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8 Attorney for Creditor
9 CARLOS TORRES

10 **UNITED STATES BANKRUPTCY COURT**
11 **Southern District of California**

<p>12 In Re:</p> <p>13 Ivanhoe Ranch Partners, LLC, a 14 California limited liability 15 company,</p> <p>16 Debtor-in-Possession,</p>	<p>Bankruptcy No. 13-09397-LT11</p> <p>DISCLOSURE STATEMENT OF CREDITOR CARLOS TORRES</p> <p>Date: July 11, 2014 Time: 11:00 a.m. Room: Dept. 3 Judge: Hon. Laura S. Taylor</p>
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16 Carlos Torres (hereinafter "Torres") hereby submits this
17 Disclosure Statement and companion proposed Plan of
18 Reorganization.

19 **INITIAL STATEMENT**

20 Pursuant to 11 U.S.C. Section 1125 in connection with the
21 above-referenced case filed under Chapter 11 of the United States
22 Bankruptcy Code, this Disclosure Statement is intended to
23 summarize the Plan of Reorganization attached as Exhibit "A"
24 hereto as proposed by creditor Torres, as well as to provide
25 adequate and reasonable information regarding the present status
26 of Ivanhoe Ranch Partners, LLC, the debtor-in-possession to the
27 holders of claims such that each claimant will be able to make an
28 informed judgment about the Plan.

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I

PRELIMINARY STATEMENT

Creditor Torres submits the following Disclosure Statement dated May 5, 2014 for consideration by creditors:

General Information Pursuant to Section 1125 of the Bankruptcy Code, this Disclosure Statement is submitted to provide its creditors and all other interested parties with adequate information to allow them to make an informed judgment about acceptance or rejection of the Plan of Reorganization ("Plan"). Please refer to the Plan for treatment of claims. The provisions of the Plan are binding on all creditors and interest holders. Therefore, please read the Plan carefully.

The purpose of this Disclosure Statement is to provide such information as may be deemed material, important and necessary for the creditors of Ivanhoe Ranch Partners, LLC to make a reasonably informed decision in exercising their right to vote for the acceptance or rejection of the Plan of Reorganization. NO REPRESENTATION ABOUT IVANHOE RANCH PARTNERS, LLC; PARTICULARLY ABOUT FUTURE PLANS OR THE VALUE OF PROPERTY, ARE AUTHORIZED BY CREDITOR TORRES OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY ANY CREDITOR OR INTEREST HOLDER. ANY ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR CREDITOR TORRES WHO, IN TURN, SHALL DELIVER THE INFORMATION TO THE BANKRUPTCY COURT OR TAKE OTHER APPROPRIATE ACTION. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THE RECORDS

1 AVAILABLE TO CREDITOR TORRES ARE ONLY THOSE FILED IN THIS
2 PROCEEDING TO DATE. EVERY REASONABLE EFFORT HAS BEEN MADE TO
3 PRESENT ACCURATE FIGURES. HOWEVER, THE FINANCIAL FILINGS OF
4 IVANHOE RANCH PARTNERS ARE NOT WARRANTED OR REPRESENTED TO BE
5 ACCURATE BY CREDITOR TORRES.

6 Creditor Torres recommends a vote "for acceptance" of the Plan.

7 **Manner of Voting and Confirmation of the Plan**

8 **1. Classes Entitled to Vote.** The Plan divides the claims of
9 creditors into a number of classes. Only classes of creditors and
10 interest holders impaired under the Plan are entitled to vote.
11 Generally, subject to the specific provisions of the Bankruptcy
12 Code, this includes creditors whose claims, under the Plan, will
13 be modified in terms of principal, interest, length of time for
14 payment, or a combination of the above.

15 **2. Procedures for Voting.** All creditors should cast their vote by
16 completing, dating, and signing the ballot Attached as Exhibit
17 "B" hereto and to be included with the Plan and mailing it to
18 Jack F. Fitzmaurice Esq. at Fitzmaurice & Demergian, 1061 Tierra
19 del Rey, Suite 204, Chula Vista, California 91910. IN ORDER TO
20 HAVE YOUR VOTE COUNTED AGAINST THE PLAN, YOU MUST FILE A BALLOT
21 TO THAT EFFECT WITHIN THE TIME STATED IN THE BALLOT. In order to
22 be counted, the ballot must be received by the date set forth in
23 the ballot. A ballot does not constitute a valid Proof of Claim
24 in the bankruptcy proceedings.

