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11 **UNITED STATES BANKRUPTCY COURT**  
12 **CENTRAL DISTRICT OF CALIFORNIA**  
13 **LOS ANGELES DIVISION**

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14 In re:

15 SHALAN ENTERPRISES, LLC  
Substantially consolidated with  
16 Alan Rapoport,

17 Debtor

- 18  This pleading affect Shalan only  
19  This pleading affect Rapoport only  
20  This pleading affects both Shalan  
and Rapoport

Case Nos. 2:09-bk-43263-PC  
2:09-bk-43499-PC

Chapter 11

DATE:  
TIME:  
COURTROOM:

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21 **CREDITOR PERRY AND RITA KLEINS'**  
22 **PROPOSED PLAN OF REORGANIZATION**

23 Creditor, PERRY AND RITA KLEIN (hereinafter, "Klein") are referred to as the Plan  
24 Proponents (hereinafter also known as "Proponents"), by and through its counsel, David J.  
25 Winterton, Esq., of the law firm of DAVID J. WINTERTON & ASSOCIATES, LTD, and Leslie  
26 Cohen, Esq. of the law firm of LESLIE COHEN LAW hereby presents this Plan of Reorganization  
27 (hereinafter "Plan") to all of the known creditors of debtor pursuant to 11 U.S.C. § 1125 of the United  
28 States Bankruptcy Code. The debtor in this case is SHALAN ENTERPRISES, LLC Case No.

1 2:09-bk-43263-SB which has been substantially consolidated with ALAN RAPOPORT in Case No.  
2 2:09-bk-43499-SB the debtor (collectively will be known as the “Debtor”). The purpose of this Plan  
3 of Reorganization (“Plan”) under Chapter 11 of the Bankruptcy Code is to resolve the claims of their  
4 creditors and interest holders. The Proponent makes reference to a Disclosure Statement that  
5 accompanies the Plan which contains the Debtor’s history, business, property, financial information,  
6 a summary of the Plan and related matters.

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1 **ARTICLE I.**

2 **DEFINITIONS**

3 A. SCOPE OF DEFINITIONS. For purposes of this Plan, all capitalized terms and  
4 otherwise defined terms shall have the meanings assigned to them in this Article I. Whenever the  
5 context requires, such terms shall include the plural number as well as the singular number and  
6 the female and/or masculine gender as well as the neuters. Sections 60 through 61 of this Article  
7 I, which are not capitalized terms in alphabetical order, provide for: (i) the incorporation of  
8 defined terms from the Bankruptcy Code or the Bankruptcy Rules; and (ii) the incorporation of  
9 all definitions as substantive provisions of this Plan.

10 1. "ADMINISTRATIVE CLAIM" means every Claim which is alleged to be  
11 entitled to allowance under Section 503(b) of the Bankruptcy Code or otherwise alleged to be  
12 entitled to priority pursuant to Section 507(a)(2) of the Bankruptcy Code. Such Claims will  
13 include, but are not limited to, the following: (a) any actual, necessary expense of preserving the  
14 Estate; (b) any amount required to be paid under Section 365(b) of the Bankruptcy Code in  
15 connection with the curing of defaults under executory contracts or unexpired leases; (c) all  
16 allowances, including professional fees and costs, which the Bankruptcy Court is requested to  
17 approve for professionals employed by the Debtor; (d) any and all other allowances of fees and  
18 costs, including professional fees and costs, which the Bankruptcy Court is requested to approve  
19 under Section 503(b) of the Bankruptcy Code; (e) all fees payable pursuant to Section 1930 of  
20 Title 28 of the United States Code, as determined by the Bankruptcy Court at a hearing pursuant  
21 to Section 1128 of the Bankruptcy Code;

22 2. "ALLOWED ADMINISTRATIVE CLAIM" means an Administrative  
23 Claim (a) as to which no objection has been filed or, if an objection has been filed, it has been  
24 resolved by the allowance of such Administrative Claim by an order of the Bankruptcy Court  
25 which has not been stayed, modified or vacated; (b) which requires payment in the ordinary  
26 course of business of the Debtor and as to which there is no order of the Bankruptcy Court in  
27



1 effect which prohibits any such payment; or (c) which requires payment pursuant to an order of  
2 the Bankruptcy Court which is not stayed, modified, or vacated.

3 3. "ALLOWED CLAIM" means a Claim, other than an Administrative  
4 Claim, which was listed in the Schedules and filed with the Bankruptcy Court by the Debtor and  
5 not listed as a disputed, contingent or unliquidated as to amount of the Claim or a Proof of Claim  
6 which was filed with the Bankruptcy Court that was (a) timely filed pursuant to an order of the  
7 Bankruptcy Court;( b) deemed filed under Section 1111(a) of the Bankruptcy Code; or (c) late  
8 filed with leave of the Bankruptcy Court; or without objection by the Debtor, or another party in  
9 interest within a time fixed by the Bankruptcy Court for objecting to each late filing; and if an  
10 objection has been filed it was filed within a time fixed by the Bankruptcy Court or this Plan; (d)  
11 the Claim is allowed by a Final Order; or (e) the Claim is allowed under this Plan.

12 4. "ALLOWED INTEREST" means any Interest of an individual Debtor or  
13 Membership Interest of Shalan Enterprises, LLC to which no objection to allowance thereof has  
14 been filed within any applicable time for objections or, if an objection has been filed, the Interest  
15 has been allowed by a Final Order.

16 5. "ALLOWED PRIORITY DEPOSIT CLAIM" means a Priority Claim  
17 which is an Allowed Claim pursuant to Sections 507(a)(7) of the Bankruptcy Code.

18 6. "ALLOWED SECURED CLAIM" means a Secured Claim which is an  
19 Allowed Claim secured by a lien, security interest or other charge against the property in which  
20 the estate has an interest, or which is subject to set-off under Section 553 of the Bankruptcy  
21 Code, to the extent of the value, determined in accordance with Section 506(a) of the Bankruptcy  
22 Code, of the interest of the holder of such Secured Claim in the state's interest in such property,  
23 or to the extent of the amount subject to any set-off, as the case may be. An Allowed Secured  
24 Claim may include post-petition interest if permitted under Section 506 (b) of the Bankruptcy  
25 Code. An Allowed Secured Claims may provide for the payment of attorneys fees and costs as  
26 provided by 11 U.S.C. Section 506.

1 7. "ALLOWED PRIORITY TAX CLAIM" means a Priority Claim which is  
2 an Allowed Claim pursuant to Sections 507(a)(8) of the Bankruptcy Code.

3 8. "ALLOWED UNSECURED CLAIM" means an Unsecured Claim which  
4 is an Allowed Claim.

5 9. "ASSUMPTION LIST" means a list of leases or executory contracts to be  
6 assumed under the plan as provided under 11 U.S.C. Section 365 and as provided under Article  
7 V of this Plan.

8 10. "AVOIDANCE ACTION" means any adversary proceeding brought to  
9 seek the recovery of money or property on account of transactions avoidable under Section  
10 544,547,548, 549, 550, 551, and/or under any other applicable state law, and/or any other  
11 applicable section of the Bankruptcy Code.

12 11. "BALLOT" means the Ballot for accepting or rejecting this Plan in a form  
13 approved by the Bankruptcy Court.

14 12. "BANKRUPTCY CODE" means Title 11 of the United States Code,  
15 including any amendments thereto, which is in effect before and as of the Confirmation Date, and  
16 thereafter during this Reorganization Case to the extent that it is consistent with the vested rights  
17 under this Plan and the Confirmation Date.

18 13. "BANKRUPTCY COURT" means the United States Bankruptcy Court for  
19 the Central District of California, Los Angeles Division, or any successor thereto which may be  
20 established by an act of Congress, or otherwise, and which has competent jurisdiction over the  
21 Reorganization Case, the Estate, and this Plan.

22 14. "BANKRUPTCY RULES" means the Federal Rules of Bankruptcy  
23 Procedure, as amended, promulgated under 28 U.S.C. § 2075 and the Local Bankruptcy Rules,  
24 including any amendments thereto, which are in effect before and as of the Confirmation Date,  
25 and thereafter during the Reorganization Case to the extent that they are consistent with the rights  
26 under this Plan and the Confirmation Order.

1 15. "BUSINESS DAY" means any day except Saturday, Sunday, or legal  
2 holiday as defined in Bankruptcy Rule 9006(a).

3 16. "BAR DATE" means the date set by the Bankruptcy Court to file proof of  
4 claims, which was March 31, 2010.

5 17. "CASE" the within Chapter 11 proceeding, known as ALAN  
6 RAPOPORT in Case No. 2:09-bk-43499-SB which as been substantially consolidated with the  
7 debtor SHALAN ENTERPRISES, LLC Case No. 2:09-bk-43263-SB pending before the United  
8 States Bankruptcy Court, Central District of California, Los Angeles Division.

9 18. "CLAIM" any right to payment, whether or not such right is reduced to  
10 judgment, liquidated, unliquidated, fixed contingent, matured, unmatured, disputed, legal,  
11 equitable, secured or unsecured; or a right to an equitable remedy for breach of performance if  
12 such breach gives right to a right to payment, whether or not such right is an equitable remedy or  
13 is reduced judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed,  
14 undisputed, secured or unsecured.

15 19. "CLAIMANT" means the holder of an Allowed Claim or an Allowed  
16 Administrative Claim.

17 20. "CLASS" means each of the categories of Allowed Claims and Allowed  
18 Interests described in Article III and IV of this Plan as required under Section 1122 of the  
19 Bankruptcy Code.

