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8 Bunwil Capital, LLC, Debtors and Debtors-in-Possession

9 **UNITED STATES BANKRUPTCY COURT**

10 **CENTRAL DISTRICT OF CALIFORNIA**

11 **LOS ANGELES DIVISION**

12 In re) Case No. 2:10-bk-22370-BR
13 MISSION REAL ASSOCIATES, LLC,) Chapter 11
14 Debtor.)
15 In re) Case No. 2:10-bk-22153-BR
16 BUNWIL CAPITAL, LLC) Chapter 11
17 Debtor.)
18 In re) Case No. 2:10-bk-22149-BR
19 BUNDY DIMES, LLC) Chapter 11
20 Debtor.)
21) **DEBTORS' FIRST AMENDED
22 DISCLOSURE STATEMENT
DESCRIBING FIRST AMENDED JOINT
CHAPTER 11 PLAN OF
REORGANIZATION**
23) **Disclosure Statement Hearing:**
24) Date: March 1, 2011
25) Time: 10:00 a.m.
26) Ctrm: "1668"
27) 255 E. Temple Street
28) Los Angeles, California
) **Plan Confirmation Hearing:**
) Date: [TO BE SET]
) Time:
) Ctrm:

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I.

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INTRODUCTION

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3 Mission Real Associates, LLC (“Mission”), Bundy Dimes, LLC (“Bundy”) and Bunwil
4 Capital, LLC (“Bunwil”) are the Debtors in Chapter 11 bankruptcy cases (collectively, the
5 “Debtors” or the “Plan Proponents”). On March 31, 2010, the Debtors commenced bankruptcy
6 cases by filing a voluntary Chapter 11 petitions under the Bankruptcy Code.

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Mission Real Associates, LLC (“Mission”), Bundy Dimes, LLC (“Bundy”) and Bunwil Capital, LLC (“Bunwil”) are the Debtors in Chapter 11 bankruptcy cases (collectively, the “Debtors” or the “Plan Proponents”). On March 31, 2010, the Debtors commenced bankruptcy cases by filing a voluntary Chapter 11 petitions under the Bankruptcy Code.

Chapter 11 allows the Debtors, and, under some circumstances, creditors and other parties in interest, to propose a plan of reorganization (“Plan”). The Plan may provide for the Debtors to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a combination of both. The Debtor is the party proposing the Plan sent to you in the same envelope as this document. THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE ENCLOSED PLAN.

The proposed Plan is a liquidation plan. In other words, the Plan Proponent seeks to accomplish payments under the Plan by distributing proceeds of the sale of substantially all of the assets of the estate, which sale has already occurred. The funding for the Plan will come from the Debtors' interests in proceeds from the sale of the Wilshire Bundy Property (defined below), liquidation of non-Cash assets, and Cash on hand in the bankruptcy estate as of the Effective Date of the Plan. These are Surplus Chapter 11 Cases. The Debtors anticipate that they will have sufficient cash to pay all Allowed Claims (and reserve for all Disputed Claims) plus post-petition interest as allowable by law on the Effective Date of the Plan. Accordingly, there are no Impaired Classes of Creditors in the Plan. The Plan also provides for distributions to Interest Holders in accordance with their respective interests and reservation of the distributions to Interest Holders in instances where there are competing Claims as to those Interests.

The Effective Date of the proposed Plan is the fifteenth day following the occurrence of all of the following conditions: (1) the Confirmation Order in a form satisfactory to the Debtors shall have become a Final Order; and (2) all other actions and documents necessary to implement the treatment of creditor Claims shall have been effected or executed or, if waivable, waived by the Debtors.

1 In the event an appeal of the Confirmation Order is taken and a stay pending appeal is
2 obtained, consummation of the Plan will be delayed pending the appeal. Absent a stay pending
3 appeal of the Confirmation Order, the Debtors will proceed forward to consummate the Plan.

4 **A. Purpose of This Document**

5 This Disclosure Statement summarizes what is in the Plan, and tells you certain information
6 relating to the Plan and the process the Court follows in determining whether or not to confirm the
7 Plan.

8 **READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO**
9 **KNOW ABOUT:**

10 (1) WHO CAN VOTE OR OBJECT,

11 (2) WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what your claim will
12 receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT
13 YOUR CLAIM WOULD RECEIVE IN LIQUIDATION,

14 (3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE
15 BANKRUPTCY,

16 (4) WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER OR
17 NOT TO CONFIRM THE PLAN,

18 (5) WHAT IS THE EFFECT OF CONFIRMATION, AND

19 (6) WHETHER THE PLAN IS FEASIBLE.

20 This Disclosure Statement cannot tell you everything about your rights. You should
21 consider consulting your own lawyer to obtain more specific advice on how the Plan will affect you
22 and what is the best course of action for you.

23 Be sure to read the Plan as well as the Disclosure Statement. If there are any
24 inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern.

25 The Code requires a Disclosure Statement to contain "adequate information" concerning the
26 Plan. The Bankruptcy Court has approved this document as an adequate Disclosure Statement,
27 containing enough information to enable parties affected by the Plan to make an informed
28 judgment about the Plan. Any party can now solicit votes for or against the Plan, assuming the

1 statements and contentions contained in this document are accurate. However, the Court has not
2 yet determined the accuracy of such statements or contentions, and may do so at the hearing
3 regarding confirmation of the Plan.

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

5 THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS
6 DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT
7 YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS THE PLAN,
8 THEN THE PLAN WILL BE BINDING ON THE DEBTORS AND ON ALL CREDITORS AND
9 INTEREST HOLDERS IN THIS CASE.

10 **1. Time and Place of the Confirmation Hearing**

11 The hearing where the Court will determine whether or not to confirm the Plan will take
12 place on _____, at _____ in Courtroom 1668, United States Bankruptcy Court, 255 East
13 Temple Street, Los Angeles, California 90012.

14 **2. Deadline For Voting For or Against the Plan**

15 The Plan does not contain any Impaired Classes of Creditors. The Plan does contain
16 Impaired Classes of Interest Holders. Ballots will be enclosed with this Disclosure Statement only
17 as to any Impaired Classes of Interest Holders. If you are entitled to vote, it is in your best interest
18 to timely vote on the enclosed ballot and return the ballot in the enclosed envelope to Steven J.
19 Schwartz, Danning, Gill, Diamond & Kollitz, LLP, 2029 Century Park East, Third Floor,
20 Los Angeles, California, (310) 277-0077, or by fax to (310) 277-5735.

21 Your ballot must be received by _____ or it will not be counted.

22 **3. Deadline For Objecting to the Confirmation of the Plan**

23 Objections to the confirmation of the Plan must be filed with the Court and served, such
24 that it is actually received by _____, upon: (a) Steven J. Schwartz, Danning, Gill, Diamond
25 & Kollitz, LLP, 2029 Century Park East, Third Floor, Los Angeles, California, who is counsel to
26 the Debtor; and (b) The Office of the United States Trustee, 725 S. Figueroa St., Suite 2600, Los
27 Angeles, CA 92701.

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1 4. **Identity of Person to Contact for More Information Regarding the Plan**

2 Any interested party desiring further information about the Plan should contact Debtors'
3 counsel Steven J. Schwartz, Esq., Danning, Gill, Diamond & Kollitz, LLP, 2029 Century Park
4 East, Third Floor, Los Angeles, California, (310) 277-0077.

