

1 Disputed Claims Reserve Account the amount reserved on account of said Disallowed Claim to  
2 Interest Holders as provided in Section III(D)(7) above.

3 **b. Final Distribution of Surplus**

4 After (a) all Disputed Claims are either allowed or disallowed pursuant to a Final Order or  
5 agreement as provided in the Plan, and (b) all Post-Effective Date Claims, Administrative Expense  
6 Claims (in the amounts allowed by the Bankruptcy Court), U.S. Trustee Fees, Allowed Priority  
7 Wage Claims, Allowed Priority Tax Claims, and Allowed Claims in Classes 1 through 4 are paid or  
8 satisfied in full according to the terms of this Plan, the Disbursing Agent shall make a final  
9 determination of Surplus, taking into account the resolution of Disputed Claims, taxes incurred, but  
10 not yet paid or expected to be incurred, Professionals' fees and expenses, Distributions previously  
11 held as Unclaimed Property, and all interest earned on the Cash maintained in the Disputed Claims  
12 Reserve Account not applied to reimburse the Disbursing Agent for his costs and expenses  
13 pursuant to this Plan. All such property shall be distributed to Interest Holders as provided in  
14 Section III(D)(7) above. Any Cash received by the Disbursing Agent after the final Distribution  
15 shall be distributed pursuant to the Plan; provided, however, that if the expenses of such a  
16 Distribution would exceed the amount to be distributed, the Distribution shall not be made and said  
17 Cash shall be disposed of at the discretion of the Disbursing Agent.

18 **10. Unclaimed Distributions**

19 After 180 days after the issuance of any check, security or certificate by the Disbursing  
20 Agent, the Holder of any Allowed Claim entitled to such unclaimed property shall cease to be  
21 entitled thereto, and such unclaimed property shall revert to the Reorganized Debtors and shall be  
22 distributed in accordance with the Plan.

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1 VI.

2 **TREATMENT OF MISCELLANEOUS ITEMS**

3 **A. Executory Contracts and Unexpired Leases**

4 All unexpired leases relating to the Wilshire Bundy Property (including but not limited to  
5 the ground lease and the tenant leases) have been assumed and assigned to the Buyer. All other  
6 unexpired leases and executory contracts, if any, shall be deemed rejected on the Effective Date.

7 **B. Retention of Jurisdiction**

8 Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective  
9 Date, the Court will retain such jurisdiction over the Chapter 11 Cases after the Effective Date to  
10 the full extent permitted by law, including, without limitation, jurisdiction to:

11 (1) Allow, disallow, determine, liquidate, classify, subordinate, estimate or establish the  
12 priority or secured or unsecured status of any Claim or Interest, including the resolution of any  
13 request for payment of any Administrative Claim, the resolution of any objections to the allowance  
14 or priority of Claims or Interests and the resolution of any dispute as to the treatment necessary to  
15 reinstate a Claim pursuant to the Plan;

16 (2) Grant or deny any applications for allowance of compensation or reimbursement of  
17 expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending before the  
18 Effective Date;

19 (3) Resolve any matters related to the assumption or rejection of any executory contract  
20 or unexpired lease to which the Debtors are a party or with respect to which the Debtors may be  
21 liable, and to hear, determine and, if necessary, liquidate any Claims arising there from;

22 (4) Ensure that distributions to Holders of Allowed Claims or Allowed Interests are  
23 accomplished pursuant to the provisions of the Plan;

24 (5) Decide or resolve any motions, adversary proceedings, contested or litigated matters  
25 and any other matters and grant or deny any applications involving the Debtors, Reorganized  
26 Debtors or the Chapter 11 Cases that may be pending on the Effective Date;

27 (6) Enter such Orders as may be necessary or appropriate to implement or consummate  
28 the provisions of the Plan and all contracts, instruments, releases, indentures and other agreements

1 or documents created in connection with the Plan, the Disclosure Statement or the Confirmation  
2 Order, except as otherwise provided herein;

3 (7) Resolve any cases, controversies, suits or disputes that may arise in connection with  
4 the consummation, interpretation or enforcement of the Plan or the Confirmation Order, including  
5 the release and injunction provisions set forth in and contemplated by the Plan and the  
6 Confirmation Order, or any entity's rights arising under or obligations incurred in connection with  
7 the Plan or the Confirmation Order;