20 21. "CONFIRMATION" means the date the court orally confirms the Plan.

21 22. "CONFIRMATION DATE" means the date on which the Confirmation  
22 Order is entered on the Bankruptcy Court's docket.

23 23. "CONFIRMATION OF PLAN" means the day that the Court, in open  
24 court or gives a ruling, that states that the Plan has been confirmed

25 24. "CONFIRMATION ORDER" means the order of the Bankruptcy Court  
26 confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

1 25. "CREDITOR" means any Person which asserts a Claim.

2 26. "DEBTOR AND DEBTOR-IN-POSSESSION" means ALAN  
3 RAPOPORT in Case No. 2:09-bk-43499-SB which as been substantially consolidated with the  
4 debtor SHALAN ENTERPRISES, LLC Case No. 2:09-bk-43263-SB in all its/his capacities,  
5 including its capacities as the debtor in the Reorganization Case.

6 27. "DEBTOR'S PROFESSIONALS" means professionals retained by the  
7 Debtor with the approval of the Bankruptcy Court in accordance with Section 327 of the  
8 Bankruptcy Code.

9 28. "DEFICIENCY CLAIM" means the unsecured portion of a Allowed  
10 Secured Claim as determined by Section 506 of the Bankruptcy Code.

11 29. "DISALLOWED CLAIM" means every Claim which is not an Allowed  
12 Claim or an Allowed Administrative Claim or an Allowed Priority Tax Claim or an Allowed  
13 Priority Deposit Claim that is not allowed under the United States Bankruptcy Code such as a  
14 Disputed Claim in the Schedules of the Debtor and the Creditor fails to file a proof of claim, or  
15 an order entered by the United States Bankruptcy Code that does not allow the Claim.

16 30. "DISCLOSURE STATEMENT" means the disclosure statement with  
17 respect to the Plan without limitations, all exhibits and schedules to such disclosure statement, in  
18 the form approved by the Bankruptcy Court under Section 1125 of the Bankruptcy Code and  
19 3017 of the Bankruptcy Rules.

20 31. "DISPOSABLE INCOME" is the current monthly income received by the  
21 Debtor less amounts reasonably necessary to be expended for maintenance or support of the  
22 Debtor or a dependant of the Debtor.

23 32. "DISPUTED CLAIM" means every Claim which is not an Allowed Claim  
24 or an Allowed Administrative Claim or to which a Person in good faith intends to object or to  
25 seek to subordinate before the deadline for taking such action set forth in the Plan or in an order  
26 of the Bankruptcy Court.

1 33. "EFFECTIVE DATE" means date the Plan becomes effective which is  
2 Thirty (30) days after the Confirmation Date or a date extended by the Bankruptcy Court.

3 34. "ESTATE" means the estate created in this Reorganization Case pursuant  
4 to Section 541 and Section 1115 of the Bankruptcy Code.

5 35. "ESTATE ASSETS" means all assets and property of every kind, nature  
6 and description in which the Debtor or its Estate has any right, title or interest under Section 541  
7 and Section 1115 of the Bankruptcy Code that including, but not limited to: all cash, cash  
8 equivalent, bank deposits, instruments, credit instruments, certificates of deposits and sight  
9 drafts, earnings from services performed before and after the commencement of the case, all  
10 executory contracts and leases which are not and have not been rejected, personal property, real  
11 property, all trademarks, tradenames, service marks, displays, symbols, color arrangements,  
12 designs and logos.

13 36. "EXEMPT ASSETS" means Debtor's assets that were exempted pursuant  
14 to Nevada law on the Confirmation Date, subject to objections by any party in interest.

15 37. "EXPIRATION DATE" means the last date determined by the Bankruptcy  
16 Court for the casting of Ballot which date shall be acceptable to the Proponent.

17 38. "FINAL DECREE" means the Final Decree is when the Bankruptcy Court  
18 grants a discharge on completion of all payments under the Plan and the Bankruptcy Court enters  
19 an order which results in the closing of the case

20 39. "FINAL ORDER" means an order, judgment or other decree which has not  
21 been vacated, reversed, stayed, modified or amended and: (a) as to which any appeal or certiorari  
22 proceeding which has been or may be prosecuted has been finally decided, or (b) as to which the  
23 time for such an appeal or certiorari proceeding has expired and as to which no appeal or petition  
24 for certiorari is pending. Notwithstanding the foregoing, the Proponents will have the right, but  
25 not the obligation, to waive any requirement of a Final Order or to treat the requirement as being  
26 satisfied where the subject Order, judgment, or other decree is not stayed and performance

1 thereof will moot any appeal or certiorari proceeding.

2 40. “IMPAIRED” means, when used with reference to a Claim or Interest, that  
3 is impaired within the meaning of Section 1124 of the Bankruptcy Code.

4 41. “INTEREST” means the interest of any Person that holds membership  
5 interest or Alan Rapoport in the Debtor, or any of them.

6 42. “NON EXEMPT ASSETS” means Debtor’s assets that are not exempt  
7 pursuant to Nevada law including property to which the Bankruptcy Court has or will sustain an  
8 objection.

9 43. “ORDER” an order or Judgment of the Bankruptcy Court as entered by  
10 the Clerk of the Court on the docket in this Case.

11 44. “PERSON” any natural person, corporation, general partnership, limited  
12 partnership association, joint stock company, joint venture, estate, trust, government or any  
13 political subdivision thereof, governmental entity (as defined in the Bankruptcy Code), official  
14 committee appointed by the United States Trustee or other legal entity.

15 45. “PETITION DATE” means November 25, 2009, the date on which Shalan  
16 Enterprises LLC filed a petition for relief under chapter 11 of the Bankruptcy Code which was  
17 filed by the Debtor commencing this Reorganization Case.

18 46. “PLAN” means the Plan of Reorganization in the form filed by the  
19 Proponents and any amendments or modifications thereof or supplements thereto filed by the  
20 Proponents and allowed by the Bankruptcy Code and the Bankruptcy Rules.

21 47. “PLAN ADMINISTRATOR” means the Person or any successor, so  
22 designate by the Kleins and any successor thereto designated as provided in this Plan and  
23 approved by the Bankruptcy Court.

24 48. “PRIORITY CLAIMS” means a Claim, other than an Administrative  
25 Claim or Priority Tax Claim or Priority Deposit Claim, entitled to priority under Sections 507(a)  
26 of the Bankruptcy Code.

1 49. "PRIORITY TAX CLAIM" means a Claim that is entitled to priority in  
2 payment under section 507(a)(8) of the Code.

3 50. "PRIORITY DEPOSIT CLAIM" means any Claim against the Debtor  
4 entitled to priority in payment under Section 507(a)(7).

5 51. "PROPOSERS" means Perry and Rita Klein as the proponents of this  
6 Plan.

7 52. "PRO RATA SHARE" means the proportion that an Allowed Claim in a  
8 particular Class bears to the aggregate amount of all Allowed Claims in such Class.

9 53. "REORGANIZATION CASE" means the Debtor cases under Chapter 11  
10 of the Bankruptcy Code which is currently pending before the Bankruptcy Court as Case No.  
11 2:09-bk-43263-SB which as been substantially consolidated with Case No. 2:09-bk-43499-SB.

12 54. "SCHEDULES" means the Schedules of Assets and Liabilities, as  
13 modified or amended from time to time, filed with the Bankruptcy Court by the Debtors or Plan  
14 Administrator in accordance with Sections 521 of the Code and Bankruptcy Rule 1007.

15 55. "SECURED CLAIM" means a Claim secured by a Lien which is valid,  
16 perfected, enforceable and not avoidable.

17 56. "STATUTORY FEE" means those fees and charges assessed pursuant to  
18 Chapter 123 of title 28, of the United States Code, payable to the OUST.

19 57. "UNCLASSIFIED CLAIM" means any Claim which is not part of any  
20 Class.

21 58. "UNIMPAIRED" means, when used with reference to a Claim or Interest,  
22 a Claim or Interest that is not Impaired within the meaning of section 1124 of the Bankruptcy  
23 Code.

24 59. "UNSECURED CLAIM" means any Claim which is not a Secured Claim,  
25 a Priority Claim, an Administrative Claim, or an Unclassified Claim having priority and required  
26 to be treated as provided in Sections 507(a)(8) and 1129(a)(9)(C) of the Bankruptcy Code.

1 Allowed Unsecured Claims shall include but not be limited to all Claims arising under 502(g) of  
2 the Bankruptcy Code, Claim for goods and/or services provided to the Debtor before the Petition  
3 Date, Claims for breach of contract or rejection of executory contracts and unexpired leases  
4 (within the meaning of Section 365 of the Bankruptcy Code), Claims for damages, and  
5 Deficiency Claims.

6 60. "OTHER DEFINITIONS" A term used in this Plan that is not defined in  
7 this Plan, but is defined in the Bankruptcy Code or the Bankruptcy Rules, will have the meaning  
8 ascribed thereto in the Bankruptcy Code or Bankruptcy Rules.

9 61. "INCORPORATION OF DEFINITIONS" All of the definitions stated  
10 through this Article I, Section (A) 1 through 60, and all definitions incorporated from the  
11 Bankruptcy Code or the Bankruptcy Rules pursuant to Section 61, including, but not limited to,  
12 substantive provisions stated throughout any and all such definitions, are incorporated by  
13 reference as substantive provisions of this Plan.

14  
15 **ARTICLE II.**

16 **ADMINISTRATIVE AND PRIORITY CLAIMS**

17 **A. General Overview**

18 As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various  
19 classes according to their right to priority of payment as provided in the Bankruptcy Code. The  
20 Plan states whether each Class of Claims or Interests are Impaired or Unimpaired. The Plan  
21 provides the treatment each Class will receive under the Plan.