25 Confirmation of the Plan

26 **3. Solicitation of Acceptance.** This Disclosure Statement will be
27 provided to each creditor whose Claim has been scheduled by the
28 Debtor or who has timely filed a Proof of Claim with the

1 Bankruptcy Court. This Disclosure Statement is intended to assist
2 creditors with their evaluation of the Plan and their decision to
3 reject or accept the Plan. Your acceptance of the Plan may not be
4 solicited unless you receive a copy of this Disclosure Statement
5 prior to or concurrently with the solicitation of acceptance of
6 the Plan.

7 **4. Determining Acceptance of the Plan.** When acceptance of the
8 Plan is determined by the Bankruptcy Court, only the votes from
9 the impaired classes of creditors will be counted. Therefore,
10 votes of claimants will only be counted if submitted by those
11 claimants whose claims or interests are duly scheduled by the
12 Debtor as undisputed, non-contingent and liquidated, or who have
13 timely filed a Proof of Claim with the Bankruptcy Court which has
14 been allowed as provided by 11 U.S.C. Section 502 before
15 confirmation of the Plan. There are no unimpaired classes which
16 are deemed to have accepted the Plan. The classification of
17 Claims is described in Article III below. If you are in any way
18 uncertain if your claim has been correctly scheduled, you should
19 review the Debtor's schedules and any amendments to schedules
20 which are on file at the Clerk's Office of the United States
21 Bankruptcy Court, Southern District of California, 325 West F
22 Street, San Diego, California, during their regular business
23 hours, Monday through Friday, 9:00 a.m. through 4:00 p.m. In
24 addition all pleadings filed herein are available on the PACER
25 website

26 **5. Hearing on Confirmation of the Plan.** The Bankruptcy Court will
27 set a hearing to determine if the Plan has been accepted by the
28 required number of holders of claims and if the other

1 requirements for confirmation of the Plan outlined by the
2 Bankruptcy Code have been satisfied. Each creditor will receive,
3 either with this Disclosure Statement or separately, a notice of
4 the date of the Bankruptcy Court's hearing on confirmation of the
5 Plan. A copy of the proposed Plan is attached hereto as Exhibit
6 "A".

7 **6. Acceptance Necessary to Confirm the Plan.** At the scheduled
8 hearing on confirmation of the Plan, the Bankruptcy Court must
9 determine, among other things, if the Plan has been accepted by
10 each impaired class. Under Section 1126 of the Bankruptcy Code,
11 an impaired class is deemed to have accepted the Plan if at least
12 two-thirds (66-2/3%) in dollar amount and more than one-half
13 (50%) in number of Allowed Claims of class members actually
14 voting have voted in favor of the Plan. Further, the Bankruptcy
15 Court must also find that each class member will receive at least
16 as much under the Plan as he, she or it would receive if the
17 Debtor's property was liquidated, as of the Effective Date of the
18 Plan under the provisions of Chapter 7 of the Bankruptcy Code.

19 **7. "Cram Down" Confirmation of the Plan without Necessary**
20 **Acceptance.** In the event that the requisite acceptances are not
21 obtained from all of the impaired classes of creditors, the
22 Bankruptcy Court may, nevertheless, confirm the Plan if the
23 Bankruptcy Court finds that all other requirements of
24 confirmation under Section 1129(a) are met and certain additional
25 conditions are met. These conditions are set forth in the "Cram
26 Down" provisions of Section 1129(b) et seq. of the Bankruptcy
27 Code and require, generally, a showing that the Plan does not
28 discriminate unfairly, the Plan accords fair and equitable

1 treatment, and the claimants in a non-consenting class will
2 receive either the full value of their claims, or, if they
3 receive less than full value, no class with a junior priority
4 will receive anything (the "absolute priority" rule).