8 (8) Subject to any restrictions on modifications provided in any contract, instrument,  
9 release, indenture or other agreement or document created in connection with the Plan, modify the  
10 Plan before or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code or modify  
11 the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or  
12 other agreement or document created in connection with the Plan, the Disclosure Statement or the  
13 Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Court  
14 Order, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument,  
15 release, indenture or other agreement or document created in connection with the Plan, the  
16 Disclosure Statement or the Confirmation Order, in such manner as may be necessary or  
17 appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

18 (9) Issue injunctions, enter and implement other Orders or take such other actions as  
19 may be necessary or appropriate to restrain interference by any entity with consummation,  
20 implementation or enforcement of the Plan or the Confirmation Order;

21 (10) Enter and implement such Orders as are necessary or appropriate if the  
22 Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

23 (11) Determine any other matters that may arise in connection with or relating to the  
24 Plan, this Disclosure Statement, the Confirmation Order or any contract, instrument, release,  
25 indenture or other agreement or document created in connection with the Plan, the Disclosure  
26 Statement or the Confirmation Order, except as otherwise provided in the Plan; and

27 (12) Enter an Order or Orders concluding the Chapter 11 Cases.

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1 The foregoing list is illustrative only and not intended to limit in any way the Court's  
2 exercise of jurisdiction. If the Court abstains from exercising jurisdiction or is otherwise without  
3 jurisdiction over any matter arising out of the Chapter 11 Cases, including without limitation the  
4 matters set forth in this Article, this Article shall have no effect upon and shall not control, prohibit,  
5 or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to  
6 such matter.

7 **C. Authority to Execute Documents**

8 To the extent that this Plan provides for the release or extinguishment of claims or interests,  
9 upon refusal or neglect of any person or entity to execute documents evidencing the release or  
10 extinguishment thereof, the Reorganized Debtors shall have full authority to execute any and all  
11 documents reasonable and necessary to evidence the release or extinguishment of such lien, claim  
12 or interest and may record such documents and/or the order confirming this Plan as evidence  
13 thereof.

14 **D. Limitations of Liability**

15 Neither the Debtors, the Reorganized Debtors, nor any of their employees, agents, or  
16 members, nor any Professionals employed by them, or any of them, shall have any liability for  
17 actions taken under this Plan, in connection therewith, or with respect thereto, except for gross  
18 negligence or willful misconduct.

19 **E. Post-Confirmation Employment and Compensation of Professionals**

20 After the Confirmation Date, the Reorganized Debtors may employ, without notice, hearing  
21 or order of the Bankruptcy Court, such attorneys, accountants and other Professionals, including  
22 Professionals representing the Debtors, as they may desire to render services on such terms as they  
23 deem reasonable. With respect to services rendered by Professionals employed by the Reorganized  
24 Debtors, they shall be authorized to pay for such services, related costs and expenses, without  
25 notice, hearing or order of the Bankruptcy Court.

26 **F. Disposition of Non-Cash Property**

27 Any non-Cash property of the Estate, including but not limited to, accounts receivable,  
28 Avoidance Actions or other Causes of Action, may be sold, transferred, or abandoned by the

1 Disbursing Agent, subject to Bankruptcy Court approval. Before consummating such a transaction,  
2 the Disbursing Agent shall file and serve on the U.S. Trustee and any Person holding Secured  
3 Claims that is asserting liens on such non-Cash property, if any, a Notice of Proposed Sale,  
4 Transfer, or Abandonment, as the case may be, setting forth the salient terms of the transaction. If  
5 there is no objection to the Proposed Sale, Transfer, or Abandonment, as the case may be, and  
6 request for a hearing filed and served within 14 days of the mailing of the Notice, the Disbursing  
7 Agent shall promptly lodge an order with the Bankruptcy Court, unless none is required under the  
8 Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, or the Plan, and file a  
9 declaration under penalty of perjury stating that no timely objections were received. The proposed  
10 order and the declaration need be served only on the U.S. Trustee. If any party timely objects to a  
11 Proposed Sale, Transfer, or Abandonment, as the case may be, the Disbursing Agent shall schedule  
12 a hearing and give not less than 14 days notice of the hearing to the U.S. Trustee and to the holders,  
13 if any, of Secured Claims asserting liens on such non-Cash property.

14 **G. Reserved Claims**

15 Notwithstanding confirmation of the Plan, the Plan Proponent reserves all claims, including,  
16 but not limited to, rights and Causes of Action arising or assertable at any time under the Code,  
17 including, but not limited to, claims arising under Code §§ 510, 542, 543, 544, 545, 547, 548, 549,  
18 550, 552 and 553. Each of the foregoing claims is expressly reserved herein whether or not such  
19 claims or Causes of Action are the subject of pending litigation as of the Effective Date of the Plan.  
20 All such claims shall become property of the Reorganized Debtors as of the Effective Date of the  
21 Plan.