22 **B. Unclassified Claims**

23 Certain types of Claims are not placed into voting Classes; instead they are Unclassified  
24 Claims. They are not considered Impaired and they do not vote on the Plan because they are  
25 automatically entitled to specific treatment as provided in the Bankruptcy Code. As such, the  
26 Proponents have not placed the following Claims in a Class. The treatment of these Claims are



1 provided below.

2 **1. Administrative Expenses**

3 Administrative expenses are Claims for costs or expenses of administering the Debtors'  
4 Chapter 11 cases which are allowed under Section 507(2) of the Bankruptcy Code. The  
5 Bankruptcy Code requires that all Administrative Claims be paid on the Effective Date or when it  
6 is an Allowed Administrative Claim unless a particular Claimant agrees to a different treatment.  
7 The following chart lists the estimated Administrative Claims and their treatment.

8

NAME	AMOUNT OWED	TREATMENT
9 US Trustee Fees	\$0.00	Paid in full on the Effective Date
10 Jeffer, Mangels, Butler & Marmaro LLP	\$100,000.00 Est.	Paid in full on the Effective Date or approval of court
11 Greenburg & Bass	\$50,000.00 Est.	Paid in full on the Effective Date or approval of court
12 Lesile Cohen Law and David J. Winterton & Associates	\$100,000.00 Est.	Paid in full on the Effective Date or approval of court
13 Orange County Treasurer	\$5,123.00	Paid in full on the Effective Date

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17 Subject to the Bankruptcy Court's power to authorize or order earlier payment of Allowed  
18 Administrative Claims and Allowed Claims under Section 507(a), (including, but not limited to,  
19 allowances of professional fees and costs and fees relating to the assumption and rejection of  
20 leases), each Allowed Administrative Claim will receive cash in the amount of such Claim paid  
21 on: (a) the Effective Date; (b) the first Business Day following the date on which it becomes an  
22 Allowed Administrative Claim; (c) if incurred in the ordinary course of business, the date on  
23 which payment is due in accordance with the terms applicable thereto; (d) under such terms as  
24 the parties may agree upon for payment or (e) as allowed under Section 507 (a) (8) of the  
25 Bankruptcy Code. The Court must approve all professional fees and expenses listed in this chart  
26 before they may be paid. For all professional fees and expenses except fees owing to the Office  
27 of the United States Trustee (also known as "OUST"), the professional in question must file and

1 serve a properly noticed fee application and the Court must rule on the reasonableness of the fees  
2 and costs in the fee application. Only the amount of the fees and expenses allowed by the Court  
3 will be required to be paid under the Plan. The Administrative Claim amounts set forth above  
4 simply represent the Proponents best estimates as to the amount of Allowed Administrative  
5 Claims in these consolidated cases. The actual Administrative Claims may be higher or lower.  
6 Much of the actual Administrative Claims described above for professionals will be dependent  
7 upon whether the Debtor and Proponents are required to engage in substantial litigation regarding  
8 the confirmation of the Plan and/or objecting to Claims. By voting to accept the Plan, Creditors  
9 are not acknowledging the validity of, or consenting to the amount of, any of these  
10 Administrative Claims, and Creditors are not waiving any of their rights to object to the  
11 allowance of any of these Administrative Claims. Similarly, professionals who have been  
12 employed in this case are not being deemed to have agreed that the figures contained herein  
13 represent any ceiling on the amount of fees and expenses that they have incurred or are entitled to  
14 seek to be paid pursuant to Court Order as such fees and expenses are just estimates provided at  
15 the time of the preparation of this Plan.

16 A government unit is not required to file a request for the payment for amounts due under  
17 §§ 503(b)(1)(B)(i) and 503(b)(1)(C) and will be allowed administrative priority under § 507(a)(8)  
18 only to the extent that such Claims are for— a property tax incurred before the commencement of  
19 the case and last payable without penalty after one year before the date of the filing of the  
20 petition.

21 To the extent Allowed Administrative Claims are allowed by the Bankruptcy Court  
22 prior to the Plan's Effective Date, such Allowed Administrative Claims may be paid by the  
23 Debtor. To the extent the Administrative Claims are allowed after the Plan's Effective Date, such  
24 Allowed Administrative Claims will be paid by as set forth in this Plan.

25 All requests for payment of Administrative Claims and final applications for allowance  
26 and disbursement of professional fees must be filed on or before thirty (30) days after the  
27

1 Effective Date, unless another date is set by the Court.

2 **2. Priority Deposit Claim**

3 Priority Deposit Claims are certain Claims arising from individuals placing a deposit with  
4 the Debtor before the commencement of the case, to the extend of \$2,425.00, and that was used  
5 in connection with the purchase, lease or rental of property or the purchase of services, for the  
6 personal family, or household use of such individuals. Section 507(a)(7) provides the full  
7 description of Priority Deposit Claims. The following chart lists the estimated Priority Deposit  
8 Claims and their treatment.

9

Tenant Name	Priority Amount Owed	Treatment
Deanna & Tony Cobb (Shalan Proof of Claim #2 )	\$2,425.00	The amount entitled to priority will be paid in full pursuant to the lease.
Saul Olivas & Yvette Espadas (Shalan Proof of Claim #8)	\$1,625.00	The amount entitled to priority will be paid in full pursuant to the lease.
Travis Troyer (Rapoport Proof of Claim #26)	\$2,425.00	The amount entitled to priority will be paid in full pursuant to the lease.

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16 The Claims for the deposits are not due until each respective lease expires or is terminated. As  
17 set forth in detail below, the Plan in this case calls for the appointment of a Plan Administrator  
18 to liquidate the Debtor. Each Allowed Priority Deposit Claim will be paid by the Plan  
19 Administrator on the latter of: i) thirty(30) days after the date on which the lease is terminated; ii)  
20 thirty days after the date which the lease expires.

21 **3. Priority Tax Claims**

22 Priority Tax Claims are certain unsecured taxes, fines, penalty as described in § 507(a)(8)  
23 The Plan Administrator shall pay any outstanding taxes on the Effective Date if the Debtor has  
24 not already paid the taxes. The following chart lists the estimated Priority Tax Claims and their  
25 treatment.

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Description	Amount Owed	Treatment
LA County Treasurer (Rapoport Proof of Claim #19)	\$7143.79 <sup>1</sup>	Paid in full by Effective Date if not already paid

The taxes should be kept current. If there are any additional taxes that need to be paid after Confirmation, the payments will be made from rental proceeds or in full upon sale of the real property. If it is not a Allowed Priority Tax Claim and it is an Allowed Secured Claim, then it will be paid upon the sale of the property. If it is not a Priority Tax Claim or Allowed Secured Claim and it is unsecured, then it will be paid with the unsecured creditors.

**4. Payment of Statutory Fees**

To the extent unpaid, on the Effective Date, the Plan Administrator shall pay any then-outstanding Statutory Fees in cash, in full. From and after the Effective Date, the Plan Administrator shall pay, in cash, all Statutory Fees as and when they are due.

**ARTICLE III.**

**CLASSIFICATION OF CLAIMS AND INTERESTS**

**A. Manner of Classification of Claims and Interests.**

All Claims and Interests (except, in accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims) are defined and hereinafter designated in respective Classes. The Plan is intended to deal with all Claims against Debtors and Interests of the Debtors. However, only Allowed Claims will receive any distribution under this Plan. Notwithstanding references to Allowed Claims in the Classes established by the following Sections of this Article III, the Claims sought to be classified and treated, in the various Classes, may not currently be Allowed Claims, and may be Disputed Claims. The Proponent reserves all rights in this regard.

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<sup>1</sup> It is believed Debtor paid these taxes in full as indicated in the Rapoport December 2009, operating report filed on February 16, 2010.

1 Any Class which is not occupied, as of the hearing on the Confirmation Date of the Plan,  
2 by an Allowed Claim or a Claim temporarily allowed pursuant to Bankruptcy Rule 3018 will be  
3 deemed deleted from the Plan for purposes of the voting on acceptance or rejection of the Plan.

4 **B. Classification**

5 Claims and Interests are divided into the following Classes:

- 6 1. *Class 1* will consist of all Allowed Secured Claims of **First Bank**.
- 7 2. *Class 2* will consist of all Allowed Secured Claims of **Perry & Rita**  
8 **Klein**.
- 9 3. *Class 3* will consist of all Allowed Secured Claims for non-priority taxes  
10 of the **County Treasurer in Orange County, California**.
- 11 4. *Class 4* will consist of all Allowed Secured Claims for non-priority taxes  
12 of **Clark County Treasurer in Clark County, Nevada**.
- 13 5. *Class 5* will consist of all of the Allowed Secured Claims of **Sylvia Lissat**.
- 14
- 15 6. *Class 6* will consist of all of the Allowed Secured Claims of **The Bank of**  
16 **New York Mellon fka The Bank of New York as Liquidating Trust for the Certificated**  
17  **Holders CWALT, Inc. Alternative Loan Trust 2006-45T1**.
- 18 7. *Class 7* will consist of all of the Allowed Secured Claims of **The Bank of**  
19 **New York Mellon Trust Company, N.A. f/jk/a the Bank of New York Trust Company, N.A.**  
20 **as Trustee for Chase Flex Trust Series 2007-1**.
- 21 8. *Class 8* will consist of all of the Allowed Secured Claims of **Chase Home**  
22 **Finance LLC**.
- 23 9. *Class 9* will consists of all of the Allowed Secured Claims of **Citi**  
24 **Mortgage Inc**.
- 25 10. *Class 10* will consist of all Allowed Secured Claims of **GMAC**  
26 **Mortgage LLC**.