5 **C. Disclaimer**

6 The financial data relied upon in formulating the Plan is based on the Debtors' books and
7 records, financial statements, cash flow projections, appraisals, and evaluations. The information
8 contained in this Disclosure Statement is provided by the Debtors. The Plan Proponent represents
9 that everything stated in the Disclosure Statement is true to the Plan Proponent's best knowledge.
10 The Court has not yet determined whether or not the Plan is confirmable and makes no
11 recommendation as to whether or not you should support or oppose the Plan.

12 The discussion in this Disclosure Statement regarding the Debtors may contain "forward
13 looking statements" within the meaning of the Private Securities Litigation Reform Act of 2005.
14 Such statements consist of any statement other than a recitation of historical fact and can be
15 identified by the use of forward-looking terminology such as "may," "expect," "anticipate,"
16 "estimate," or "continue," or the negative thereof or other variations thereon or comparable
17 terminology. The reader is cautioned that all forward looking statements are necessarily
18 speculative and there are certain risks and uncertainties that could cause actual events or results to
19 differ materially from those referred to in such forward looking statements. The liquidation
20 analysis, distribution projections, and other information are estimates only, and the timing and
21 amount of actual distributions to creditors may be affected by many factors that cannot be
22 predicted. Therefore, any analyses, estimates, or projections may or may not turn out to be
23 accurate.

24 The Debtors and their professionals have made a diligent effort to identify in this Disclosure
25 Statement all litigation claims, including claims for relief, counterclaims, and objections to claims.
26 However, no reliance should be placed on the fact that a particular litigation claim is or is not
27 identified in this Disclosure Statement. The Debtors or other parties in interest may seek to
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1 investigate, file and prosecute litigation claims after the confirmation or Effective Date of the Plan
2 whether or not the litigation claims are identified in this Disclosure Statement.

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II.

5

DEFINITIONS AND INTERPRETATION

6 A. DEFINITION OF TERMS

7 Unless otherwise defined herein, or the context otherwise requires, the following terms shall
8 have the respective meanings set forth below. Any term used in the Plan that is not defined herein
9 but is defined in the Bankruptcy Code or the Bankruptcy Rules retains the meaning specified for
10 such term in the Bankruptcy Code or the Bankruptcy Rules.

11 1. Administrative Claim

12 The term “Administrative Claim” means any right to payment constituting a cost or expense
13 of administration of the Chapter 11 Cases of a kind specified under Section 503(b) and entitled to
14 priority under Section 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual
15 and necessary costs and expenses of preserving the Estates of the Debtors, any actual and necessary
16 costs and expenses of operating the respective business of the Debtors, any indebtedness or
17 obligations incurred or assumed by the Debtors in connection with the conduct of their respective
18 businesses, including, without limitation, all compensation and reimbursement of expenses to the
19 extent Allowed by the Court under Section 330 or 503 of the Bankruptcy Code, and any fees or
20 charges assessed against the Estates of the Debtors under Section 1930 of chapter 123 of Title 28 of
21 the United States Code.

22 2. Allowed

23 The term “Allowed” means, with respect to a Claim, proof of which was timely and
24 properly filed or, if no proof of Claim was filed, which has been or hereafter is listed by the
25 Debtors on their Schedules as liquidated in amount and not Disputed or contingent and, in either
26 case, as to which no objection to allowance has been interposed on or before the expiration of the
27 time within which to object to such Claim as set forth herein or such other applicable period of
28 limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or as to

1 which any objection has been determined by a Final Order to the extent such objection is
2 determined in favor of the respective holder. Unless otherwise specified in this Plan or by order of
3 the Bankruptcy Court, "Allowed Claim" shall not, for purposes of computation of distributions
4 under this Plan, include interest on such Claim from and after the Petition Date or include any
5 portion of the Claim which would be subject to Bankruptcy Code Section 726(a)(4) if the case were
6 a Chapter 7.

7 **3. Avoidance Actions**

8 The term "Avoidance Actions" means all Causes of Action and rights held by the Estates
9 pursuant to Bankruptcy Code Sections 542, 544, 545, 547, 548, 549, 550, 551, 553(b) and 724(a).

10 **4. Bankruptcy Code**

11 The term "Bankruptcy Code" or "Code" means Title 11 of the United States Code, 11
12 U.S.C. §§ 101 et seq., as in effect on the date hereof or hereafter amended if such amendments are
13 made applicable to the Chapter 11 Cases.

14 **5. Bankruptcy Rules**

15 The term "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure as
16 promulgated by the United States Supreme Court under Section 2075 of Title 28 of the United
17 States Code, and local rules of the Court, as the context may require.

18 **6. Buyer**

19 The term "Buyer" means DEI X partnership REIT, LP and its permitted assignee(s).

20 **7. Business Day**

21 The term "Business Day" means any day on which commercial banks are open for business,
22 and not authorized to close, in the City of Los Angeles, California, except any day designated as a
23 legal holiday in Bankruptcy Rule 9006(a).

24 **8. Cash**

25 The term "Cash" means legal tender of the United States of America and equivalents
26 thereof.

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1 9. Cause of Action

2 The term "Cause of Action" means the claims, rights of action, suits, or proceedings,
3 whether in law or in equity, whether known or unknown, that the Debtors or their Estates may hold
4 against any Person, which are to be retained by the Debtors and litigated and liquidated by the
5 Disbursing Agent in the name of the Debtors pursuant to the Plan.

6 10. Chapter 11 Cases

7 The term "Chapter 11 Cases" means the Chapter 11 Cases of the Debtors.

8 11. Claim

9 The term "Claim" means a Claim against the Debtors, whether or not asserted or Allowed,
10 as defined in Section 101(5) of the Bankruptcy Code.

11 12. Claims Bar Date

12 The term "Claims Bar Date" means December 1, 2010, which is the date established by the
13 Bankruptcy Court as the last date for timely filing in the Chapter 11 cases: (1) proofs of claim on
14 account of pre-petition claims; (2) administrative claims, including reclamation claims under 11
15 U.S.C. § 503(b)(9), other than with regard to administrative claims of professionals duly retained in
16 the Chapter 11 cases; (3) proofs of Interests; and (4) Claims of governmental units. The exceptions
17 to this deadline for filing proofs of Claims or Interests are: (1) Claims arising from rejection of
18 executory contracts or unexpired leases; and (2) Claims arising as the result of transfer avoidance
19 pursuant to Chapter 5 of the Bankruptcy Code.

20 13. Class

21 The term "Class" means a class of Claims or Interests designated pursuant to the Plan.

22 14. Collateral

23 The term "Collateral" means any property or interest in property of the Debtors' Estates
24 subject to a lien to secure the payment or performance of a Claim as of the Petition Date, which
25 lien is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law or
26 otherwise invalid under the Bankruptcy Code or applicable non-bankruptcy law.

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1 **15. Competing Equity Claims**

2 The term "Competing Equity Claims" collectively refers to any competing liens, claims or
3 interests asserted against the Interest Holders as to their Interests in the Debtors.

4 **16. Competing Interests Reserve Accounts**

5 The term "Competing Interests Reserve Accounts" means deposit accounts, interest bearing
6 if possible, opened by the Disbursing Agent at an F.D.I.C. insured depository institution into which
7 shall be deposited Cash representing the Surplus on account of Competing Equity Claims.

8 **17. Confirmation Date**

9 The term "Confirmation Date" means the date on which the Confirmation Order is entered
10 by the Court.

11 **18. Confirmation Hearing**

12 The term "Confirmation Hearing" means the hearing to consider confirmation of the Plan
13 pursuant to Section 1128 of the Bankruptcy Code.