5 In order to apply the "cram down" provisions of Section 1129(b),
6 creditor Torres is required to properly explain the "absolute
7 priority" rule, and the alternatives facing unsecured creditors,
8 including the consequences of denial of confirmation. In re
9 Genesee Cement, Inc., 31 B.R.442, 444 (Bankr. E.D. Mich. 1983).
10 Pursuant to 11 U.S.C. Section 1129 (b) (2) the Court may confirm
11 a plan even if all impaired classes do not vote for the plan in
12 sufficient number and dollar amount so long as one impaired class
13 has accepted the plan and treatment of the respective classes
14 does not violate the "absolute priority" rule. See Northwest Bank
15 Worthington v. Ahlers, 108 S.Ct. 963 (1988). The absolute
16 priority rule requires that in order for the plan to be confirmed
17 over the objection of a class of impaired unsecured creditors,
18 the holders of an interest that is junior in priority to the
19 interest of such class, such as the debtor, are prohibited from
20 receiving any money or property unless the class of impaired
21 unsecured creditors is to receive the full amount of the allowed
22 claims, plus post confirmation interest at a rate established by
23 the Court.

24 **8. Acceptance Necessary to Confirm the Plan.** The Court provides
25 certain minimum requirements for confirmation, but the Court may
26 decide that a plan is not fair and equitable and is therefore un-
27 confirmable even if it is in technical compliance with these
28 requirements. In re Sandy Ridge Dev. Corp., 881 F.2d 1346 , 1352

1 (5th Cir. 1989), reh'g denied; In re D&F Construction, Inc. 865
2 F.2d 673 (5th Cir. 1989); Matter of IPC Atlanta Ltd. Partnership,
3 142 B.R. 547, 555 (Bankr. .N.D. Ga. 1992).

4 The "fair and equitable" requirement is satisfied with respect to
5 a secured claim so long as the claimholder: (1) retains the lien
6 or (2) receives a value equal to 100% of the value of the
7 collateral; i.e., a value, as of the effective date of the plan,
8 of at least the value of such holder's interest in the estate's
9 interest in such property." In re Bryson Properties, XVIII, 961
10 F.2d 496, 500 (4th Cir. 1992). In this case, "cram down" may be
11 necessary in that the secured creditor will be paid the full
12 value of its collateral but the remainder of the secured
13 creditor's claim shall be an unsecured claim as of confirmation
14 of the Plan.

15 These are complex statutory provisions and this summary is
16 not intended to be a complete statement of the law. It is the
17 hope of Torres that the Plan will be consensual and resort to the
18 "cram down" provisions will not be necessary. Until creditors
19 vote on the Plan, it is impossible to determine to what extent
20 the "fair and equitable" test will need to be invoked. To the
21 extent that any class does not accept the Plan or is deemed not
22 to have accepted the Plan, Torres will request the Bankruptcy
23 Court to confirm the Plan pursuant to Section 1129(b). Creditor
24 Torres believes that the Plan will meet the "fair and equitable"
25 test and comply with the "absolute priority" rule. Under the
26 Plan, all property of the bankruptcy estate will vest in the
27 reorganized and restated Ivanhoe Ranch Partners, LLC limited
28 liability company upon confirmation.

1 II

2 STATEMENT OF FACT

3 **Debtor:** Ivanhoe Ranch Partners, LLC is a California limited
4 liability company which is the sole owner of Ivanhoe Ranch,
5 approximately 220 acres located in the Rancho San Diego area. The
6 real property contains a single family residence and suffers from
7 the strictures of the Williamson Act limiting it to generally
8 agricultural uses. Perusal of the operating reports filed to date
9 indicates that the property generates minimal income. The real
10 property is the sole asset of the estate and is presently subject
11 to an estate for life affecting 118 acres and the residence. The
12 debtor acquired the parcels in the 2004/2005 period at valuations
13 typical for that over-inflated period. Since 2008, however, the
14 value of the Ivanhoe Ranch Partners, LLC real property has
15 plummeted. In connection with its recent Motion for Relief from
16 Stay, movant Essel Enterprises, LLC ("Essel") submitted an
17 appraisal specifying a value of \$2,192,600, set out in the
18 appraisal of Scott Arens, MAI, SRA per his declaration filed
19 herein on February 10, 2014. However, no judicial determination
20 has been made as to the actual value of the real property which
21 is subject to the secured claim of Essel.