22 Nothing in the Plan is intended to preclude Professionals properly employed by the Debtors  
23 prior to the Effective Date to pursue objections to claims and Avoidance Actions, without the need  
24 for further order of the Bankruptcy Court.

25 In the event the Debtors' Bankruptcy Cases remain open beyond the Effective Date of the  
26 Plan primarily on account of the Reorganized Debtors' efforts to pursue objections to claims,  
27 which actions primarily benefit Class 5 general unsecured creditors, then the funds dedicated to  
28 Class 5 creditors shall be liable for and shall provide payment of any and all accruing United States

1 Trustee quarterly fees. Except for their own gross negligence or willful misconduct, the  
2 Reorganized Debtors and their Professionals shall not be liable to any person or entity for any act  
3 taken or omitted by it or them and may, in good faith, exercise or fail to exercise any of its rights,  
4 duties, obligations or powers.

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VII.

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**EFFECT OF CONFIRMATION OF PLAN**

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**A. Discharge**

9 Since this is a liquidating Plan and the Debtors will not transact any business after  
10 consummation of the Plan, the Debtors are not entitled to receive a discharge pursuant to Section  
11 1141(d)(3) of the Bankruptcy Code.

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**B. Revesting of Property in the Debtors**

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Except as provided in Section IV.E., and except as provided elsewhere in the Plan, the  
confirmation of the Plan revests all of the property of the estate in the Debtors.

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**C. Modification of Plan**

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The Plan Proponent may modify the Plan at any time before confirmation. However, the  
Court may require a new disclosure statement and/or revoting on the Plan if proponent modifies the  
Plan before confirmation.

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The Plan Proponent may also seek to modify the Plan at any time after confirmation so long  
as (1) the Plan has not been substantially consummated and (2) if the Court authorizes the proposed  
modifications after notice and a hearing.

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**D. Post-Confirmation Status Report**

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Within 120 days of the entry of the order confirming the Plan, the Plan Proponent shall file  
a status report with the Court explaining what progress has been made toward consummation of the  
confirmed Plan. The status report shall be served on the U.S. Trustee, the twenty largest unsecured  
creditors and those parties who have requested special notice. Further status reports shall be filed  
every 180 days and served on the same entities.

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1 **E. Post-Confirmation Conversion/Dismissal**

2 A Creditor or party in interest may bring a motion to convert or dismiss the Chapter 11  
3 Cases under § 1112(b), after the Plan is confirmed, if there is a default in performing the Plan. If  
4 the Court orders the Chapter 11 Case converted to Chapter 7 after the Plan is confirmed, then all  
5 property that had been property of that Chapter 11 Estate, and that has not been disbursed pursuant  
6 to the Plan, will revert in the Chapter 7 estate. The automatic stay will be reimposed upon the  
7 reverted property, but only to the extent that relief from stay was not previously granted by the  
8 Court during the Chapter 11 Cases. The conversion or dismissal of one or more of the Chapter 11  
9 Cases shall not affect the rights and obligations of the remaining Chapter 11 Debtor(s) or the  
10 effectiveness of the Plan as to the remaining Chapter 11 Debtor(s).

11 The order confirming the Plan may also be revoked under very limited circumstances. The  
12 Court may revoke the order if the order of confirmation was procured by fraud and if the party in  
13 interest brings an adversary proceeding to revoke confirmation within 180 days after the entry of  
14 the order of confirmation.

15 **F. Withdrawal or Revocation**

16 The Debtors may withdraw or revoke the Plan at any time prior to the Confirmation Date.  
17 If the Debtors revoke or withdraw the Plan prior to the Confirmation Date, or if the Confirmation  
18 Date does not occur, then the Plan shall be deemed null and void. In such event, nothing contained  
19 herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or  
20 the Estates or any other Person or to prejudice in any manner the rights of the Debtors or the  
21 Estates or any other person in any further proceedings involving the Debtors or the Estates.

22 **G. Successors and Assigns**

23 The rights, benefits and obligations of any Person named or referred to in this Plan shall be  
24 binding upon and inure to the benefit of any heir, executor, administrator, successor, or assignee of  
25 such Person.