14 **19. Confirmation Order**

15 The term "Confirmation Order" means the order entered by the Court confirming the Plan
16 pursuant to Section 1129 of the Bankruptcy Code.

17 **20. Court**

18 The term "Court" means, (a) the United States Bankruptcy Court for the Central District of
19 California (Los Angeles Division), located at 255 East Temple Street, Los Angeles, California,
20 having jurisdiction over the Chapter 11 Cases; (b) to the extent there is no reference pursuant to
21 Section 157 of Title 28 of the United States Code, the United States District Court for the Central
22 District of California; and (c) any other court having jurisdiction over the Chapter 11 Cases.

23 **21. Debtors**

24 The term "Debtors" means the Plan Proponents Mission Real Associates, LLC, Bundy
25 Dimes, LLC and Bunwil Capital, LLC.

26 **22. Debtors' Counsel**

27 The term "Debtors' Counsel" means Danning, Gill, Diamond & Kollitz, LLP, the general
28 bankruptcy counsel employed by the Debtors in the Chapter 11 Cases.

1 **23. Debtors-in-Possession**

2 The term "Debtors-in-Possession" means the Debtors in their capacity as debtors-in-
3 possession in the Chapter 11 Cases pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

4 **24. Dimes**

5 The term "Dimes" means the Bankruptcy Estate of Dimes, LLC, Chapter 11 Case No. 2:09-
6 bk-25517-BR.

7 **25. Disallowed Claim or Interest**

8 The term "Disallowed Claim" or "Disallowed Interest" means a Claim or Interest, or any
9 portion thereof, that (a) has been disallowed by a Final Order, (b) is Scheduled at zero or as
10 contingent or disputed or unliquidated and as to which a proof of Claim or Interest has not been
11 timely filed or deemed timely filed, or (c) is not Scheduled and as to which a proof of Claim or
12 Interest has not been timely filed or deemed timely filed.

13 **26. Disbursing Agent**

14 The term "Disbursing Agent" means R. Todd Neilson, the appointed Disbursing Agent of
15 the Debtors hereunder, or any successor appointed by the Court.

16 **27. Disclosure Statement**

17 The term "Disclosure Statement" means the written disclosure statement that relates to this
18 Plan, as such disclosure statement has been or may be amended, modified or supplemented from
19 time to time.

20 **28. Disputed**

21 The term "Disputed" means, with reference to any Claim, or Interest, or any portion thereof,
22 that is neither an Allowed Claim or Interest, nor a Disallowed Claim or Interest, as the case may be,
23 and includes, without limitation, Claims or Interests that (a) have been Scheduled as Disputed or
24 unknown or contingent or unliquidated, whether or not such Claims or Interests are the subject of a
25 proof of Claim or proof of Interest, (b) are the subject of a proof of Claim or Interest that differs in
26 nature, amount or priority from the Schedules, or (c) are the subject of an objection filed with the
27 Bankruptcy Court, which has not been withdrawn or overruled by a Final Order of the Bankruptcy
28 Court.

1 **29. Disputed Claims Reserve**

2 The term "Disputed Claims Reserve" means the reserve established in accordance with
3 Section III(D)(6) of this Plan.

4 **30. Disputed Claims Reserve Account**

5 The term "Disputed Claims Reserve Account" means a deposit account, interest bearing if
6 possible, opened by the Disbursing Agent at an F.D.I.C. insured depository institution into which
7 shall be deposited Cash sufficient to fund the Disputed Claims Reserve.

8 **31. Distribution**

9 The term "Distribution" means a distribution to a Holder of an Allowed Claim or Interest
10 pursuant to this Plan.

11 **32. Effective Date**

12 The term "Effective Date" means the fifteenth day following the occurrence of all of the
13 following conditions: (1) the Confirmation Order in a form satisfactory to the Debtors shall have
14 become a Final Order; and (2) all other actions and documents necessary to implement the
15 treatment of creditor Claims shall have been effected or executed or, if waivable, waived by the
16 Debtors.

17 If (1) a stay of the Confirmation Order is in effect and/or (2) all conditions to the Effective
18 Date have not been satisfied or, if waivable, not waived by the Debtors, the Effective Date shall be
19 extended to the first Business Day on which no such stay is in effect and/or all such conditions
20 have been satisfied or waived, as applicable.

21 **33. Estates**

22 The term "Estates" means the estates created in the Chapter 11 Cases under Section 541 of
23 the Bankruptcy Code.

24 **34. Federal Judgment Rate**

25 The term "Federal Judgment Rate" means the interest rate on federal judgments and is
26 based on the weekly average 1-year constant maturity Treasury yield, as published by the Board of
27 Governors of the Federal Reserve System, for the calendar week preceding the first day on which
28 the defendant is liable for interest.

1 **35. File or Filed**

2 The term "File" or "Filed" means filed with the Clerk of the Bankruptcy Court in the
3 Chapter 11 Cases.

4 **36. Final Decree**

5 The term "Final Decree" means an order entered by the Bankruptcy Court closing the
6 Chapter 11 Cases after substantial consummation of the Plan.

7 **37. Final Order**

8 The term "Final Order" means an order or judgment of the Court as entered on the Docket
9 in the Chapter 11 Cases, or other court of competent jurisdiction, the operation or effect of which
10 has not been stayed, reversed or amended, and as to which order or judgment (or any revision,
11 modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and
12 as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending.

13 **38. General Unsecured Claim**

14 The term "General Unsecured Claim" means any Claim that is not an Administrative Claim,
15 Priority Claim, Tax Claim, or Secured Claim.

16 **39. Holder**

17 The term "Holder" means the holder of a Claim or Interest.

18 **40. Impaired**

19 The term "Impaired" means, when used in reference to a Claim or Interest, a Claim or
20 Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

21 **41. Insider**

22 The term "Insider" has the meaning set forth in Section 101(31) of the Bankruptcy Code.

23 **42. Interest**

24 The term "Interest" means an equity security, as defined in Bankruptcy Code Section
25 101(16).

26 **43. Local Bankruptcy Rules**

27 The term "Local Bankruptcy Rules" means the local rules of the Bankruptcy Court, as
28 applicable from time to time in the Chapter 11 Cases.

1 **44. Namco**

2 The term "Namco" means and refers to the Namco Capital Group, Inc., a California
3 corporation, and the bankruptcy estate thereof, which case is pending in the United States
4 Bankruptcy Court for the Central District of California, Los Angeles Division, Case No. 2:08-bk-
5 32333-BR.

6 **45. Namvar Trustee**

7 The term "Namvar Trustee" means and refers to R. Todd Neilson, the Chapter 11 Trustee of
8 the bankruptcy estate of Ezri Namvar, which case is pending in the United States Bankruptcy Court
9 for the Central District of California, Los Angeles Division, Case No. 2:08-bk-32349-BR

10 **46. Order**

11 The term "Order" means an order or judgment of the Court as entered on the Docket.

12 **47. Person**

13 The term "Person" means any individual, corporation, general partnership, limited
14 partnership, limited liability partnership, limited liability company, association, joint stock
15 company, joint venture, government or political subdivision, official committee appointed by the
16 United States Trustee, unofficial committee of creditors or equity holders, or other entity.

17 **48. Petition Date**

18 The term "Petition Date" means March 31, 2010, the date on which the Debtors filed
19 voluntary petitions for relief commencing the Chapter 11 Cases.

20 **49. Plan**

21 The term "Plan" means the Chapter 11 Plan as it may be amended or modified, from time to
22 time, together with all addenda, exhibits, schedules, supplements or other attachments, if any.

