of loans (principal balance). Prior to KWP, he served as a financial analyst for global investment banking firm Merrill Lynch. Mr. Heenan holds an MBA from the Anderson School of Business at UCLA and a BA from UCLA.

If you need more FPF see below:

FPF was co-founded in 2004 as a Nevada Limited Liability Limited Partnership (LLLP) between Gary L. Hall and Stephen J. Collias.

- Mr. Collias, President of FPF developed a 20-year track record of success with the first 10-years devoted to Arizona real estate development and the second phase as President of KWP Financial, a Kennedy Wilson subsidiary.
- At KWP, Mr. Collias was directly responsible for the acquisition and recovery of \$135MM of note obligations purchased for \$66MM. This portfolio generated revenues of \$30MM and net profit of \$17MM.
- At KWP, Mr. Collias was able to secure a \$30MM Senior Credit facility from Wells Fargo Foothill.

- FPF has invested \$38.0MM in its first 26 months, purchasing 40 loans, originating four loans and directly investing in five real estate investments.
- To date, FPF has collected \$22.0MM with Expected Remaining Collections (ERC) of \$37.3MM

EXHIBIT H

In re **Franklin Pacific Finance, LLLP**Case No. **LA 2:10-30727 VZ**

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, Including Zip Code,
of Other Parties to Lease or Contract

Description of Contract or Lease and Nature of Debtor's Interest.
State whether lease is for nonresidential real property.
State contract number of any government contract.

**ANB Special Assets LLC
102 W. Moore Ave.
Terrell, TX 75160**

**Lease for Theater Equipment
UCC-1
Colleyville, TX**

**CA-429 Santa Monica Limited
Partnership
DE**

**Landlord of 429 Santa Monica Blvd.
(5-1-10) 9-1-10 to 8-31-15**

**Capstone Management
210 Barton Springs Rd.
Suite 300
Austin, TX 78704**

**Real Estate Managment
Shalamar Apartments**

**Century 21 All-Pro
6789 N. National Dr.
Kansas City, MO 64152**

**broker listing agreement
sfr @ 6789 N. National Dr.
Kansas City, MO**

**Integrated Data
220 21st Place
Manhattan Beach, CA 90266**

**lease of sfr
220 21st Place
Manhattan Beach, CA**

**Sandra Green
6789 N. National Dr.
Kansas City, MO 64152**

**real property lease
sfr 6789 N. National Dr.
Parkville, MO**