26 **H. Severability**

27 In the event that the Court determines, prior to the Confirmation Date, that any provision of  
28 the Plan is invalid, void or unenforceable, the Bankruptcy Court shall, with the consent of the

1 Debtors, have the power to alter and interpret such term or provision to make it valid or enforceable  
2 to the maximum extent practicable, consistent with the original purpose of the term or provision  
3 held to be invalid, void or unenforceable, and such term or provision shall then be applicable as  
4 altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder  
5 of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be  
6 affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation  
7 Order shall constitute a judicial determination and shall in no way be affected, impaired or  
8 invalidated by such holding, alteration or interpretation. The Confirmation Order shall provide that  
9 each term and provision of the Plan, as it may have been altered or interpreted in accordance with  
10 the foregoing, is valid and enforceable pursuant to its terms.

11 **I. Governing Law**

12 Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights  
13 and obligations arising under the Plan shall be governed by, and construed and enforced in  
14 accordance with, the laws of the State of California.

15 **J. Headings**

16 Headings are used in the Plan for convenience and reference only, and shall not constitute a  
17 part of the plan for any other purpose.

18 **K. Notices**

19 All notices required or permitted to be made in accordance with the Plan shall be in writing  
20 and shall be delivered personally, by facsimile transmission, by electronic mail, or by first class  
21 mail, to the names and addresses as they appear in the upper left hand corner of the first page of the  
22 Plan.

23 **L. Dissolution of Debtor**

24 Following the liquidation or abandonment of all non-Cash assets of the Estate and the  
25 Distribution of all Cash in accordance with the Plan, the Disbursing Agent is authorized to dissolve  
26 the Reorganized Debtors under applicable state law.

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1 **M. Conflict**

2 The terms of this Plan shall govern in the event of any inconsistency with the summaries of  
3 the Plan set forth in the Disclosure Statement.

4 **N. Final Decree**

5 Once the Estates have been fully administered as referred to in Bankruptcy Rule 3022, the  
6 Plan Proponent, or other party as the Court shall designate in the Confirmation Order, shall file one  
7 or more motions with the Court to obtain Final Decrees to close the Chapter 11 Cases.

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9 **VIII.**

10 **LIQUIDATION ANALYSIS**

11 Another confirmation requirement is the “Best Interest Test”, which requires a liquidation  
12 analysis. Under the Best Interest Test, if a claimant or interest holder is in an impaired class and  
13 that claimant or interest holder does not vote to accept the Plan, then that claimant or interest holder  
14 must receive or retain under the Plan property of a value not less than the amount that such holder  
15 would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

16 In a Chapter 7 case, the Debtor’s assets are usually sold by a Chapter 7 trustee. Secured  
17 creditors are paid first from the sales proceeds of properties on which the secured creditor has a  
18 lien. Administrative claims are paid next. Next, unsecured creditors are paid from any remaining  
19 sales proceeds, according to their rights to priority. Unsecured creditors with the same priority  
20 share in proportion to the amount of their allowed claim in relationship to the amount of total  
21 allowed unsecured claims. Finally, interest holders receive the balance that remains after all  
22 creditors are paid, if any.

23 For the Court to be able to confirm the Plan, the Court must find that all creditors and  
24 interest holders who do not accept the Plan will receive at least as much under the Plan as such  
25 holders would receive under Chapter 7 liquidation. If this case was converted to Chapter 7, the  
26 Trustee would liquidate all of the assets of the estate.

27 To determine what Holders of Claims and Interests in each impaired Class would receive if  
28 the Debtors were liquidated under Chapter 7, the Bankruptcy Court must determine the dollar

1 amount that would be generated from the liquidation of the Debtors' assets and properties in the  
2 context of a Chapter 7 liquidation case. The Cash amount that would be available for satisfaction  
3 of Claims and Interests would consist of the proceeds resulting from the disposition of the  
4 unencumbered assets and properties of the Debtors, augmented by the unencumbered Cash held by  
5 the Debtors at the time of the commencement of the liquidation case. Such Cash amount would be  
6 reduced by the costs and expenses of liquidation and by such additional administrative and priority  
7 Claims that might result from the termination of the Debtors' businesses and the use of Chapter 7  
8 for the purposes of liquidation.

9       The Debtors' costs of liquidation under Chapter 7 would include the fees payable to a  
10 bankruptcy trustee, as well as those fees that might be payable to attorneys and other professionals  
11 that the trustee might employ. In addition, Claims could arise by reason of the breach or rejection  
12 of obligations incurred under leases and executory contracts entered into or assumed by the Debtors  
13 during the Chapter 11 case. The foregoing types of Claims and other Claims that might arise in a  
14 liquidation case or result from the pending Chapter 11 Case, including any unpaid expenses  
15 incurred by the Debtor during the Chapter 11 case, such as compensation for attorneys, financial  
16 advisors and accountants, would be paid in full from the liquidation proceeds before the balance of  
17 those proceeds would be made available to pay general unsecured Claims.