23 **50. Priority Claim**

24 The term "Priority Claim" means an Allowed Claim entitled to priority under Sections
25 507(a)(3) through 507(a)(8) of the Bankruptcy Code, and includes Priority Tax Claims.

26 **51. Priority Tax Claim**

27 The term "Priority Tax Claim" means any unsecured Claim of a governmental unit of the
28 kind specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1 **52. Proceeds**

2 The term "Proceeds" means any Cash obtained by the Estates through the liquidation of the
3 Wilshire Bundy Property.

4 **53. Professional**

5 The term "Professional" means (a) a Person retained or to be compensated pursuant to
6 Bankruptcy Code Sections 326, 327, 328, 330, 331, 503(b)(2), 1103 and/or 1107(b), or (b) an
7 accountant, attorney, appraiser, auctioneers, Claims administrator, real estate brokers, or other
8 professional employed by the Disbursing Agent, if any, on or after the Effective Date.

9 **54. Reorganized Debtors**

10 The term "Reorganized Debtors" means Mission Real Associates, LLC, Bundy Dimes, LLC
11 and Bunwil Capital, LLC as of the Effective Date and thereafter.

12 **55. Reserved Claims**

13 The term "Reserved Claims" means all causes of action and Claims held by or capable of
14 assertion by the Debtors or their Estates, including, without limitation, all Avoidance Actions, all
15 Section 510 actions, suits, accounts, controversies, agreements, promises, rights to legal remedies,
16 rights to equitable remedies, rights to payment and Claims, whether known, unknown, reduced to
17 judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,
18 unmatured, disputed, undisputed, and whether asserted or assertable, directly or derivatively, that
19 the Debtors or their Estates could assert immediately prior to the Effective Date, but excludes all
20 such causes of action, Claims or defenses released, waived or extinguished by the Debtors pursuant
21 to the Plan or a Final Order of the Bankruptcy Court.

22 **56. Scheduled**

23 The term "Scheduled" means set forth on the Schedules filed by the Debtors in the
24 Chapter 11 Cases.

25 **57. Schedules**

26 The term "Schedules" means the schedules of assets and liabilities filed by the Debtors
27 pursuant to Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, including any
28 amendments and modifications thereto through the Confirmation Date.

1 **58. Secured Claim**

2 The term "Secured Claim" means any Claim secured by Collateral to the extent of the value
3 of such collateral, as determined in accordance with Section 506(a) of the Bankruptcy Code, or, in
4 the event that such Claim is subject to setoff under Section 553 of the Bankruptcy Code, to the
5 extent of such setoff.

6 **59. Surplus**

7 The term "Surplus" means the Cash in the Estates after Distributions have been made on
8 account of Allowed Claims, other than Cash in the Disputed Claims Reserve Account.

9 **60. Unclaimed Distributions**

10 The term "Unclaimed Distributions" means any distribution to a Creditor made pursuant to
11 the Plan, but which is unclaimed, including distributions which have been returned as undeliverable
12 without a proper forwarding address, or which were not mailed or delivered because of the absence
13 of a proper address for such Creditor.

14 **61. Unimpaired**

15 The term "Unimpaired" means with reference to a Class of Claims or Interests, that the
16 Class is not Impaired. An Unimpaired Class is not entitled to vote on the Plan.

17 **62. Unsecured Claim**

18 The term "Unsecured Claim" means any Claim that is not an Administrative Claim, Priority
19 Claim, Tax Claim, or Secured Claim.

20 **63. U.S. Trustee**

21 The term "U.S. Trustee" means the Office of the United States Trustee for the Central
22 District of California.

23 **64. Wilshire Bundy Property**

24 The term "Wilshire Bundy Property" means that certain property located at Wilshire Bundy
25 Plaza, 12121 Wilshire Boulevard, Los Angeles, California including the fee and ground leasehold
26 interest, and all improvements thereon.

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1 **B. RULES OF INTERPRETATION & COMPUTATION OF TIME**

2 **1. Defined Terms**

3 Any term used in the Plan that is not defined in the Plan, either in Article II, Section A.
4 (*Definitions*) or elsewhere, but that is used in the Bankruptcy Code, the Bankruptcy Rules or the
5 Local Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code, the
6 Bankruptcy Rules or the Local Bankruptcy Rules, as the case may be.

7 **2. Rules of Interpretation**

8 For purposes of the Plan: (a) whenever it appears appropriate from the context, each term,
9 whether stated in the singular or the plural, shall include both the singular and the plural; (b) any
10 contract, instrument, release or other agreement or document entered into by a Debtor in
11 connection with the Plan which refers to "being in a particular form" or "on particular terms and
12 conditions" means that such document shall be substantially in such form or substantially on such
13 terms and conditions; provided, however, that any change to such form, terms, or conditions which
14 is material to a party to such document shall not be made without such party's consent or an order
15 of the Court; (c) any reference in the Plan to an existing document or exhibit Filed or to be Filed
16 means such document or exhibit, as it may have been or (to the extent otherwise permitted,
17 hereafter) may be amended, modified or supplemented from time to time; (d) unless otherwise
18 specified in a particular reference, all references in the Plan to paragraphs, Articles and Exhibits are
19 references to paragraphs, Articles and Exhibits of or to the Plan; (e) the words "herein," "hereof,"
20 "hereto," "hereunder" and others of similar import refer to the Plan in its entirety rather than to
21 only a particular portion of the Plan; (f) captions and headings to Articles and paragraphs are
22 inserted for convenience of reference only and are not intended to be a part of or to affect the
23 interpretations of the Plan; (g) the rules of construction set forth in Section 102 of the Bankruptcy
24 Code shall apply; and (h) all exhibits to the Plan are incorporated into the Plan, and shall be
25 deemed to be included in the Plan, provided that they are Filed no later than the commencement of
26 the Confirmation Hearing.

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1 3. Time Periods

2 In computing any period of time prescribed or allowed by the Plan, the provisions of
3 Bankruptcy Rule 9006(a) shall apply.

4

5 III.

6 PRE-PETITION FACTUAL BACKGROUND

7 A. Description of the Debtors' Businesses

8 The Debtors are three of eight limited liability companies each of which owned an interest
9 in the Wilshire Bundy Property. Situated on the northwest corner of Wilshire Boulevard and
10 Bundy Drive in the Brentwood District of Los Angeles, the Wilshire Bundy Property comprises
11 approximately 1.02 acres of land and a Class A 14 story office building with more than 307,000
12 square feet of office space.

13 The fee interest in one of the parcels constituting the land portion of the Wilshire Bundy
14 Property was owned by three limited liability companies as tenants in common: Bundy Dimies,
15 LLC, which owns a 67% interest in the land; Bunherst, LLC, which owns an 18% interest; and
16 Tribun, LLC, which owns a 15% interest (collectively, the "Land Owners"). The Land Owners
17 leased this portion of the land, pursuant to a ground lease, to five limited liability companies that
18 owned the improvements and the fee interest in the remaining parcels of the property's land
19 portion: Civic Palm, LLC, which owned a 17.3% interest in the improvements; Mission Real,
20 which owned a 52% interest; Wilbun 7, LLC, which owned a 14.7% interest; Wilshire Bundy
21 Holdings, LLC, which owned a 15% interest; and Bunwil Capital, LLC, which owned a 1%
22 interest (collectively, the "Building Owners," together with the Land Owners, the "Property
23 Owners"). The Property was managed by Pentaco Management, Inc. ("Pentaco"). Mission Real,
24 Bunwil and the other Building Owners were collectively responsible for the building's operations.
25 The only assets of the TIC Debtors are their respective interests in the Wilshire Bundy Property and
26 inter-company accounts receivables.