1 11. **Class 11** will consist of all Allowed Secured Claims of **Wells Fargo N.A.**

2 12. **Class 12** will consist of all of the Allowed Secured Claims of **US Bank**  
3 **National Association, as Trustee for UFMBS 2003-01.**

4 13. **Class 13** will consist of all of the Allowed Secured Claims of **US National**  
5 **Bank National Association, as Trustee, successor in interest to Wachovia Bank N.A. as**  
6 **Trustee, for DMFC 2003-S7**

7 14. **Class 14** will consist of all of the Allowed Secured Claims of **Bank of**  
8 **America.**

9 15. **Class 15** will consist of all of the Allowed Secured Claims of **First**  
10 **Horizon Bank.**

11 16. **Class 16** of **BAC Home Loans Servicing, LP fka Country wide Home**  
12 **Loans Servicing, LP fka Countrywide Home Loans Inc.**

13 17. **Class 17** will consist of the **Allowed Unsecured Claims.**

14 18. **Class 18** will consist of all **Interests of the Debtors.**

15 **ARTICLE IV.**

16 **CLASSIFIED CLAIMS AND INTERESTS**

17 **A. Treatment of Classified Claims and Interests**

18 **Class 1** of First Bank is Impaired under the Plan. **Class 1** consists of all of the Allowed  
19 Secured Claims of First Bank and shall be paid in full. First Bank alleges a total Claim in the  
20 amount of \$1,680,494.04 (See Proof of Claim #20). First Bank alleges that they have a Secured  
21 Claim against the following eight (8) properties:

22

Property Address
30729 Mainmast Dr. Agoura Hills, CA, 91301
5354 Captains Place, Agoura Hills, CA, 91301
5676 Slicers Circle, Agoura Hills, CA, 91301
5322 Lake Crest Dr., Agoura Hills, CA, 91301
30657 Passage Way, Agoura Hills, CA, 91301

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1 5883 Cape Horn Dr., Agoura Hills, CA, 91301

2 5827 Cape Horn Dr., Agoura Hills, CA, 91301

3 5837 Lake Lindero Dr., Agoura Hills, CA, 91301

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5 The entire amount allegedly due to First Bank is allegedly cross-collateralized against the  
6 aforementioned eight (8) properties and at the time of the Petition Date the obligation had  
7 matured. First Bank will retain the liens securing its claim. The Plan Administrator of the Estate  
8 will commence liquidation of the above properties. During the course of the liquidation the Plan  
9 Administrator will have the authority and powers to manage and sell the above Properties  
10 consistent with Article VI and VII. The Plan Administrator shall have the power to collect rents  
11 from the above properties and use the proceeds for the benefit of the Estate. Upon the sale of  
12 each property described above, the Plan Administrator shall pay customary closings costs,  
13 property taxes, escrow fees, realtor fees, and then disburse the proceeds of each property to First  
14 Bank until First Bank's obligation has been satisfied in full.

15 The Allowed Secured Claimant will be paid in accordance with the terms and conditions  
16 of this Plan and as allowed by the United States Bankruptcy Code. The Claimant will receive on  
17 account of such Claim deferred cash payments totaling at least the allowed amount of such  
18 Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's  
19 interest in the estate's interest in such property and for the realization by such holder of the  
20 indubitable equivalent of such Claim.

21 If at any time there is no equity in the properties in which the Class 1 Claimant has an  
22 interest and it is not beneficial to the bankruptcy estate, the Plan Administrator may allow the  
23 Class 1 Claimant to foreclose on the property and the Class 1 Claimant will be credited the Fair  
24 Market Value of the property to its Claim. Any Deficiency Claim will be determined as provided  
25 in Article V.

26 First Bank filed identical proof of claims in the Rapoport and Shalan Enterprises  
27 Bankruptcy. First Bank will only be allowed one Claim in this Case because the Debtors have

1 been substantially consolidated.

2 *Class 2* of Perry and Rita Klein is Impaired under the Plan. Class 2 consists of all of the  
3 Allowed Secured Claims of Perry & Rita Klein. Kleins alleges a total Claim in the amount of  
4 \$9,715,869.11. (See Rapoport Proof of Claim No. 23). The Kleins allege that they are Secured  
5 Claim in the amount of \$4,290,869.11 in the following properties.

Property Address
166 Walter Ave., Thousand Oaks, CA
27312 Pinevete, Mission Viejo, CA
5645 Slicers Cir., Agoura Hills, CA
21981 Sundowners Ln., Lake Forest, CA
552 Highview St., Thousand Oaks, CA
2 Rue Allard, Henderson, NV
5834 Cape Horn Dr., Agoura Hills, CA <sup>2</sup>

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14 On the Petition Date, the liquidated portion of Kleins Claim was \$4,289,700.96 with  
15 current statutory interest at the rate of 5.25%. The remaining portion of the Claim is being  
16 liquidated in Eighth Judicial District Court, Clark County, Nevada. The obligation to the Kleins  
17 is collateralized against all seven (7) properties and at the time of the Petition Date the  
18 \$4,289,700.96 had matured. Klein will retain the liens securing its claim. The Plan Administrator  
19 of the estate will commence liquidation of the above properties. During the course of the  
20 liquidation the Plan Administrator will have the authority and powers to manage and sell the  
21 above Properties consistent with Article VI and VII. The Plan Administrator shall have the

22 \_\_\_\_\_  
23 <sup>2</sup> When Kleins received the security interest Rapoport and Shalan Enterprises agreed to  
24 provided a property with no second mortgage. Rapoport/Shalan counsel provided the address of  
25 5834 Cape Horn Dr., Agoura Hills, CA for the preparation of the Deed of Trust and Order. It is  
26 believed Rapoport/Shalan counsel provided the incorrect address and the securiry should have  
27 been 5823 Cape Horn Dr., Agoura Hills, CA, otherwise Rapoport/Shalan are required by order of  
the Nevada Court to provide 5834 Cape Horn Dr., Agoura Hills, CA without First Bank's lien on  
the Property. This can be rectified by liquidating 5834 Cape Horn Dr. last in the process of the  
First Bank property liquidation.



1 power to collect rents from the above properties and use the proceeds for the benefit of the  
2 Estate, subject to cash collateral ordered to be paid to the Kleins. Upon the sale of each property  
3 described above, the Plan Administrator shall pay customary closings costs, property taxes,  
4 escrow fees, realtor fees, and then disburse the proceeds of each property to Kleins until Kleins  
5 secured obligation has been satisfied in full. The Kleins may be entitled to payment under 11  
6 U.S.C. 506(b). As the properties are sold the Allowed Claim will be reduced by the amount paid  
7 to the Kleins and any unpaid portion of the Allowed Claim after the properties are sold shall be  
8 treated as part of Class 17.

9 Kleins filed identical proof of claims in the Rapoport and Shalan Enterprises Bankruptcy.  
10 Kleins will only be allowed one Claim in this Case because the Debtors have been substantially  
11 consolidated.

12 The Kleins will be paid in accordance with the terms and conditions of this Plan and as  
13 allowed by the United States Bankruptcy Code. The Claimant will receive on account of such  
14 Claim deferred cash payments totaling at least the allowed amount of such Claim, of a value, as  
15 of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's  
16 interest in such property and for the realization by such holder of the indubitable equivalent of  
17 such Claim.

18 **Class 3** of Orange County Treasurer is Impaired under the Plan. Class 3 consists of all  
19 of the Allowed Secured Claims for non-priority taxes of the County Treasurer in Orange County,  
20 California Following is a chart identifying the Claims in this Class and their treatment:

21

NAME	AMOUNT OWED	TREATMENT
22 Orange County, California 23 Treasurer (See Shalan Proof 24 of Claim #5)	\$2,511.77 <sup>3</sup>	Paid upon the Sale of the Property in which they have a Allowed Secured Claim

25  
26 <sup>3</sup> It is believed Debtor paid these taxes in full as indicated in this Shalan December 2009  
27 operating report filed on February 10, 2010.

1 If the Allowed Secured Claim is a Claim that is not classified as an Allowed Priority Tax  
2 Claim under 507(8) of the Bankruptcy Code, then the Allowed Secured Claim will be paid by the  
3 Plan Administrator. Upon the sale of each property in Orange County, the Plan Administrator  
4 shall pay the property taxes. If there is a remaining Allowed Unsecured Claim then it will be part  
5 of Class 17.

6 **Class 4** of Clark County Treasurer is Impaired under the Plan. Class 4 consists of all of  
7 the Allowed Secured Claims for non-priority taxes of the Clark County Treasurer Following is a  
8 chart identifying the Claims in this class and their treatment:

9 NAME	AMOUNT OWED	TREATMENT
10 Clark County Treasurer (See 11 Rapoport Proof of Claim 12 #29)	\$16,723.88	Paid upon the Sale of the Property in which they have a Allowed Secured Claim

13  
14 If the Allowed Secured Claim is a Claim that is not classified as an Allowed Priority Tax  
15 Claim under 507(8) of the Bankruptcy Code, then the Allowed Secured Claim will be paid by the  
16 Plan Administrator. Upon the sale of the property in Clark County, the Plan Administrator shall  
17 pay the property taxes associated with each property. If there is a remaining Allowed Unsecured  
18 portion of the Claim will be part of Class 17.