18       To determine if the Plan is in the best interests of each impaired Class, the present value of  
19 the distributions from the proceeds of a liquidation of the Debtor's unencumbered assets and  
20 properties, after subtracting the amounts attributable to the foregoing Claims, must be compared  
21 with the present value of the property offered to such Classes of Claims under the Plan.

22 After considering the effects that a Chapter 7 liquidation would have on the ultimate proceeds  
23 available for distribution to creditors in the Chapter 11 case, including: (1) the increased costs and  
24 expenses of a liquidation under Chapter 7 arising from fees payable to a trustee in bankruptcy and  
25 professional advisors to such trustee; (2) the reduction in value of assets in a Chapter 7 case in the  
26 context of the expeditious liquidation required under Chapter 7 and the "forced sale" atmosphere  
27 that would prevail; and (3) the substantial increases in Claims that would be satisfied on a priority  
28 basis or on parity with creditors in the Chapter 11 case, the Debtor has determined that

1 confirmation of the Plan will provide each holder of an Allowed Claim with a recovery that is not  
2 less than the recovery such holder would receive pursuant to the liquidation of the Debtor under  
3 Chapter 7.

4 The Liquidation Analysis is attached as Exhibit "A." The information set forth in Exhibit  
5 "A" provides a summary of the liquidation values of the Debtor's assets, assuming a Chapter 7  
6 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the  
7 Estate. Reference should be made to the Liquidation Analysis for a complete discussion and  
8 presentation of the Liquidation Analysis. Underlying the Liquidation Analysis are a number of  
9 estimates and assumptions that, although developed and considered reasonable by the Debtors'  
10 management, are inherently subject to significant economic and competitive uncertainties and  
11 contingencies beyond the control of the Debtors and their management. The Liquidation Analysis  
12 also is based on assumptions with regard to liquidation decisions that are subject to change.  
13 Accordingly, the values reflected might not be realized if the Debtors were, in fact, to undergo such  
14 a liquidation.

15 The Debtors estimate that liquidation of their respective interests in the Wilshire Bundy  
16 Property will result in net proceeds of approximately \$21,809,474. The Debtors and the Namvar  
17 Trustee will seek the entry of an Order authorizing the allocation of the sale proceeds and anticipate  
18 filing a motion to approve such allocations prior to the Confirmation Date. Accordingly, the  
19 amounts contained herein are estimates only. The total Disputed and Allowed Claims in the Estate  
20 is estimated at \$9,582,646.<sup>6</sup> With regard to Classes 4(a), 4(b) and 4(c) (Interest Holders), they  
21 either receive on the Effective Date, or the Debtors will reserve on account thereof, distributions of  
22 Surplus and thus are Impaired. As the attached Liquidation Analysis demonstrates, Creditors and  
23 Interest Holders will get at least as much in this Chapter 11 Plan than in a Chapter 7.

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<sup>6</sup> This total does not include the contingent, unliquidated and disputed claim of Mousa Namvar which the Debtors contend should be estimated at zero for the purpose of establishing a disputed claims reserve. The Debtor shall file motions seeking the aforementioned relief.

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IX.

**CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers about possible tax issues the Plan may present to the Debtor. The Proponent CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action.

**A. Introduction**

The Plan, among other things, contemplates that, on the Effective Date, certain Holders of Claims will receive Cash on account of their Allowed Claims. The federal income tax consequences of the implementation of the Plan to a Holder of a Claim will depend, among other things, upon the origin of the Holder's Claim, when the Holder's Claim becomes an Allowed Claim, when, and if, the Holder receives payment in respect to such Claim, whether the Holder reports income using the accrual or cash method of accounting, whether the Holder has taken a bad debt deduction or worthless security deduction with respect to such Claim and whether the Holder's Claim constitutes a "security" for federal income tax purposes.

**B. Consequences to Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Priority Wage Claims**

Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Priority Wage Claims generally will be paid in full in Cash on, or subsequent to, the Effective Date. Such holders that are subject to U.S. federal income tax must include such amounts in their gross income in the taxable year in which such amounts are actually or constructively received by them.