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1 **B. Principals/Affiliates of the Debtors**

2 Ezri Namvar (“Namvar”)¹ owns a 91.5% membership interest in Mission Real and his
3 brother, Tony Namvar, owns 7.5%. Mission Real Manager, LLC owns a 1% membership interest
4 in and is the managing member of Mission Real. R. Todd Neilson is the successor member and
5 manager of Mission Real Manager, LLC. Namvar owns a 50% membership interest in Dimes,
6 LLC (“Dimes”), which owns a 100% interest in WN Birdview LLC, which is the sole member of
7 Bunwil. Louis A. Cicalese, LLC is the manager of Bunwil. Dimes is the sole member of Bundy.
8 Louis A. Cicalese, LLC is the manager of Bundy. The Interests of the Interest Holders are subject
9 to assignments and charging liens, some of which are potentially avoidable by the Namvar estate
10 and Dimes, as explained in Article V, Section D-8, below.

11 **C. Claims Against the Debtors**

12 The Debtors are three of over 100 limited liability companies (collectively the “LLCs”)
13 directly or indirectly owned by Namvar, Namvar’s family members, and/or related LLCs. Most or
14 all of the LLCs each own, either directly or through other entities, interests in one or more parcels
15 of real property.

16 The Debtors’ creditors primarily consist of disputed litigation claims related to the Wilshire
17 Bundy Property in which one or more of the TIC Debtors were named as cross-defendants along
18 with other LLCs in actions commenced in the Superior Court for the County of Los Angeles, inter-
19 company loans from other LLCs; and claims based upon security deposits from tenants of the
20 Wilshire Bundy Property.² In addition, Homayoun (“Tony”) Namvar has filed a claim against
21 Mission in the amount of \$9,546,616.67 for indemnity and contribution associated with several
22 lawsuits in which Tony is a defendant and/or judgment debtor (in which Mission is/was not a
23
24

25 ¹ On December 22, 2008, petitioning creditors of Namvar filed an involuntary petition for relief under chapter 11 of
26 the Code. Namvar consented to the entry of the order for relief on or about January 29, 2009, and the order for
27 relief was entered. On March 11, 2009, the Court entered an order approving the employment of R. Todd Neilson,
as Chapter 11 Trustee of Namvar.

28 ² The claims based upon security deposits have been assumed by the Buyer of the Wilshire Bundy Property and as
such are not included in the Liquidation Analysis attached hereto, marked as Exhibit “A”.

1 party). Mission disputes Tony's Claim and shall file, *inter alia*, an objection to the Claim and a
2 motion to estimate the claim as zero for purposes of establishing a Disputed Claims Reserve.

3 In addition, there are administrative claims (other than professional claims) stemming from
4 post-petition loans connected to the Wilshire Bundy Property from certain related entities, which
5 transactions were approved by orders of this Court. The Debtors do not believe that any general
6 unsecured claims exist against them from investors or creditors of Namvar or other LLCs, other
7 than those litigation claims generally described herein.

8 **D. Lawsuits**

9 The Debtors are parties to lawsuits as follows:

10 1. Homayoun "Tony" Namvar, et. al., v. Paul Daneshrad, et., al., Superior Court for
11 the State of California, Los Angeles Division, Case No. BC410017. The Debtors are cross-
12 defendants in cross-complaints filed by Robert Hanasab, Safco Holding Corp., Starpoint Properties,
13 LLC, : Boyle Avenue, LLC; Brickwalk, LLC; and Rolling Hills Capital, LLC ("Cross-Plaintiffs").
14 The cross-complaints seek the imposition and foreclosure of a \$5 million purchaser's lien on the
15 Wilshire Bundy Property against the Debtors and other interest holders in the Wilshire Bundy
16 Property. Cross-Complainants' disputed secured claim is treated in Class 1 of the Plan.

17 2. Mission Real Associates, LLC v. Boyle Avenue, LLC, et. al., Adv. Proc .No. 2:10-
18 ap-03411-BR. On December 22, 2010, the Debtors filed a Complaint: (1) to Avoid and Recover
19 Fraudulent Transfers; (2) for Conspiracy to Commit Fraudulent Transfers; (3) for Turnover; (4) for
20 Unjust Enrichment; (5) for Imposition of Constructive Trust; (6) for Avoidance of Statutory Lien;
21 and (7) re Objection to Claim against Cross Complainants above.³ Among other things, the
22 Debtors seek to avoid the purchaser's lien against the Wilshire Bundy Property (identified in
23 section 1 above).

24 3. Varastehpour v. Civic Palm, LLC, Adv. Proc. No. 2:10-ap-01714-BR. This case
25 was removed from the Superior Court for the State of California, Los Angeles Division, Case No.
26 BC 410781. Mission and Bundy are among the defendants in this action, in which Varastehpour

27 ³ Identical complaints were filed in each of the Debtors' bankruptcy cases.
28

1 seeks a judgment for damages in the amount of \$350,000 based upon a loan to Namco and an
2 alleged oral promise by Ezri Namvar to provide plaintiff with a trust deed on the property owned
3 by defendants, including Mission, in respect of that loan to Namco. Plaintiff filed a *lis pendens*
4 against the Wilshire Bundy Property which was expunged by the Superior Court on or about April
5 9, 2010, prior to the removal to the bankruptcy court. The Bankruptcy Court granted limited
6 remand to allow Plaintiff to file a Petition for a Writ of Mandate with respect to expunge of the *lis*
7 *pendens*, which Petition was subsequently denied. It is anticipated that prior to the hearing on this
8 Disclosure Statement, Mission and Bundy will file complaints to avoid and recover as fraudulent
9 conveyances any alleged liens asserted by Varastehpour against the Wilshire Bundy Property or its
10 proceeds. Varastehpour's Disputed Secured Claim is treated in Class 2 of the Plan.

11 4. Mission Real Associates, LLC v. Mousa Namvar, Adv. Proc. No. 2:10-ap-03424-
12 BR. Mousa Namvar filed a claim in the Mission case on December 1, 2010, asserting a combined
13 18% interest in the Wilshire Bundy Proceeds pursuant to an alleged understanding between Mousa
14 Namvar and Ezri Namvar recited in a certain letter from Mousa Namvar to Civic Palm, LLC and
15 Mission dated October 31, 2008, and representations in various other records (the "Wilshire Bundy
16 Transfers and Obligations"). Mission filed a complaint on December 22, 2010, to avoid and
17 recover the Wilshire Bundy Transfers and Obligations, if any, and for other affirmative relief
18 associated therewith, including declaratory relief that Mousa Namvar holds no interest in the
19 Wilshire Bundy Proceeds and an objection to the claim filed by Mousa in the Mission case. In
20 addition to the aforementioned adversary proceeding and objection to claim, Mission shall file a
21 motion to estimate the claim as zero for purposes of establishing a Disputed Claims Reserve.
22 Mousa Namvar's Disputed Claim is otherwise being treated in Class 3 of the Plan.

23 5. Mission Real Associates, LLC, Bunwil Capital, LLC and Bundy Dimes, LLC v.
24 Lurie and Park, LLP, Iran Moosiki, Inc., Elena Rad and Robert Rad, Adv. Proc. No. 2:10-ap-
25 03429-BR.