19 **Class 5** is Impaired under the Plan Class 5 shall consist of all of the Allowed Secured  
20 Claim of Sylvia Lissat. Sylvia Lissat shall retain her secured interest in the properties in Los  
21 Angeles County. The Claimant alleges a total Claim in the amount of \$150,292.84 (See Proof  
22 of Claim #27) Class 5 Claimant filed one secured proof of claim. Following is a chart  
23 summarizing the Claim:

24 Creditor	Address of Property	Secured Claim
25 Sylvia Lissat	Properties in Los Angeles County	\$150,292.84

26 Sylvia Lissat will be paid in full upon the liquidation of properties that her judgment has  
27

1 attached to in Los Angeles County. In the event there are insufficient proceeds from the sale of  
2 the property in Los Angeles County then the remaining portion of the Claim will be paid in Class  
3 17.

4 **Class 6** is Impaired under the Plan. Class 6 shall consist of all of the Allowed Secured  
5 Claims of The Bank of New York Mellon FKA The Bank of New Your as Plan Administrator  
6 for the Certificated holders CWALT, Inc. Alternative Loan Trust 2006-45T1, Mortgage Pass-  
7 Through Certificates, Series 2006-45T1 The Claimant alleges a total Claim in the amount of  
8 \$517,564.72 (See Proof of Claim #22) Class 6 Claimant filed one (1) secured proof of claim.

9 Following is a chart summarizing the Claim:

Creditor	Address of Property	Secured Claim
The Bank of New York Mellon FKA The Bank of New Your as Trustee for the Certificated holders CWALT, Inc. Alternative Loan Trust 2006-45T1, Mortgage Pass-Through Certificates, Series 2006-45T1 (Rapoport Proof of Claim #22).	2777 Paradise Road, #2105 Las Vegas, Nevada 89019	\$517,564.72

16  
17 Class 6 Claimant has an interest in property that is not beneficial to the bankruptcy estate,  
18 and will be allowed to foreclose on the property. Class 6 Claimant will be credited the Fair  
19 Market Value of the property to its Claim. Any Deficiency Claim will be determined as provided  
20 in Article V.

21 **Class 7** is Impaired under the Plan. Class 7 shall consist of all of the Allowed Secured  
22 Claims of The Bank of New York Mellon Trust Company, N.A. f/k/a The Bank of New York  
23 Trust Company, N.A. as trustee for Chase Flex Trust Series 2007-1. Class 7 Claimant filed one  
24 secured proof of claim alleging a total Claim in the amount of \$431,018.58. (Rapoport Proof of  
25 Claim #1). Following is a chart summarizing the Claim:

Creditor	Address of Property	Secured Claim
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1 2 3 4 5 The Bank of New Your Mellon Trust Company, N.A. f/k/a The Bank of New York Trust Company, N.A. as trustee for Chase Flex Trust Series 2007-1. (Rapoport Proof of Claim #1).	135 E. Harmon Ave., #1501, Las Vegas, Nevada	\$431,018.58
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6 Class 7 Claimant has an interest in property that is not beneficial to the bankruptcy estate, and  
7 will be allowed to foreclose on the property. Class 7 Claimant will be credited the Fair Market  
8 Value of the property to its Claim. Any deficiency will be determined as provided in Article V.

9 **Class 8** of Chase Home Finance LLC, is Impaired under the Plan. Chase Home Finance  
10 LLC filed one secured proof of claims and Debtor scheduled one additional secured debt  
11 allegedly belonging to Chase Home Finance LLC. Each holder of an Allowed Secured Claim in  
12 this Class shall be considered to be in its own separate sub-class within Class 8, and each such  
13 sub-class shall be deemed to be a separate Class for the purpose of this Plan. Though each of  
14 these sub-classes are held by the same Creditor; Class 8 shall not be merged, but each Claim in  
15 Class 8 shall maintain its separate identify and be treated and paid as a separate and distinct Class  
16 of Claims under the Plan. Class 8.1 is impaired and Class 8.2 is unimpaired. Following is a chart  
17 summarizing the Claims:

18 Creditor	19 Sub-class No.	Address of Property	Secured Claim
20 Chase Home Finance LLC (See Proof of Claim #13).	8.1	404 East 76 Street Unites 2-I and 2-J, New York, New York, 10021	\$493,733.14
22 Chase Home Finance LLC	8.2	135 E. Harmon #1503, Las Vegas, Nevada 89109	\$457,619.56

24 8.1 404 East 76 Street Unites 2-I and 2-J, New York, New York, 10021

25 The interest in 404 East 76 Street Unites 2-I and 2-J, New York, New York, 10021 is  
26 beneficial to the Estate and payments are current. Class 8.1 will retain its lien securing its Claim.

1 The Plan Administrator of the Estate will commence liquidation of 404 East 76 Street Unites 2-I  
2 and 2-J, New York, New York, 10021 in a manner beneficial to the Estate. Until 404 East 76  
3 Street Unites 2-I and 2-J, New York, New York, 10021 are liquidated, the Plan Administrator  
4 will continue to make the monthly payments on these properties from: the rent collected; the  
5 Disposable Income of the Debtor under §1129(a)(15); and any liquidated non-exempt assets of  
6 the Debtor. During the course of the liquidation the Plan Administrator will have the authority  
7 and powers to manage and sell 404 East 76 Street Unites 2-I and 2-J, New York, New York,  
8 10021 consistent with Article VI and VII. Upon the sale of 404 East 76 Street Unites 2-I and 2-  
9 J, New York, New York, 10021, the Plan Administrator shall pay customary closings costs,  
10 property taxes, escrow fees, realtor fees, and then disburse the proceeds of each property to Chase  
11 Home Finance LLC until the obligation has been satisfied in full. Any equity obtained from the  
12 sale of the properties will be used for the benefit of the other classes.

13 If at any time there is no equity in the property in which the Class 8.1 Claimant has an  
14 interest and it is not beneficial to the bankruptcy estate, the Plan Administrator may allow the  
15 Class 8.1 Claimant to foreclose on the property and be credited the Fair Market Value of the  
16 property to the Claim. Any Deficiency Claim will be determined as provided in Article V.

17 Chase Home Finance LLC will receive on account of such Claim cash payments totaling  
18 at least the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at  
19 least the value of such holder's interest in the estate's interest in such property and for the  
20 realization by such holder of the indubitable equivalent of such Claim.

21 8.2 135 E. Harmon #1503, Las Vegas, Nevada 89109

22 Class 8.2 Claimant has an interest in property that is not beneficial to the bankruptcy  
23 estate, and will be allowed to foreclose on the property. Class 8.2 Claimant will be credited the  
24 Fair Market Value of the property to its Claim. Any deficiency will be determined as provided in  
25 Article V.

26 **Class 9** of Citimortgage is Impaired under the Plan. CitiMortgage Inc. filed two  
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1 secured proof of claims. Each holder of an Allowed Secured Claim in this Class shall be  
2 considered to be in its own separate sub-class within Class 9, and each such sub-class shall be  
3 deemed to be a separate Class for the purpose of this Plan. Though each of these sub-classes are  
4 held by the same Creditor; Class 9 shall not be merged, but each Claim in Class 9 shall maintain  
5 its separate identify and be treated and paid as a separate and distinct Class of Claims under the  
6 Plan. Following is a chart summarizing the Claims:

Creditor	Sub-Class No.	Asset	Secured Claim
CitiMortgage Inc. (Rapoport Proof of Claim #21).	9.1	2139 N. Creek Vista Dr., Tucson, AZ 85749	\$50,237.59
CitiMortgage Inc. (Rapoport Proof of Claim #6).	9.2	2 Rue Allard, Henderson, Nevada	\$1,434,598.38

13 9.1. 2139 N. Creek Vista Dr., Tucson, AZ 85749

14 The monthly obligations on the above Secured Claims are current and the Estate  
15 generates sufficient rental income to maintain the monthly obligation for this Class.  
16 CitiMortgage Inc. will retain the lien securing its Claim. The Plan Administrator of the Estate  
17 will commence liquidation of the above property in a manner beneficial to the Estate. Until the  
18 property is liquidated, the Plan Administrator will continue to make the monthly payments on  
19 the property from: the rent collected; the Disposable Income of the Debtor under §1129(a)(15);  
20 and any liquidated non-exempt assets of the Debtor. During the course of the liquidation the  
21 Plan Administrator will have the authority and powers to manage and sell the above property  
22 consistent with Article VI and VII. Upon the sale of the property described above, the Plan  
23 Administrator shall pay customary closings costs, property taxes, escrow fees, realtor fees, and  
24 then disburse the proceeds of each property to CitiMortgage Inc. until the obligation has been  
25 satisfied in full. Any equity obtained from the sale of the property will be used for the benefit of  
26 the other classes.

1 If at any time there is no equity in the property in which the Class 9.1 Claimant has an  
2 interest and it is not beneficial to the Estate, the Plan Administrator may allow the Class 9.1  
3 Claimant to foreclose on the property and be credited the Fair Market Value of the property to his  
4 Claim. Any Deficiency Claim will be determined as provided in Article V.

5 CitiMortgage Inc. will receive on account of such Claim cash payments totaling at least  
6 the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the  
7 value of such holder's interest in the estate's interest in such property and for the realization by  
8 such holder of the indubitable equivalent of such Claim

9 9.2 2 Rue Allard, Henderson, Nevada

10 The Plan Administrator of the estate will commence liquidation of the Class 9.2 Asset in  
11 a manner beneficial to the Estate. CitiMortgage Inc. will retain the lien securing its Claim.  
12 During the course of the liquidation the Plan Administrator will have the authority and powers to  
13 manage and sell the above property consistent with Article VI and VII. Upon the sale of the  
14 Asset above, the Plan Administrator shall pay customary closings costs, property taxes, escrow  
15 fees, realtor fees, and then disburse the proceeds of each property to CitiMortgage until its  
16 obligation has been satisfied in full. Any equity obtained from the sale of the Asset will be used  
17 for the benefit of the other classes.