1 **C.  Holders of Allowed General Unsecured Claims**

2 Pursuant to the Plan, holders of Allowed General Unsecured Claims will be paid in full on,  
3 or as soon as reasonably practicable after, the latest of (a) the Effective Date, or (b) the date after  
4 such Claim becomes an Allowed Claim. Such Holders that are subject to U.S. federal income tax  
5 may be required to include such amounts in their gross income in the taxable year in which such  
6 amounts are actually or constructively received by them. Such a Holder may recognize a loss on  
7 the Effective Date to the extent that the amount received is less than the adjusted tax basis of their  
8 Claim. The character of such loss will be determined by a number of factors, including the  
9 characteristics of the Claim in the hands of the Holder.

10 **D.  Interests**

11 Holders of Interests may realize a loss on the Effective Date to the extent that such Holder's  
12 adjusted tax basis in such Interest exceeds the amount received, if any. The character of this loss  
13 (i.e., long-term, short term, capital or ordinary) will be determined by a number of factors,  
14 including the characteristics of such Interest in the hands of the Holder.

15 **E.  Distributions on Account of Accrued Post-Petition Interest**

16 Pursuant to the Plan, Holders of Class 5 Allowed Claims will receive, in addition to the  
17 principal sums owed to them, interest at the Federal Judgment Rate. In general, to the extent that  
18 an amount received by a Holder of debt is received in satisfaction of interest that accrued during its  
19 holding period, such amount will be taxable to the Holder as interest income (if not previously  
20 included in the Holder's gross income). Conversely, a Holder generally recognizes a deductible  
21 loss to the extent any accrued interest claimed was previously included in its gross income and is  
22 not paid in full. Each Holder of a Claim is urged to consult its own tax advisor regarding the  
23 allocation of consideration and the deductibility of unpaid interest for income tax purposes.

24 **F.  Information Reporting and Withholding**

25 All Distributions to Holders of Allowed Claims and Interests under the Plan are subject to  
26 any applicable withholding (including employment tax withholding). Under federal income tax  
27 law, interest, dividends, and other reportable payments may, under certain circumstances, be  
28 subject to "backup withholding" at a rate of 30%. Backup withholding generally applies if the

1 holder (a) fails to furnish its social security number or other taxpayer identification number  
2 (“TIN”), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d)  
3 under certain circumstances, fails to provide a certified statement, signed under penalty of perjury,  
4 that the TIN provided is its correct number and that it is not subject to backup withholding.  
5 Backup withholding is not an additional tax but merely an advance payment, which may be  
6 refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup  
7 withholding, including, in certain circumstances, corporations and financial institutions. Absent a  
8 written opinion from the tax advisor of the Debtor that federal, state, or local withholding taxes are  
9 required with regard to any Distributions, all Distributions made shall be free and clear of any  
10 federal, state or local withholding taxes.

11 **THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATION**  
12 **PURPOSES ONLY. EACH HOLDER OF A CLAIM IS URGED TO CONSULT ITS OWN**  
13 **TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND OTHER TAX**  
14 **CONSEQUENCES APPLICABLE UNDER THE PLAN.**

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**CONFIRMATION REQUIREMENTS AND PROCEDURES**

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PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THE PLAN  
SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON  
CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following  
discussion is intended solely for the purpose of alerting readers about basic confirmation issues,  
which they may wish to consider, as well as certain deadlines for filing claims. The Plan Proponent  
CANNOT and DOES NOT represent that the discussion contained below is a complete summary  
of the law on this topic.

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Many requirements must be met before the Court can confirm a Plan. Some of the  
requirements include that the Plan must be proposed in good faith, acceptance of the Plan, whether

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1 the Plan pays creditors at least as much as creditors would receive in a Chapter 7 liquidation, and  
2 whether the Plan is feasible. These requirements are not the only requirements for confirmation.

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

4 **1. Who May Object to Confirmation of the Plan**

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

7 **2. Who May Vote to Accept/Reject the Plan**

8 A Creditor or Interest Holder has a right to vote for or against the Plan if that Creditor or  
9 Interest Holder has a claim which is both (1) Allowed or Allowed for voting purposes and (2)  
10 classified in an Impaired Class.

11 **a. What Is an Allowed Claim/Interest**

12 As noted above, a Creditor or Interest Holder must first have an Allowed Claim or Interest  
13 to have the right to vote. Generally, any proof of Claim or Interest will be Allowed, unless a party  
14 in interest brings a motion objecting to the Claim. When an objection to a Claim or Interest is  
15 Filed, the Creditor or Interest Holder holding the Claim or Interest cannot vote unless the Court,  
16 after notice and hearing, either overrules the objection or allows the Claim or Interest for voting  
17 purposes.