26 On December 22, 2010, the Debtors filed a Complaint against the above-referenced
27 defendants: (1) For Discharge of Attachment Lien; (2) Wrongful Attachment;(3) Trespass; (4)
28 Conversion; (5) Abuse of Process-Improper Attachment; (6) Intentional Interference With

1 Contractual Relationship; (7) Intentional Interference With Prospective Economic Advantage; (8)
2 Negligent Interference With Contractual Relationship; (9) Negligent Interference With Prospective
3 Economic Advantage; and (10) Negligence.⁴ The Debtors assert damages against the defendants
4 for abuse of process in relation to a wrongful attachment against the Wilshire Bundy Property in a
5 lawsuit filed by them against Trifish, LLC (“Trifish”), which attachment was subsequently vacated
6 on the basis that Trifish held no interest in the Wilshire Bundy Property. To the extent that any
7 recovery is received by the Debtors on account of these affirmative claims, said recovery will be
8 distributed along with other assets of the estate in accordance with the Plan.

9 **E. Events Leading to Chapter 11 Filing**

10 On March 18, 2010, R. Todd Neilson, in his capacity as Chapter 11 Trustee for Namvar (the
11 “Namvar Trustee”), filed his Motion for an Order (A) Approving Sale Procedures and Bid
12 Protections, Including Break-Up Fee and Contingent Expense Reimbursement, In Connection With
13 the Sale of the Land and Building Located at Wilshire Bundy Plaza; (B) Scheduling an Auction and
14 a Hearing to Consider Approval of Sale; (C) Approving Notice of Auction and Hearing on
15 Approval of Sale; (D) Approving the Purchase and Sale Agreement With the Stalking Horse
16 Bidder; (E) Approving the Procedures for the Assumption and Assignment of Leases and
17 Contracts; and (F) Granting Related Relief filed in the Namvar Case (the “Sale Procedures
18 Motion”). The Sale Procedures Motion sought to set procedures for an auction of the Wilshire
19 Bundy Property subject to Bankruptcy Court approval, free and clear of all liens, claims and
20 interests with the same to attach to the net sale proceeds with the same force and effect.

21 The Debtors filed the Bankruptcy Cases as a result of the shortfall in income generated by
22 the Wilshire Bundy Property to pay taxes and other expenses to which the Debtors are liable, in an
23 effort to maximize the value of the Debtors’ sole asset, their interests in the Wilshire Bundy
24 Property, for the benefit of the Estates and their creditors, and in order to protect the equity in their
25 interests in the Wilshire Bundy Property from claims of Disputed Creditors that asserted rights to
26

27

⁴ Identical complaints were filed in each of the Debtors’ Cases.
28

1 foreclose equitable liens on the Wilshire Bundy Property, to attach the rents from the Wilshire
2 Bundy Property, and to assert other liens and interests in the Wilshire Bundy Property.

3 **F. Significant Events Subsequent to Bankruptcy Filing**

4 On April 1, 2010, the Debtor Mission Real filed a Complaint against Civic Palm, LLC,
5 Wilbun 7, LLC, Wilshire Bundy Holdings, LLC, and Bunwil Capital, LLC for an order authorizing
6 the Debtor to sell both the interest of the estate and co-owners in the Wilshire Bundy Property
7 pursuant to Section 363(h) of the Bankruptcy Code. The filing of the complaint initiated Adversary
8 Proceeding No. 10-ap-01637-BR (the “363(h) Action”).

9 On April 6, 2010, the Court entered an Order granting the Sale Procedures Motion. On or
10 about April 8, 2010, the Namvar Trustee and the Debtors filed a Joint Motion for an Order (A)
11 Approving the Sale of the Land and Building Located at Wilshire Bundy Plaza Free and Clear of
12 Certain Liens, Claims, Interests, and Encumbrances; (B) Authorizing Distribution of the Sale
13 Proceeds to the Trustee; (C) Authorizing the Trustee to Pay Certain Costs of Sale and Commission;
14 (D) Authorizing the Assumption and Assignment of Contracts and Leases; and (E) Granting
15 Related Relief (the “Sale Motion”). An auction was held on May 11, 2010, upon which the
16 winning bidder was DEI X Partnership REIT, LP at the sale price of \$111,000,000.

17 A hearing was conducted on May 12, 2010 at 10:00 a.m. on the Sale Motion. Concurrently
18 therewith, a hearing was held on the Debtor’s Motion for Summary Judgment on the 363(h) Action
19 (the “Summary Judgment Motion”). The Court initially denied the Summary Judgment Motion,
20 but subsequently set a trial date of August 23, 2010 at 10:00 a.m. on the 363(h) Action along with
21 related deadlines and continued the hearing on the Sale Motion to that date. At the trial, the Court
22 ruled in favor of Bundy and Mission Real and against the defendants. On September 1, 2010, the
23 Court entered judgment authorizing Bundy and Mission Real to sell both the interests of the
24 Debtors’ estates and of defendants. An order approving the sale was entered on September 21,
25 2010. The sale closed on or about October 28, 2010. The sale proceeds have not yet been
26 distributed among the Property Owners. The Debtors are preparing motions to distribute the
27 proceeds among the respective entities pursuant to an accounting, which the Debtors anticipate
28 being filed and resolved prior to the Confirmation Hearing.

1 **G. Employment of Professionals**

2 On or about June 1, 2010, the Court entered an Order authorizing the employment of
3 Danning, Gill, Diamond & Kollitz, LLP as general bankruptcy counsel to the Debtors. On or about
4 October 27, 2010, the Court entered an Order authorizing the employment of Pachulski Stang Ziehl
5 & Jones, LLP as Special Counsel pursuant to 11 U.S.C. § 327(e).

6

7 **IV.**

8 **SUMMARY OF THE PLAN OF REORGANIZATION**

9 As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various
10 Classes according to their right to priority. In addition, the Plan also sets forth how each Class of
11 Claims and Interests will be treated thereunder, and whether or not this treatment results in a Class
12 of Claims or Interests being “Impaired” or “Unimpaired”. This latter distinction is of critical
13 importance because only Impaired Classes of Claims are entitled to vote on the Plan. Since this
14 subject area is already addressed in detail in the Plan, it will only be summarized in this Disclosure
15 Statement. Each claimant should carefully read the entirety of the Plan to obtain an understanding
16 of how his or her Claim is classified and treated.

17

18 **V.**

19 **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

20 **A. General Overview**

21 As required by the Bankruptcy Code, the Plan classifies claims and interests in various
22 classes according to their right to priority of payments as provided in the Bankruptcy Code. The
23 Plan states whether each class of claims or interests is impaired or unimpaired. The Plan provides
24 the treatment each class will receive under the Plan.

25 **B. Unclassified Claims**

26 Certain types of claims are not placed into voting classes; instead they are unclassified.
27 They are not considered impaired and do not vote on the Plan because they are automatically
28 entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Plan

1 Proponents have not placed the following claims in a class. The treatment of these claims is
2 provided below.

3 **1. Administrative Claims**

4 All requests for payment of Administrative Claims, except for the Claims of Professionals,
5 must be filed with the Bankruptcy Court and served on the Debtors' Counsel and the U.S. Trustee
6 on or before sixty (60) days after the Effective Date. Any Person who fails to file a request for
7 payment of an Administrative Expense Claim in accordance with the Plan shall be forever barred
8 from asserting such Claim against the Debtors or the Estates and shall receive no Distribution
9 under the Plan.