22 Under the Bankruptcy Code obligations are divided, with some
23 exceptions not germane here, into secured and unsecured claims.
24 Thus, the amount of the Essel secured claim, equal to the value
25 of the real property, has not been determined. Without that
26 determination, confirmation of a Plan would be difficult.
27 Accordingly, Torres will file a motion pursuant to Bankruptcy
28 Code Section 506(a)(1) and Rule of Bankruptcy Procedure 3012 in

1 order to obtain a determination of the value of the secured claim
2 of Essel. Upon that determination will turn the feasibility of
3 the Plan from the vantage point of Torres; i.e., whether the
4 value determined is acceptable in terms of his financial capacity
5 and goals for the property.

6 **Should the determined value be in excess of creditor Torres'**
7 **financial capacity or goals, he cannot go forward and this Plan**
8 **will fail.**

9 It is apparent that, at least during the pendency of this
10 proceeding, Ivanhoe Ranch Partners, LLC has been unable to find a
11 purchaser or otherwise generate interest in the property.

12 Reorganization by the Debtor thus appears unlikely.

13 **The Debt:** The schedules of indebtedness filed herein are
14 difficult of comprehension in that several unsecured creditors
15 are named but the debt due each is listed as "unknown".
16 Therefore, creditor Torres has obtained a claims bar date of June
17 20, 2014 and has served the same on the parties in interest in
18 this proceeding. Such will compel the scheduled creditor body to
19 file claims defining the amounts due them, if any. Given the
20 paucity of data, the proponent of this Disclosure Statement must
21 guesstimate and then correct once all claims have been filed. Thus
22 as of September 23, 2013 Ivanhoe Ranch Partners, LLC was indebted
23 as follows:

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1	Secured debt - Essel Enterprises, LLC (est.)	\$ 2,192,600
2	Unsecured debt - Essel Enterprises, LLC (est.)	\$ 8,279,535 ¹
3	Unsecured debt - horse deposits (est.)	\$ 7,000 ²
4	Unsecured debt - amounts stated	\$ 259,142
5	Unsecured debt - other (est.)	\$ <u>1,000,000</u> ³
6	TOTAL	\$11,479,135

7 **Initiation of Chapter 11 Proceeding:** This proceeding was
8 initiated on September 23, 2014 by way of the filing of a
9 petition under the auspices of Chapter 11 of the United States
10 Bankruptcy Code, 11 U.S.C. Sec. 101 et seq. The filing itself was
11 triggered in consequence of a pending action for judicial
12 foreclosure filed by secured creditor Essel.

13 **III**

14 **SUMMARY OF PLAN AND TREATMENT OF CREDITORS**

15 The Plan provides for the creation of four (4) classes of
16 creditors and an administrative expense class. The classes are:

17 **CLASS I:** This class consists of the trust deed holder Essel.
18 This obligation is to be determined by a valuation hearing and
19 consequent determination, but is currently estimated to be
20 \$2,192,600. This secured creditor, being under-secured, is not
21 entitled to adequate protection payments, interest or attorney's
22 fees. This class will be paid in full under the Plan. This class
23 is not impaired under the Plan.

24 **CLASS II:** This class consists of the allowed unsecured claims of
25 horse deposit creditors which shall be paid in full once properly
26

27 ¹ Per exhibit J to Declaration of E. French filed herein on February 10, 2014
as document 36.

28 ² There are 14 horse deposit creditors whom we estimate are owed \$500 each.

³ The total of this category is unknown but likely in excess of \$1,000,000.

1 identified as to amount by way of the filing of a claim. This
2 class is not impaired under the Plan.

3 **CLASS III:** This class consists of the unsecured claim of Essel
4 Enterprises, LLC in the amount of \$8,279,535. This class will be
5 impaired.

6 **CLASS IV:** This class consists of creditors Fairco Landscape
7 Services, Torres and those unsecured creditors scheduled as
8 unknown but who are not horse depositors. This class will be
9 impaired under the Plan.