18 THE BAR DATE FOR FILING A PROOF OF CLAIM IS DECEMBER 1, 2010. A  
19 Creditor or Interest Holder may have an allowed claim or interest even if a proof of Claim or  
20 Interest was not timely Filed. A Claim is deemed allowed if (1) it is Scheduled on the Debtor's  
21 Schedules and such claim is not Scheduled as Disputed, contingent, or unliquidated, and (2) no  
22 party in interest has objected to the Claim. An Interest is deemed Allowed if it is Scheduled and no  
23 party in interest has objected to the Interest.

24 **b. What Is an Impaired Claim/Interest**

25 As noted above, an Allowed Claim or Interest only has the right to vote if it is in a Class  
26 that is Impaired under the Plan. A Class is Impaired if the Plan alters the legal, equitable, or  
27 contractual rights of the members of that Class. For example, a Class comprised of general

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1 Unsecured Claims is Impaired if the Plan fails to pay the members of that Class 100% of what they  
2 are owed.

3 In this case, the Plan Proponent intends to pay the full amount of any Allowed Claim plus  
4 interest and to reserve the full amount of any Disputed Claim. Accordingly, there are no impaired  
5 Classes of Creditors entitled to vote to accept or reject the Plan. Parties who dispute the Plan  
6 Proponent's characterization of their Claim or Interest as being Impaired or Unimpaired may file an  
7 objection to the Plan contending that the Plan Proponent has incorrectly characterized the Class.

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

9 The following four types of Claims are not entitled to vote: (1) Claims that have been  
10 Disallowed; (2) Claims in Unimpaired Classes; (3) Claims entitled to Priority pursuant to Code  
11 sections 507(a)(1), (a)(2), and (a)(8); and (4) Claims in Classes that do not receive or retain any  
12 value under the Plan. Claims in Unimpaired Classes are not entitled to vote because such Classes  
13 are deemed to have accepted the Plan. Claims entitled to Priority pursuant to Code sections  
14 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed in Classes  
15 and they are required to receive certain treatment specified by the Code. Claims in Classes that do  
16 not receive or retain any value under the Plan do not vote because such classes are deemed to have  
17 rejected the Plan. EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU  
18 MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.

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

20 A Creditor whose Claim has been Allowed in part as a Secured Claim and in part as an  
21 Unsecured Claim is entitled to accept or reject a Plan in both capacities by casting one ballot for the  
22 Secured part of the claim and another ballot for the Unsecured Claim.

23 **5. Votes Necessary to Confirm the Plan**

24 If Impaired classes exist, the Court cannot confirm the Plan unless (1) at least one Impaired  
25 Class has accepted the Plan without counting the votes of any insiders within that Class, and (2) all  
26 Impaired Classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by  
27 "cramdown" on non-accepting classes.

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

2           A Class of Claims is considered to have accepted the Plan when more than one-half (1/2) in  
3 number and at least two-thirds (2/3) in dollar amount of the claims which actually voted, voted in  
4 favor of the Plan. A Class of Interests is considered to have accepted the Plan when at least two-  
5 thirds (2/3) in amount of the interest-holders of such class which actually voted, voted to accept the  
6 Plan.

7           **7. Treatment of Nonaccepting Classes**

8           As noted above, if at least one, but not all Impaired Classes accept the proposed Plan, the  
9 Court may nonetheless confirm the Plan if the nonaccepting Classes are treated in the manner  
10 required by the Code. The process by which nonaccepting Classes are forced to be bound by the  
11 terms of the Plan is commonly referred to as “cramdown.” The Code allows the Plan to be  
12 “crammed down” on nonaccepting classes of Claims or Interests if it meets all consensual  
13 requirements except the voting requirements of 1129(a)(8) and if the Plan does not “discriminate  
14 unfairly” and is “fair and equitable” toward each Impaired Class that has not voted to accept the  
15 Plan as referred to in 11 U.S.C. § 1129(b) and applicable case law.

16           **8. Request for Confirmation Despite Nonacceptance by Impaired Class(es)**

17           The Debtors will ask the Court to confirm the Plan by cramdown on Impaired Classes if any  
18 of these Classes do not vote to accept the Plan.

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**XI.**

**CONCLUSION**

The materials provided in this Disclosure Statement are intended to assist you in voting on the Plan in an informed fashion. If the Plan is confirmed, you will be bound by its terms. Therefore, you are urged to review this material and to make such further inquiries you deem appropriate, and then cast an informed vote on the Plan.