10 The following chart lists the Debtors' § 507(a)(1) administrative claims and their treatment
11 under this Plan.

| <u>Name</u> | <u>Estimated Amount Owed</u> | <u>Treatment</u> |
|--|------------------------------|--|
| Danning, Gill, Diamond & Kollitz, LLP (Debtors' Bankruptcy Counsel) | \$250,000 | Allowed amounts will be paid in full after the Court enters an order authorizing payment of fees and costs. Allowed amounts will be paid as soon as practicable the later of: (i) the Effective Date; or (ii) the date of entry of the Order allowing such fees and costs; or (iii) such date as the Debtors and the claimant might otherwise agree. |
| Pachulski Stang Ziehl & Jones LLP (Debtors' Special Litigation Counsel) | \$350,000 | Allowed amounts will be paid in full after the Court enters an order authorizing payment of fees and costs. Allowed amounts will be paid as soon as practicable the later of: (i) the Effective Date; or (ii) the date of entry of the Order allowing such fees and costs; or (iii) such date as the Debtors and the claimant might otherwise agree. |
| Reserve for additional professional fees through Effective Date | \$200,000 | Allowed amounts will be paid in full after the Court enters an order authorizing payment of fees and costs. Allowed amounts will be paid as soon as practicable the later of: (i) the Effective Date; or (ii) the date of entry of the Order allowing such fees and costs; or (iii) such date as the Debtors and the claimant might otherwise agree. |
| U.S. Trustee Fees | \$Unknown | Paid in full on Effective Date |
| Clerk's Office Fees | \$Unknown | Paid in full on Effective Date |

| | | |
|---|--------------|-----------|
| 1 | TOTAL | \$800,000 |
|---|--------------|-----------|

2
3 The Court must approve all professional fees listed in this chart. For all fees except Clerk's
4 Office fees and U.S. Trustee's fees, the Professional in question must file and serve a properly
5 noticed fee application and the Court must rule on the application prior to allowance or payment.
6 Only the amount of fees allowed by the Court will be required to be paid under this Plan.

7 **2. Post-Confirmation U.S. Trustee Fees**

8 Pursuant to 28 U.S.C. § 1930(a)(6), quarterly fees to the U.S. Trustee will continue to be
9 due until the Chapter 11 Cases are closed, dismissed or converted to Chapter 7, at the rate in effect
10 at the time such fees are due.

11 **3. Ordinary Course Liabilities**

12 Holders of administrative claims based on liabilities incurred in the ordinary course of the
13 Debtors' activities/businesses shall not be required to file any request for payment of such claims.
14 Such administrative claims shall be paid by the Debtors in the ordinary course of business pursuant
15 to the terms and conditions of the particular transactions giving rise to such administrative claims,
16 without any further action by the holders of such claims. Any dispute with respect to ordinary
17 course liabilities shall be submitted to the Bankruptcy Court for resolution unless resolved by
18 agreement of the parties.

19 **4. Priority Tax Claims**

20 Priority tax claims are certain unsecured income, employment and other taxes described by
21 Code Section 507(a)(8). The Code requires that each holder of such a 507(a)(8) Priority Tax Claim
22 receive the present value of such claim in deferred cash payments, over a period not exceeding six
23 years from the date of the assessment of such tax.

24 As set forth below, each entity holding an allowed claim entitled to priority under Section
25 507(a)(8) shall receive deferred cash payments equal to the allowed amount of such claim.

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1 The following chart lists all of the Debtors' Section 507(a)(8) priority tax claims⁵ and their
2 treatment under this Plan.

| <u>Description</u> | <u>Amount Owed</u> | <u>Treatment</u> |
|---|--------------------|--|
| <ul style="list-style-type: none">• Name = Internal Revenue Service• Type of Tax = income tax• Date tax assessed = | Unknown | <ul style="list-style-type: none">• Pymt interval = n/a• Pymt amt = \$• Begin Date = Effective Date• End Date = Effective Date• Interest rate = 0%• Total payout = 100%• Treatment of Lien = Unimpaired |
| <ul style="list-style-type: none">• Name = State of California Franchise Tax Broad• Type of Tax = Income Tax• Date tax assessed = | \$13,175.77 | <ul style="list-style-type: none">• Pymt interval = N/A• Pymt amt = \$13,175.77• Begin Date = Effective Date• End Date = Effective Date• Interest rate = 0%• Total payout = 100%• Treatment of Lien = Unimpaired |

17 C. Classified Claims and Interests

18 1. Classes of Secured Claims

19 The following chart lists all classes containing Debtors' Secured Claims and their treatment
20 under this Plan:

27 ⁵ These amounts exclude penalties assessed on pre-petition taxes owed, which are subordinate pursuant to
11 U.S.C. § 507(a)(8)(G).

| <u>Class#</u> | <u>Description</u> | <u>Insiders</u> (Y/N) | <u>Impaired</u> | <u>Treatment</u> |
|---------------|--|--------------------------|---|---|
| 1 | <p><u>Disputed Secured Claims of:</u></p> <ul style="list-style-type: none"> Names: Boyle Avenue, LLC; Brickwalk, LLC; Robert Hanasab; Rolling Hills Capital, LLC; Safeco Holding Corp., Starpoint Properties, LLC Collateral description: Alleged equitable lien on Wilshire Bundy Property Scheduled Value of Collateral = \$99,500,000 Priority of security interest = unknown Principal owed = n/a Disputed Secured Claim as of Petition Date = \$5,000,000 (Claimants allege joint and several liability) | N | Unimpaired; Claims in this Class are not entitled to vote on Plan; Class is deemed to have accepted the Plan. | Debtors shall reserve an amount sufficient to pay this Disputed Secured Claim in full, plus interest. Claim shall be paid upon entry of a Final Order determining the validity of the lien and the underlying claim, if any, in full satisfaction, settlement, release, discharge of, and in exchange for such Allowed Claim. |
| 2 | <p>Disputed Secured Claim of:</p> <ul style="list-style-type: none"> Name: Khalil Varastehpour Collateral description: Alleged constructive trust or equitable lien on Wilshire Bundy Property Scheduled Value of Collateral = \$99,500,000 Priority of security interest = unknown Principal owed = n/a Disputed Secured Claim as of Petition Date = \$350,000 | N | Unimpaired; Claims in this Class are not entitled to vote on Plan; Class is deemed to have accepted the Plan. | Debtors shall reserve an amount sufficient to pay Disputed Secured Claim in full, plus interest. Claim shall be paid upon entry of a Final Order determining the validity of the lien and the underlying claim, if any, in full satisfaction, settlement, release, discharge of, and in exchange for such Allowed Claim |

2. Class of General Unsecured Claims

The following chart identifies this Plan's treatment of the class containing all of Debtors' general unsecured claims:

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| <u>Class#</u> | <u>Description</u> | <u>Impaired</u> (Y/N) | <u>Treatment</u> |
|---------------|--------------------------|---|---|
| 3 | General Unsecured Claims | Unimpaired; Claims in this Class are not entitled to vote on Plan; Class is deemed to have accepted the Plan. | Each holder of an Allowed Class 3 Claim shall receive from the Reorganized Debtor, in full satisfaction, settlement, release, discharge of, and in exchange for such Allowed Claim, Cash equal to the amount of such Allowed Claim, plus interest at the Federal Judgment Rate, on, or as soon as reasonably practicable after, the latest of (a) the Effective Date, or (b) the date after such Claim becomes an Allowed Claim |