10 **CLASS V:** This class consists of the administrative claims of
11 professionals engaged pursuant to Sections 327 and 330 of the
12 Code or who otherwise confer a benefit upon the estate. This
13 class will be paid in accord with the orders of this Court upon
14 application for approval of fees and costs incurred.

15 **CLASS VI:** This class consists of the equity security holders of
16 the Debtor. This class shall take nothing under the Plan.

17 **IV**

18 **IMPLEMENTATION OF THE PLAN**

19 The Plan of Reorganization of creditor Torres will provide
20 for the payment of a sum equal to the value of the secured claim
21 as determined by this Court together with the sum of \$250,000 to
22 Ivanhoe Ranch Partners, LLC to be utilized as follows:

23 \$2,192,600 +/- to be paid to Essel as payment in full of its
24 secured claim;

25 \$250,000 for the purpose of payment of Class II horse
26 depositors, operating needs, administrative expenses, real estate
27 taxes and the like.

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1 As part of the Plan, Ivanhoe Ranch Partners, LLC will be
2 reorganized as follows:

- 3 1. 85% of the equity/member interest in the limited liability
4 company shall be vested in Torres as recompense for the
5 payment of the secured claim of Essel Enterprises, LLC;
- 6 2. 15% of the equity/member interest in the limited liability
7 company shall be allocated among the impaired unsecured
8 creditors on a pro rata basis as their interests appear;
- 9 3. The present members of the Debtor shall have their
10 interests extinguished and the membership emerging from
11 the Plan will consist exclusively of the creditors of this
12 estate.

13 It is the intention of Torres to develop Ivanhoe Ranch - at least
14 in part - given an interest in owning the residence and
15 approximately six (6) acres surrounding it as his home. It should
16 be noted that should Torres decide to own the residence referred
17 to, he would pay the reorganized limited liability company the
18 fair market value of the same, thereby reducing debt and
19 increasing equity. The remainder would be residential in part and
20 agricultural in part although these goals are conceptual at this
21 point in time. However, Torres notes that acquisition and
22 development will require, at least in part, financing with the
23 recording of a deed of trust consequent upon confirmation of the
24 Plan. In all events it is impossible at this time to quantify the
25 ultimate recovery of the unsecured creditor body. Such recovery
26 must be, however, well in excess of the zero recovery resulting
27 from foreclosure by the secured creditor.

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1 Given the extinguishing of the interests of the present
2 members of the debtor, the Plan contemplated herein is for all
3 practical purposes a liquidating Plan.

4 **Classification and payment to creditors:**

5 **Class I:** This class consists of a single secured creditor
6 Essel owed \$2,192,600 more or less. This creditor will be paid in
7 full upon the Effective date of the Plan.

8 **Class II:** This class consists those identified as horse
9 depositors. To the extent that any file claims herein, they shall
10 be paid in full upon the Effective date of the Plan.

11 **CLASS III:** This class consists of the unsecured claim of
12 Essel in the amount of \$8,279,535 more or less. This creditor
13 shall receive its pro rata allocation of the 15% of the equity/
14 member interest of the reorganized Ivanhoe Ranch Partners, LLC.

15 **Class IV:** This class consists of those unsecured creditors
16 other than Essel. These creditors, excluding horse depositors and
17 including those whose amounts are scheduled as unknown, to the
18 extent they file claims, shall receive their pro rata allocations
19 of the 15% of the equity/member interests of the reorganized
20 Ivanhoe Ranch Partners, LLC.

21 **Class V:** This class consists of the administrative claims of
22 professionals engaged pursuant to Sections 327 and 330 of the
23 Code by the debtor as well as the obligations of the Debtor to
24 the Office of the United States Trustee. These claims shall be
25 paid in accord with orders of the court or in accord with law
26 relative to payment of obligations to the Office of the United
27 States Trustee.

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VII

OPERATIVE PROVISIONS

A. Retention of Assets. On the date of Confirmation, reorganized Ivanhoe Ranch Partners, LLC shall be fully restored to the assets of the estate free and clear of the claim of lien of Essel, such lien having been paid in full pursuant to the Plan, subject to the terms and conditions of this Plan pursuant to Section 1141(b) of the Bankruptcy Code.