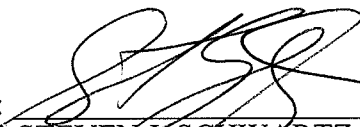
Dated: \_\_\_\_\_ By: \_\_\_\_\_  
R. TODD NEILSON,  
Manager of Mission Real Associates, LLC

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
LOUIS A. CICALEASE, LLC,  
Manager of Bundy Dimes, LLC

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
LOUIS A. CICALEASE, LLC,  
Manager of Bunwil Capital, LLC

**PRESENTED BY:**

DANNING, GILL, DIAMOND & KOLLITZ, LLP  
a limited liability partnership  
composed of professional corporations

By:  \_\_\_\_\_  
STEVEN J. SCHWARTZ  
Reorganization Counsel for  
Debtors and Debtors-in-Possession

**EXHIBIT A**

**WILSHIRE BUNDY (TIC) - LIQUIDATION ANALYSIS**

**ASSETS**

<b>WBP Sale Proceeds</b>			
Mission Real Associates, LLC	\$	13,656,074	98%
Bundy Dimes, LLC		-	0%
Bunwil Capital, LLC		260,906	2%
<b>Total Proceeds</b>	<b>\$</b>	<b>13,916,979</b>	<b>100%</b>
<b>WBP Tax Refunds</b>			
Mission Real Associates, LLC	\$	7,744,531	
Bundy Dimes, LLC		-	
Bunwil Capital, LLC		147,963	
<b>Total Tax Refunds</b>	<b>\$</b>	<b>7,892,494</b>	
 <b>Total Assets</b>	 <b>\$</b>	 <b>21,809,474</b>	

	<u>PLAN OF LIQUIDATION</u>			<u>CHAPTER 7 LIQUIDATION</u>	
	<u>Claimed Amount</u>	<u>Paid Amount</u>	<u>%</u>	<u>Paid Amount</u>	<u>%</u>
<b>CLAIMS</b>					
<b>Secured Litigation Claims</b>					
Starpont, LLC et al.	\$ 5,000,000	\$ 5,000,000	100%	\$ 5,000,000	100%
Khalil Varastehpour	350,000	350,000	100%	350,000	100%
<b>Total Secured Claims</b>	<b>\$ 5,350,000</b>	<b>\$ 5,350,000</b>	<b>100%</b>	<b>\$ 5,350,000</b>	<b>100%</b>
<b>Administrative Claims</b>					
Mission Real Associates, LLC	\$ 9,728	\$ 9,728	100%	\$ 9,728	100%
Bundy Dimes, LLC	650	\$ 650	100%	650	100%
Bunwil Capital, LLC	1,565	\$ 1,565	100%	1,565	100%
<b>Total Administrative Claims</b>	<b>\$ 11,943</b>	<b>\$ 11,943</b>	<b>100%</b>	<b>\$ 11,943</b>	<b>100%</b>
Chapter 7 Professionals		\$ -		\$ 75,000	100%
<sup>1</sup> Chapter 11 Professionals	\$ 800,000	\$ 800,000	100%	\$ 800,000	100%
Priority Tax Claims	\$ 10,749	\$ 10,749	100%	\$ 10,749	100%
<sup>2</sup> General Unsecured Claims					
Mission Real Associates, LLC	\$ 3,209,741	\$ 3,209,741	100%	\$ 3,209,741	100%
Bundy Dimes, LLC	124,736	124,736	100%	124,736	100%
Bunwil Capital, LLC	75,477	75,477	100%	75,477	100%
<b>Total General Unsecured Claims</b>	<b>\$ 3,409,954</b>	<b>\$ 3,409,954</b>	<b>100%</b>	<b>\$ 3,409,954</b>	
<b>Total Claims</b>	<b>\$ 9,582,646</b>	<b>\$ 9,582,646</b>		<b>\$ 9,657,646</b>	<b>100%</b>
<b>Equity</b>					
Mission Real Associates, LLC		\$ 11,997,608	98%	\$ 4,179,482	98%
Bundy Dimes, LLC		\$ -	0%	\$ -	0%
Bunwil Capital, LLC		\$ 229,220	2%	\$ 79,851	2%
<b>Total Equity</b>		<b>\$ 12,226,828</b>	<b>100%</b>	<b>\$ 4,259,333</b>	<b>100%</b>

<sup>1</sup> Assumes \$234K in fees and costs in addition to amounts billed to date.

<sup>2</sup> General Unsecured Claims are net of tenant security deposits, the liabilities for which were assumed by the purchaser.