18 If at any time there is no equity in the property in which the Class 9.2 Claimant has an  
19 interest and it is not beneficial to the Estate, the Plan Administrator may allow the Class 9.2  
20 Claimant to foreclose on the property and be credited the Fair Market Value of the property to his  
21 Claim. Any Deficiency Claim will be determined as provided in Article V.

22 CitiMortgage Inc. will receive on account of such Claim cash payments totaling at least  
23 the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the  
24 value of such holder's interest in the Estate's interest in such property and for the realization by  
25 such holder of the indubitable equivalent of such Claim.

26 **Class 10** of GMAC Mortgage LLC consists of Allowed Secured Claimants that are is  
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1 Unimpaired under the Plan. GMAC Mortgage LLC filed four secured proof of Claims and  
2 Debtor scheduled a fifth secured debt allegedly belonging to GMAC Mortgage LLC. Each  
3 holder of an Allowed Secured Claim in this Class shall be considered to be in its own separate  
4 sub-class within Class 10, and each such sub-class shall be deemed to be a separate Class for the  
5 purposes of this Plan. Though each of these sub-classes are held by the same Creditor, Class 10  
6 shall not be merged, but each Claim in Class 10 shall maintain its separate identify and be  
7 treated and paid as a separate and distinct Class of Claims under the Plan. Following is a chart  
8 summarizing the Claims:

Creditor	Sub-class No.	Asset	Alleged Secured Claim
GMAC Mortgage LLC (Rapoport Proof of Claim #2)	10.1	30657 Passageway Pl., Agoura Hills, CA	\$21,096.53
GMAC Mortgage LLC (Rapoport Proof of Claim #3)	10.2	5827 Cape Horn Dr., Agoura Hills, CA	\$30,898.28
GMAC Mortgage LLC (Rapoport Proof of Claim #4)	10.3	5645 Slicers Cir, Agoura Hills, CA	\$72,717.14
GMAC Mortgage LLC (Rapoport Proof of Claim #7)	10.4	27312 Pinavete, Mission Viejo, CA	\$65,893.26
GMAC Mortgage LLC (Debtors scheduled debt but no Proof of Claim)	10.5	13 Marty Court, Newbury Park, CA 91320	\$99,947.55

18  
19 The monthly obligations on the above Secured Claims are current and the Estate  
20 generates sufficient rental income to maintain the monthly obligation for this Class. GMAC  
21 Mortgage LLC will retain the liens securing such Claims. The Plan Administrator of the Estate  
22 will commence liquidation of the above properties in a manner beneficial to the Estate. Until the  
23 properties are liquidated, the Plan Administrator will continue to make the monthly payments on  
24 these properties from: the rent collected; the Disposable Income of the Debtor under  
25 §1129(a)(15); and any liquidated non-exempt assets of the Debtor. During the course of the  
26 liquidation, the Plan Administrator will have the authority and powers to manage and sell the  
27 above Properties consistent with Article VI and VII. Upon the sale of each property described



1 above, the Plan Administrator shall pay customary closings costs, property taxes, escrow fees,  
2 realtor fees, and then disburse the proceeds of each property to GMAC Mortgage LLC until each  
3 obligation has been satisfied in full. Any equity obtained from the sale of the properties will be  
4 used for the benefit of the other classes.

5 If at any time there is no equity in the property in which the Class 10 Claimant has an  
6 interest and it is not beneficial to the Estate, the Plan Administrator may allow the Class 10  
7 Claimant to foreclose on the property and be credited the Fair Market Value of the property to his  
8 Claim. Any Deficiency Claim will be determined as provided in Article V.

9 GMAC Mortgage LLC will receive on account of such Claim cash payments totaling at  
10 least the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at  
11 least the value of such holder's interest in the estate's interest in such property and for the  
12 realization by such holder of the indubitable equivalent of such Claim.

13 **Class 11** of Wells Fargo Bank N.A. is Unimpaired under the Plan. Class 11 consists of  
14 all of the Allowed Secured Claim of Wells Fargo Bank N.A. Wells Fargo Bank N.A. filed nine  
15 (9) secured proof of Claims and Debtor scheduled an additional three secured debts allegedly  
16 belonging to Wells Fargo Bank N.A. Each holder of an Allowed Secured Claim in this Class  
17 shall be considered to be in its own separate sub-class within Class 11, and each such sub-class  
18 shall be deemed to be a separate Class for the purpose of this Plan. Though each of these sub-  
19 classes are held by the same Creditor, Class 11 shall not be merged, but each Claim in Class 11  
20 shall maintain its separate identify and be treated and paid as a separate and distinct Class of  
21 Claims under the Plan. Following is a chart summarizing the Claims:

Creditor	Sub-class No.	Asset	Alleged Secured Claim
Wells Fargo Bank N.A. (Rapoport Proof of Claim #8).	11.1	166 Walter Ave., Thousand Oaks, CA 91320.	\$81,102.89
Wells Fargo Bank N.A. (Rapoport Proof of Claim #9).	11.2	125 Los Vientos Dr., Thousand Oaks, CA 91320.	\$64,465.18

1	Wells Fargo Bank N.A. (Rapoport Proof of Claim #10).	11.3	552 Highview St., Thousand Oaks, CA 91320.	\$41,936.13
2				
3	Wells Fargo Bank N.A. (Rapoport Proof of Claim #11).	11.4	5322 Lake Crest Dr., Agoura Hills, CA 91301	\$23,096.59
4				
5	Wells Fargo Bank N.A. (Rapoport Proof of Claim #12).	11.5	5837 Lake Lindero Dr., Agoura Hills, CA 91301	\$26,181.66
6				
7	Wells Fargo Bank N.A. (Rapoport Proof of Claim #14).	11.6	6017 Hackers, Agoura Hills, CA 91301	\$56,335.09
8				
9	Wells Fargo Bank N.A. (Rapoport Proof of Claim #15).	11.7	21981 Sundowners Ln., Lake Forest, CA, 92630	\$55,833.23
10				
11	Wells Fargo Bank N.A. (Rapoport Proof of Claim #16).	11.8	9195 E. Ironbark St., Tucson, AZ 85747	\$85,178.57
12				
13	Wells Fargo Bank N.A.	11.9	9123 E. Placita Arroyo Second, Tucson, AZ 85710	\$47,854.80
14				
15	Wells Fargo Bank N.A.	11.10	9881 E. Wind Dancer Dr., Tucson, AZ 85748	\$67,888.82
16				
17	Wells Fargo Bank N.A. (Rapoport Proof of Claim #30).	11.11	9143 E. 33 <sup>rd</sup> Street, Tucson, AZ 85710	\$56,063.90
18				
19		11.12	10273 E. Falcon Point, Tucson, AZ 85730	\$55,924.54

20 The monthly obligations on the above Secured Claims are current and the Estate  
 21 generates sufficient rental income to maintain the monthly obligation for this Class. Wells Fargo  
 22 Bank N.A. will retain the liens securing such Claims. The Plan Administrator of the Estate will  
 23 commence liquidation of the above properties in a manner beneficial to the Estate. Until the  
 24 properties are liquidated, the Plan Administrator will continue to make the monthly payments on  
 25 these properties from: the rent collected; the Disposable Income of the Debtor under  
 26 §1129(a)(15); and any liquidated non-exempt assets of the Debtor. During the course of the  
 27 liquidation the Plan Administrator will have the authority and powers to manage and sell the  
 28 above Properties consistent with Article VI and VII. Upon the sale of each property described

1 above, the Plan Administrator shall pay customary closings costs, property taxes, escrow fees,  
2 realtor fees, and then disburse the proceeds of each property to Wells Fargo Bank N.A. until  
3 each obligation has been satisfied in full. Any equity obtained from the sale of the properties  
4 will be used for the benefit of the other classes.

5 If at any time there is no equity in a property in which the Class 11 Claimant has an  
6 interest and it is not beneficial to the Estate, the Plan Administrator may allow the Class 11  
7 Claimant to foreclose on the property and be credited the Fair Market Value of the property to his  
8 Claim. Any Deficiency Claim will be determined as provided in Article V.

9 Wells Fargo Bank N.A. will receive on account of such Claim cash payments totaling at  
10 least the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at  
11 least the value of such holder's interest in the estate's interest in such property and for the  
12 realization by such holder of the indubitable equivalent of such Claim

13 **Class 12** is Unimpaired under the Plan. Class 12 consists of all of the Allowed Secured  
14 Claims of US Bank National Association, as Trustee for UFMBS 2003-01. US Bank National  
15 Association, as Trustee for UFMBS 2003-01 alleges a total Claim in the amount of \$69,702.36  
16 (See Proof of Claim #17) Debtor had scheduled this debt as Wells Fargo Bank. Following is a  
17 chart summarizing the Claims:

Creditor	Address of Property	Alleged Secured Claim
US Bank National Association, as Trustee for UFMBS 2003-01 (Rapoport Proof of Claim #17).	10246 E. Calle Cadiz, Tucson, AZ 85747	\$69,702.36

18  
19  
20  
21  
22 The monthly obligation on the above Secured Claim is current and the Estate generates  
23 sufficient rental income to maintain the monthly obligation on this Claim. Class 12 claimants  
24 will retain the liens securing such Claims. The Plan Administrator of the Estate will commence  
25 liquidation of the above property in a manner beneficial to the Estate. Until the property is  
26 liquidated, the Plan Administrator will continue to make the monthly payments on the property  
27 from: the rent collected; the Disposable Income of the Debtor under §1129(a)(15); and any

1 liquidated non-exempt assets of the Debtor. During the course of the liquidation the Plan  
2 Administrator will have the authority and powers to manage and sell the above property  
3 consistent with Article VI and VII. Upon the sale of the property described above, the Plan  
4 Administrator shall pay customary closings costs, property taxes, escrow fees, realtor fees, and  
5 then disburse the proceeds of each property to the Secured Creditor until the obligation has been  
6 satisfied in full. Any equity obtained from the sale of the property will be used for the benefit of  
7 the other classes.