3. Class of Interest Holders

The following chart identifies this Plan's treatment of the Class of Interest Holders:

| <u>Class#</u> | <u>Description</u> | <u>Impaired</u> (Y/N) | <u>Treatment</u> |
|---------------|---|---|--|
| 4A | <u>Mission</u> : Namvar Trustee (91.5%); Tony Namvar (7.5%); Mission Real Manager, LLC (1%) | Impaired; Interests in this Class are entitled to vote on Plan. | The Disbursing Agent shall distribute the Mission Surplus to Interest Holders in accordance with their respective interests and as provided in Sections III(D)(7) and (D)(8) below. The Disbursing Agent shall reserve distributions on account of Competing Equity Claims pending further Court Order, and following entry of a Final Order or Orders, will distribute said Interests in accordance therewith and as provided in Article III, Sections (D)(7) and (D)(8) below. |
| 4B | <u>Bundy</u> : 100% owned by Dimes | Impaired; Interests in this Class are entitled to vote on Plan. | The Disbursing Agent shall distribute the Bundy Surplus to Interest Holders in accordance with their respective interests and as provided in Sections III(D)(7) and (D)(8) below. The Disbursing Agent shall reserve distributions on account of Competing Equity Claims pending further Court Order, and following entry of a Final Order or Orders, will distribute said Interests in accordance therewith and as provided in Article III, Sections (D)(7) and (D)(8) below. |
| 4C | <u>Bunwil</u> : 100% owned by WN Birdview, LLC | Impaired; Interests in this Class are entitled to vote on Plan. | The Disbursing Agent shall distribute the Bunwil Surplus to Interest Holder in accordance with its interest and as provided in Sections III(D)(7) and (D)(8) below. The Disbursing Agent shall reserve distributions on account of Competing Equity Claims pending further Court Order, and following entry of a Final Order or Orders, will distribute said Interest in accordance therewith and as provided in Article |

1 III, Sections (D)(7) and (D)(8) below.

2 **D. Means of Performing the Plan**

3 **1. Funding for the Plan**

4 The Plan will be funded by: (a) Proceeds from the sale of the Wilshire Bundy Property; (b)
5 Cash on hand in the Estates as of the Effective Date of the Plan; and (c) from the liquidation of any
6 non-Cash Property of the Estate not abandoned pursuant to Article IV, Section F of the Plan.

7 **2. Post-Confirmation Management**

8 R. Todd Neilson will continue to manage Mission post-confirmation. Louis A. Cicalese,
9 LLC will continue to manage Bunwil and Bundy post-confirmation.

10 **3. Disbursing Agent**

11 R. Todd Neilson shall be the Disbursing Agent for the Debtors for the purpose of making
12 distributions to Creditors under the Plan. The Disbursing Agent shall serve without bond and shall
13 receive reasonable compensation and reasonable out-of-pocket expenses for distribution services
14 rendered pursuant to the Plan.

15 **4. Claims/Interests**

16 Notwithstanding any other provisions of this Plan, Distribution(s) shall not be made under
17 this Plan on account of any Disputed Claim or Disputed Interest until the Claim or Interest is
18 allowed by a Final Order, but appropriate reserves shall be established into which the objectionable
19 claimant's dividend shall be deposited. The amount to be so deposited shall be the full amount
20 claimed unless the Bankruptcy Court fixes some other amount on notice to the affected party[ies].

21 **5. Objections to Claims and/or Interests**

22 The Reorganized Debtors shall review all Claims and Interests filed or deemed filed, and
23 may object to or seek a subordination of any Claims and/or Interests filed or scheduled herein. All
24 objections to claims shall be filed with the Bankruptcy Court and served on all parties entitled to
25 service thereof no later than 180 days after the Effective Date, except as such time period may be
26 extended by agreement between the Debtors and the claimant, or by order of the Bankruptcy Court.

1 If a creditor or interest holder desires to object to or seek subordination of any Claim or
2 Interest, the creditor or interest holder shall first make written demand that the Reorganized
3 Debtors object, and, if the Reorganized Debtors decline to object, or if they fail to agree to object
4 within 30 days of the demand upon it, the creditor or interest holder may object to or seek
5 subordination of any Claim or Interest.

6 **6. Claims Bar Date and Disallowance of Late-Filed Claims**

7 The Court established a Claims Bar Date of December 1, 2010 for filing proofs of claim on
8 account of pre-petition Claims and Administrative Claims, other than with regard to Administrative
9 Claims of professionals. Any Claim (other than Administrative Claims of professionals) filed after
10 the Claims Bar Date of December 1, 2010 shall be Disallowed and the Holder of such a Disallowed
11 Claim shall not receive any distributions on account of such Disallowed Claim.

12 **7. Disputed Claims Reserve**

13 On the Effective Date, the Disbursing Agent shall deposit into the Disputed Claims Reserve
14 Account Distributions for any Disputed Claims based on the assumption that all such disputed
15 items will be allowed in full, unless the Bankruptcy Court orders that a smaller reserve is sufficient.
16 If the Court so orders, any Claimant whose Claim is so estimated shall have recourse only to the
17 reserve established by the Bankruptcy Court for such Claimant's Disputed Claim, and not to the
18 Reorganized Debtor, the Estate, the Disbursing Agent, or any Person receiving property or
19 Distributions under the Plan, even if the Allowed Claim of such Claimant exceeds the maximum
20 estimation of such claim. Thus, the Bankruptcy Court's estimation of a Disputed Claim will limit
21 the Distribution to be made thereon, regardless of the amount finally allowed on account of such
22 claim. All interest, dividends, and profits earned in the Disputed Claims Reserve Account shall be
23 property of the Estate and shall accrue for the benefit of the Estate, and no Holder of any Claim or
24 any Disputed Claim shall have any rights in such interest, dividends, or profits, except as provided
25 in the Plan.

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1 8. Distribution of Surplus

2 Debtors shall make Distributions of Surplus on the Effective Date to the following Interest
3 Holders which Interests are not subject to Competing Equity Claims: Namvar Trustee (50.5% of
4 Mission) and Mission Real Manager, LLC (1% of Mission).

5 The following Interests are each the subject of Competing Equity Claims of Tony Namvar
6 (7.5% of Mission), W.N. Birdview (100% of Bunwil), Namvar Trustee (41% of Mission) and
7 Dimes, LLC (100% of Bundy):

8 a. Competing Equity Claims against Tony Namvar

9 The Debtors are informed that Tony Namvar pledged his Interest in Mission to Starpoint
10 Properties, LLC, Robert Hansab, Rolling Hills Capital, LLC, Brickwalk, LLC, Safco Holding
11 Corporation, and Boyle Avenue, LLC, pursuant to a certain Security and Pledge Agreement dated
12 October 31, 2008:

13 Debtors have also received a demand from Nader & Sons and Sisko Enterprises that any
14 Distribution on Tony Namvar's Interest be paid directly to them, pursuant to a Notice of Ruling
15 entered on September 13, 2010 in the case of Nader & Sons, LLC and Sisko Enterprises, LLC v.
16 Homayoun Namvar a/k/a Tony Namvar, Superior Court of the State of California for the County
17 of Los Angeles, Case No. SS 018783 (the "Nader/Sisko Charging Order"). Debtors take no
18 position as to the relative priority of these competing claims to Tony Namvar's Interest in Mission.

19 b. Competing Equity Claims against Ezri Namvar

20 The Debtors are informed that Ezri Namvar pledged percentages of his Interest in Mission
21 as follows (collectively, the "Ezri Namvar Pledges"):

22 (i) David York was assigned a 16% interest in Mission as security in
23 respect of a promissory note from Namco in the principal amount of \$3,000,000;

24 (ii) Brickwalk, LLC was assigned a 12.5% interest in Mission as security
25 in respect of a promissory note from Namco Financial Exchange, LLC in the principal amount of
26 \$1,500,000; and

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