B. Post Confirmation Compliance. Inasmuch as the Plan as proposed is, in essence, a liquidation Plan, post confirmation reporting periods are not contemplated. To the extent, however, that any reports are due, they shall be submitted and any quarterly Trustee's fees due shall be paid. Failure to pay fees or file reports timely shall constitute Default under the Plan.

C. Post Confirmation Management. The business of the reorganized Ivanhoe Ranch Partners, LLC shall be operated by Torres or his appointee as managing member.

D. Retention of Automatic Stay. So long as the reorganized Ivanhoe Ranch Partners, LLC is in compliance with the terms of the Plan, the automatic stay imposed by Section 362 of the Bankruptcy Code shall remain in effect for the life of the Plan.

E. Retention of Jurisdiction. Pursuant to 28 U.S.C. Section 1471(b), and as agreed between the reorganized Ivanhoe Ranch Partners, LLC and its creditors, the jurisdiction of the Court shall continue after the Effective Date of the Plan until the Plan is fully performed with respect to any matter arising or related to the case herein. So long as no material default has been determined by the Court to exist under this Plan, no act

1 shall be taken nor shall any action or proceeding estate to
2 enforce or collect, directly or indirectly, any claim covered by
3 the Plan.

4 **F. Post Confirmation Default.** In the event of an alleged
5 default or breach in the terms of the Plan or in the proposed
6 treatment of any claim; any creditor, other party in interest
7 and/or the United States Trustee may provide written notice to
8 the reorganized Ivanhoe Ranch Partners, LLC and demand cure of
9 the default within 15 days. Should the reorganized Ivanhoe Ranch
10 Partners, LLC not cure within the 15 day period, then the
11 creditor, any party in interest or the Office of the United
12 States Trustee may file a motion or commence other proceedings
13 with the Bankruptcy Court seeking such relief as such party deems
14 appropriate. Should the reorganized Ivanhoe Ranch Partners, LLC
15 default in connection with its Plan obligations, then it would
16 have but two choices: These are:

17 (a) To make application and to seek approval of the Court,
18 creditors and any other parties in interest, including the United
19 States Trustee and the creditors, to modify the Plan; or

20 (b) To move to convert the proceeding to a Chapter 7 liquidation
21 proceeding. Should conversion occur, no Plan would be presented,
22 modified or otherwise. Any creditor, other party in interest
23 and/or the United States Trustee may, upon Plan default, move the
24 court for modification of the Plan or conversion of the
25 proceeding to a Chapter 7 liquidation proceeding.

26 **G. Discharge.** The confirmation of the Plan will result in the
27 discharge of pre-petition debt per Section 1141(d)(1) of the Code
28 and the reorganized Ivanhoe Ranch Partners, LLC will be bound by

1 the Plan.

2 **H. Definitions.** The following are the definitions applicable to
3 the Plan and shall have the meanings specified below:

4 H.1 "Administrative Expense": Those expenses allowed within the
5 definition of Section 503 of the Code.

6 H.2 "Allowed Claim": Means (a) any claim in respect of which a
7 proof of claim has been filed with the Court on or before the
8 applicable bar date and in accordance with Code Section 501 and
9 Bankruptcy Rule 3003(c), 3004, or 3005; or (b) any claim listed
10 in the schedule of liabilities prepared by the Debtor and filed
11 with the Court pursuant to Code Section 501 and not listed as
12 disputed, contingent or unliquidated as to amount, and in either
13 case to which no objection to the allowance thereof has been
14 interposed within any applicable period of limitation or order of
15 this Court, or as to which any objection has been determined by
16 an order or judgment which is no longer subject to appeal or
17 certiorari proceedings is pending. An allowed claim may be
18 secured or unsecured as the case may be.

19 H.3 "Ballot": Means the written form labeled as such and mailed
20 by the Debtor to the Creditors and by which a creditor votes to
21 accept or reject the Plan. A sample ballot is appended hereto.

22 H.4 "Bar Date": Means the last date set by the Court for filing
23 proofs of claim.

24 H.5 "Case": Means this proceeding for the reorganization
25 of the Debtor under Chapter 11 of the Code now pending in the
26 Court and having Case No. 08-36585-D11.