8 If at any time there is no equity in the property in which the Class 12 Claimant has an  
9 interest and it is not beneficial to the Estate, the Plan Administrator may allow the Class 12  
10 Claimant to foreclose on the property and be credited the Fair Market Value of the property to his  
11 Claim. Any Deficiency Claim will be determined as provided in Article V.

12 Secured Creditor will receive on account of such Claim cash payments totaling at least  
13 the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the  
14 value of such holder's interest in the estate's interest in such property and for the realization by  
15 such holder of the indubitable equivalent of such Claim.

16 **Class 13** is Unimpaired under the Plan. Class 13 shall consist of the Allowed Secured  
17 Claim of US Bank National Association, as Trustee, successor in interest to Wachovia Bank  
18 N.A. as Trustee, for DMFC 2003-S7. Class 13 Claimant alleges a total Claim in the amount of  
19 \$328,361.77 (See Proof of Claim #25) Class 13 Claimants consist of one (1) secured proof of  
20 Claim. Following is a chart summarizing the Claims:

Creditor	Address of Property	Secured Claim
US Bank National Association, as Trustee, successor in interest to Wachovia Bank N.A. as Trustee, for DMFC 2003-S7 (Rapoport Proof of Claim #25)	230 West 56 <sup>th</sup> St. #56D, New York, New York 10019	\$328,361.77

26 The monthly obligations on the above Secured Claims are current and the Estate  
27

1 generates sufficient rental income to maintain the monthly obligation for this Class. US Bank  
2 National Association, as Trustee, successor in interest to Wachovia Bank N.A. as Trustee, for  
3 DMFC 2003 will retain the liens securing such Claims. The Plan Administrator of the Estate  
4 will commence liquidation of the above property in a manner beneficial to the Estate. Until the  
5 property is liquidated, the Plan Administrator will continue to make the monthly payments on  
6 the property from: the rent collected; the Disposable Income of the Debtor under §1129(a)(15);  
7 and any liquidated non-exempt assets of the Debtor. During the course of the liquidation the  
8 Plan Administrator will have the authority and powers to manage and sell the above Property  
9 consistent with Article VI and VII. Upon the sale of the property described above, the Plan  
10 Administrator shall pay customary closings costs, property taxes, escrow fees, realtor fees, and  
11 then disburse the proceeds of each property to US Bank National Association, as Trustee,  
12 successor in interest to Wachovia Bank N.A. as Trustee, for DMFC 2003 until each obligation  
13 has been satisfied in full. Any equity obtained from the sale of the property will be used for the  
14 benefit of the other classes.

15 If at any time there is no equity in the property in which the Class 13 Claimant has an  
16 interest and it is not beneficial to the bankruptcy estate, the Plan Administrator may allow the  
17 Class 13 Claimant to foreclose on the property and be credited the Fair Market Value of the  
18 property to his Claim. Any Deficiency Claim will be determined as provided in Article V.

19 US Bank National Association, as Trustee, successor in interest to Wachovia Bank N.A.  
20 as Trustee, for DMFC 2003 will receive on account of such Claim cash payments totaling at least  
21 the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the  
22 value of such holder's interest in the estate's interest in such property and for the realization by  
23 such holder of the indubitable equivalent of such Claim.

24 **Class 14** is Unimpaired under the Plan. Class 14 shall consist of the Allowed Secured  
25 Claim of Bank of America. Class 14 Claimants consist of five (5) Secured Claims that were  
26 scheduled by the Debtor but no proof of Claims were filed. Each holder of an Allowed Secured  
27

1 Claim in this Class shall be considered to be in its own separate sub-class within Class 14, and  
2 each such sub-class shall be deemed to be a separate Class for the purpose of this Plan. Though  
3 each of these sub-classes are held by the same Creditor; Class 14 shall not be merged, but each  
4 Claim in Class 14 shall maintain its separate identify and be treated and paid as a separate and  
5 distinct Class of Claims under the Plan. Following is a chart summarizing the Claims:

Creditor	Sub-class No.	Asset	Secured Claim
Bank of America	14.1	9942 East Deer Trail, Tucson, AZ 85748	\$52,038.38
Bank of America	14.2	2165 N. Camino Agrios, Tucson, AZ 85715	\$59,477.20
Bank of America	14.3	3760 N. Lost Chestnut, Tucson, AZ 85719	\$21,516.04
Bank of America	14.4	3016 S. Ellinore Drive, Tucson, AZ 85730	\$59,605.42
Bank of America	14.5	2342 S. Via De Dos Arroyos, Tucson, AZ 85710	\$57,513.07

15 The monthly obligations on the above Secured Claims are current and the Estate  
16 generates sufficient rental income to maintain the monthly obligation for this Class. Bank of  
17 America will retain the liens securing such Claims. The Plan Administrator of the Estate will  
18 commence liquidation of the above properties in a manner beneficial to the Estate. Until the  
19 properties are liquidated, the Plan Administrator will continue to make the monthly payments on  
20 these properties from: the rent collected; the Disposable Income of the Debtor under  
21 §1129(a)(15); and any liquidated non-exempt assets of the Debtor. During the course of the  
22 liquidation the Plan Administrator will have the authority and powers to manage and sell the  
23 above Properties consistent with Article VI and VII. Upon the sale of each property described  
24 above, the Plan Administrator shall pay customary closings costs, property taxes, escrow fees,  
25 realtor fees, and then disburse the proceeds of each property to Bank of America until each  
26 obligation has been satisfied in full. Any equity obtained from the sale of the properties will be  
27

1 used for the benefit of the other classes.

2 If at any time there is no equity in the property in which the Class 14 Claimant has an  
3 interest and it is not beneficial to the bankruptcy estate, the Plan Administrator may allow the  
4 Class 14 Claimant to foreclose on the property and be credited the Fair Market Value of the  
5 property to its Claim. Any Deficiency Claim will be determined as provided in Article V.

6 Bank of America will receive on account of such Claim cash payments totaling at least  
7 the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the  
8 value of such holder's interest in the estate's interest in such property and for the realization by  
9 such holder of the indubitable equivalent of such Claim.

10 *Class 15* is Unimpaired under the Plan. Class 15 shall consist of all of the Allowed  
11 Secured Claims of First Horizon Bank. The Class 15 Claimant consist of one (1) Secured  
12 Claim that was scheduled by the Debtor but no proof of claim was filed. Following is a chart  
13 summarizing the Claims:

14

Creditor	Address of Property	Secured Claim
First Horizon Bank	9457 E. Lilly Bay Loop, Tucson, AZ 85710	\$114,015.14.

15  
16

17 The monthly obligations on the above Secured Claims are current and the Estate  
18 generates sufficient rental income to maintain the monthly obligation for this Class. First  
19 Horizon Bank will retain the liens securing such Claim. The Plan Administrator of the Estate  
20 will commence liquidation of the above property in a manner beneficial to the Estate. Until the  
21 property are liquidated, the Plan Administrator will continue to make the monthly payments on  
22 the property from: the rent collected; the Disposable Income of the Debtor under §1129(a)(15);  
23 and any liquidated non-exempt assets of the Debtor. During the course of the liquidation the  
24 Plan Administrator will have the authority and powers to manage and sell the above Properties  
25 consistent with Article VI and VII. Upon the sale of each property described above, the Plan  
26 Administrator shall pay customary closings costs, property taxes, escrow fees, realtor fees, and  
27

1 then disburse the proceeds of each property to First Horizon Bank until each obligation has been  
2 satisfied in full. Any equity obtained from the sale of the property will be used for the benefit of  
3 the other classes.

4 If at any time there is no equity in the property in which the Class 15 Claimant has an  
5 interest and it is not beneficial to the bankruptcy estate, the Plan Administrator may allow the  
6 Class 15 Claimant to foreclose on the property and be credited the Fair Market Value of the  
7 property to its Claim. Any Deficiency Claim will be determined as provided in Article V.

8 First Horizon Bank will receive on account of such Claim cash payments totaling at least  
9 the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the  
10 value of such holder's interest in the estate's interest in such property and for the realization by  
11 such holder of the indubitable equivalent of such Claim.