27 H.6 "Claim": Means any right to payment or right to
28 an equitable remedy for breach of performance if such breach

1 gives rise to a right of payment, against the Debtor, in
2 existence on or as of December 14, 2012, whether or not such
3 right is liquidated, unliquidated, fixed, contingent, matured,
4 unmatured, disputed, undisputed, legal, equitable secured,
5 unsecured, known or unknown.

6 H.7 "Class": Means any class into which allowed claims are
7 classified pursuant to Article III of the Plan.

8 H.8 "Code": Means Title 11, United States Code, Section 101, et
9 seq., commonly referred to as the Bankruptcy Code.

10 H.9 "Confirmation Date": Means the date on which the order of
11 confirmation is entered by the Court.

12 H.10 "Court": Means the United States Bankruptcy Court for the
13 Southern District of California, together with any other court
14 granted jurisdiction by 23 U.S.C. Section 1471, and any successor
15 court as may be granted jurisdiction herein by Congress for the
16 Southern District of California.

17 H.11 "Debtor": Ivanhoe Ranch Partners, the Debtor-in-possession
18 in the above-captioned case.

19 H.12 "Default": Means the failure of Plan proponent Torres or the
20 reorganized Ivanhoe Ranch Partners, LLC to make payment or to
21 perform any other act required herein on or before the date of
22 payment or performance.

23 H.13 "Disbursing Agent": Means the reorganized Ivanhoe Ranch
24 Partners, LLC.

25 H.14 "Distribution Account": Means any segregated bank account
26 established by the reorganized Ivanhoe Ranch Partners, LLC for
27 the purpose of distributing payments under the Plan.

28 H.15 "Effective Date of the Plan": Means a date 30 days after

1 the date on which the order of confirmation becomes final and
2 binding.

3 H.16 "Impaired by the Plan": Refers to the concept of impairment
4 as set forth in Code Section 1124.

5 H.17 "Insider": Means any person who would be an "insider"
6 as defined in Section 101(28) of the Code.

7 H.18 "Order of Confirmation": Means the order entered by the
8 Court confirming the Plan in accordance with Chapter 11 of the
9 Code.

10 H.19 "Plan": Means the Plan of Reorganization.

11 H.20 "Priority Claim": Means a claim entitled to priority under
12 Code Section 507(a).

13 H.21 "Proof of Claim": Means the written statement prescribed by
14 Code Section 501 and Bankruptcy Rule 3001 setting forth a
15 creditor's claim.

16 H.22 "Reorganized Debtor": Means the Post-Confirmation Debtor.

17 H.23 "Secured Claim": Means any claim secured by a lien on
18 property in which the Debtor has an interest and any claim as
19 defined in Section 506 of the Code.

20 H.24 "Time": Means the time within which or the date upon which
21 any payment or other act required of the Debtor under the Plan
22 shall be calculated and determined in the manner prescribed by
23 the Bankruptcy Rule 9006(a).

24 H.25 "Unsecured Claim": Means any claim against the Debtor which
25 is not a secured claim or a priority claim, including deficient
26 claims of any under secured claim holder.

27 THE FOREGOING IS A BRIEF SUMMARY OF THE PLAN AND SHOULD NOT BE
28 RELIED UPON FOR VOTING PURPOSES. CREDITORS ARE URGED TO READ THE

1 PLAN IN FULL. CREDITORS ARE FURTHER URGED TO CONSULT WITH
2 COUNSEL, OR WITH EACH OTHER, IN ORDER TO FULLY UNDERSTAND THE
3 PLAN. THE PLAN IS COMPLEX, AND AN INTELLIGENT JUDGEMENT
4 CONCERNING SUCH PLAN CANNOT BE MADE WITHOUT UNDERSTANDING IT.

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7 Dated: May 28, 2014

Respectfully submitted,
Fitzmaurice & Demergian

8
9 */s/ Jack F. Fitzmaurice*
Jack F. Fitzmaurice, Esq.,

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11 **Unsecured Creditor**

12 */s/ Carlos Torres*
13 Carlos Torres

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