12 **Class 16** is Unimpaired under the Plan. Class 16 shall consist of all of the Allowed  
13 Secured Claims of BAC Home Loans Servicing, LP fka Countrywide Home Loans Servicing, LP  
14 f.k.a. Countrywide Home Loans Inc. The Claimant alleges a total Claim in the amount of  
15 \$328,361.77. (See Proof of Claim #25) Class 16 Claimants consist of one (1) Secured Claim.  
16 Following is a chart summarizing the Claims:

Creditor	Address of Property	Secured Claim
BAC Home Loans Servicing, LP fka Country wide Home Loans Servicing, LP fka Countrywide Home Loans Inc.2003-S7 (Rapoport Proof of Claim #27)	230 West 56 <sup>th</sup> St. #56D, New York, New York 10019	\$328,361.77

17  
18  
19  
20  
21  
22 The monthly obligations on the above Secured Claims are current and the Estate  
23 generates sufficient rental income to maintain the monthly obligation for this Class. BAC Home  
24 Loans Servicing, LP fka Countrywide Home Loans Servicing, LP fka Countrywide Home Loans  
25 Inc. 2003 -S7 will retain the liens securing such Claims. The Plan Administrator of the Estate  
26 will commence liquidation of the above properties in a manner beneficial to the Estate. Until the  
27 property is liquidated, the Plan Administrator will continue to make the monthly payments on



1 this property from: the rent collected; the Disposable Income of the Debtor under §1129(a)(15);  
2 and any liquidated non-exempt assets of the Debtor. During the course of the liquidation the  
3 Plan Administrator will have the authority and powers to manage and sell the above Properties  
4 consistent with Article VI and VII. Upon the sale of each property described above, the Plan  
5 Administrator shall pay customary closings costs, property taxes, escrow fees, realtor fees, and  
6 then disburse the proceeds of each property to BAC Home Loans Servicing, LP fka Countrywide  
7 Home Loans Servicing, LP f.k.a. Countrywide Home Loans Inc. 2003 -S7 until each obligation  
8 has been satisfied in full. Any equity obtained from the sale of this property will be used for the  
9 benefit of the other classes.

10 If at any time there is no equity in the property in which the Class 16 Claimant has an  
11 interest and it is not beneficial to the Estate, the Plan Administrator may allow the Class 16  
12 Claimant to foreclose on the property and be credited the Fair Market Value of the property to its  
13 Claim. Any Deficiency Claim will be determined as provided in Article V.

14 BAC Home Loans Servicing, LP f.k.a. Country wide Home Loans Servicing, LP f.k.a.  
15 Countrywide Home Loans Inc. 2003 -S7 will receive on account of such Claim cash payments  
16 totaling at least the allowed amount of such Claim, of a value, as of the Effective Date of the  
17 Plan, of at least the value of such holder's interest in the Estate's interest in such property and for  
18 the realization by such holder of the indubitable equivalent of such Claim.

19 **Class 17** is Impaired under the Plan. Class 17 consist of all of the Allowed Unsecured  
20 Claims. Class 17 shall consist of the Allowed Unsecured Claims for goods and/or services  
21 provided to the Debtor before the Petition Date, Allowed Unsecured Claims for breach of  
22 contract or rejection of executory contracts and unexpired leases (within the meaning of Section  
23 365 of the Bankruptcy Code), Allowed Unsecured Claims for damages, and Allowed Unsecured  
24 Claims and Deficiency Claims and any other Allowed Claim that is not an Allowed Priority  
25 Claim or Allowed Secured Claim.

26 The Plan Administrator will commence distributions to Class 17 on a Pro Rata Share  
27

1 three (3) years of the entry of the Confirmation Order. Distributions shall be made quarterly  
2 thereafter or sooner in the discretion of the Plan Administrator.

3 *Class 18* will consist of all interests of the Debtors. From time to time in the Plan  
4 Administrator's discretion, and in accordance with the provisions of this Plan, the Plan  
5 Administrator after notice and a hearing, may abandon to the Debtor property. Following the  
6 payment in full of all Allowed Claims, with interest to the extent provided for in this Plan, and  
7 all Plan Expenses, all remaining property of the Estate shall be abandoned to the Debtors.

8 **B. Disputed Claims and Treatment**

9 If the Debtor has listed in its Schedules a Claim as a Disputed Claim, the Creditor  
10 must have filed a proof of claim. If a proof of claim is not timely filed, the Claim will be  
11 disallowed, unless later allowed by the Bankruptcy Court. The deadline to file proof of claims  
12 was March 31, 2010. A Claim of a governmental unit shall be timely filed if it is filed before  
13 180 days after the date of the order for relief.

14 Objections to Claims may be filed and served by any other Person(s) properly entitled to  
15 do so under the Bankruptcy Code and the Bankruptcy Rules, no later than sixty (60) days  
16 following the Confirmation Date. Any objection to a Claim will be served upon the holder of  
17 each such Claim to which an objection has been made.

18 If there is an objection to a Claim, pending the resolution of the objection to the claim,  
19 disbursements that would be made to the Claimant shall be set aside in an interest bearing  
20 account as if the Disputed Claim were to be paid in full. Until the date of the actual payment(s),  
21 portions of the undistributed Claim(s) shall accrue interest at the same rate as the interest-bearing  
22 account. After allowance, and to the extent allowed, the previously Disputed Claim will  
23 received the disbursements which were set aside, and will be treated, for purposes of receiving  
24 subsequent distributions, as if it had been allowed as of the Confirmation Date. Any undisputed  
25 portion of a Disputed Claim shall be paid in accordance to the terms as provided in this Plan.

1 **ARTICLE V.**

2 **EXECUTORY CONTRACTS AND DEFICIENCY CLAIMS**

3 **A. Executory Contracts**

4 1. On the Effective Date, the executory contracts and leases listed on the  
5 “Assumption List” shall be assumed. Exhibit 1. The executory contracts that the Debtor has are  
6 the leases with the various tenants. The Assumption List may be amended by the Proponents at  
7 any time prior to the Effective Date; provided, however, that any amendments made after  
8 Confirmation shall be subject to approval by the Bankruptcy Court after notice and a hearing.  
9 All executory contracts and leases not listed on the Assumption List, if any, or that is the subject  
10 of a motion to assume filed prior to Confirmation, shall be rejected at Confirmation.

11 2. Each party to an executory contract or unexpired lease which is rejected at  
12 Confirmation shall file, not later than thirty (30) days after the Confirmation Date, a proof of  
13 claim for any Claim arising from the rejection of such executory contract or unexpired lease.  
14 Allowed Unsecured Claims arising out of the rejection of executory contract or unexpired leases  
15 shall be treated as a Class 17 Claimants.

16 **B. Deficiency Claims**

17 1. Unless a holder of a Secured Claim opts a section 1111(b) election, if there  
18 is insufficient money to pay said holder of a Secured Plan after Plan Administrator sells the  
19 property or allows foreclosure on the property, it will be assumed that the fair market value is the  
20 value of the debt unless an amended proof of claim is filed not later than thirty (30) days after the  
21 sale of the property. For Claimants whose claim is secured by more than one property, said time  
22 period to file an amended proof of claim will be calculated from the time the Plan Administrator  
23 sells the last property or allows foreclosure of the last property, whichever is later. If an amended  
24 Claim is filed, then it will be a Disputed Claim which can be resolved by stipulation with the  
25 Plan Administrator or if the matter cannot be resolved by stipulation then it will resolved by the  
26 Bankruptcy Court. If there is a Deficiency Claim, then the Claim will be treated under Class 17.

1 **ARTICLE VI.**

2 **IMPLEMENTATION, EXECUTION AND EFFECT OF THE PLAN**

3 A. **Plan Objective.** The principal objective of the Plan is to maximize the value of  
4 the Estate Assets for the benefit of the Creditors and the holders of Allowed Interests.

5 B. **Implement of the Plan.** The Proponent proposes to implement and consummate  
6 the Plan through the means contemplated by sections 1123 of the Bankruptcy Code.  
7 Confirmation and implementation of the Plan is also subject to the Bankruptcy Court's approval.

8 C. **Disposition of Estate Property and Assets on Effective Date.** On the Effective  
9 Date, the Estate Assets shall remain in the Estate and shall be managed, controlled and in the  
10 custody of the Plan Administrator. The Estate Assets shall not vest in the Debtor, rather the  
11 Debtor will only obtain assets by way of the Plan Administer abandoning said asset.

12 D. **Funding of the Plan.** The Plan Administrator shall liquidate the Estate Assets,  
13 collect and receive Rapoport and his wife's Disposable Income, collect and receive money from  
14 Avoidance Actions thereby maximizing the Estate to pay Allowed Claims the greatest amount of  
15 money. It is the intent of the Plan to liquidate the Non Exempt Assets in a manner to maximize  
16 the value of each asset thereby providing the greatest return to the Creditors with Allowed  
17 Claims. As provided in more detail below, the liquidation will consist of using the cash on hand,  
18 use of rental proceeds, Rapoport and his wife's Disposable Income, proceeds from the liquidation  
19 of real estate, proceeds from the liquidation of personal property, and proceeds obtained from  
20 Avoidance Actions. The liquidation will be accomplished through the means of a Plan  
21 Administrator as more fully described below.

22 1. **Cash on Hand.** Based upon the Debtors most recent Operating Reports  
23 and Schedules there is sufficient liquid assets to pay the Allowed Administrative Expenses,  
24 Statutory Fees, and Allowed Priority Tax Claims on the Effective Date.

25 2. **Use of Rental Proceeds.** The Plan Administrator will continue to rent the  
26 real property until each real property is liquidated. The Plan Administrator will use the rent  
27



1 a fashion to preserve the estate.

2 **RMS Trust Payment.** Debtor incorrectly scheduled on Schedule J a \$2500.00 monthly  
3 payment for a pre-petition debt and said payment is disallowed.

4 **Equity Line of Credit.** Debtor incorrectly scheduled a \$4500.00 monthly payment for  
5 this pre-petition debt and said payment is disallowed.

6 **Estate Planners.** Debtor incorrectly scheduled a \$750.00 monthly payment for this pre-  
7 petition debt and said payment is disallowed.

8 **Umbrella Insurance Policy.** Debtor incorrectly scheduled a \$11,201.46 monthly  
9 payment for an umbrella insurance policy that Debtor has allowed to lapse. Said payment is  
10 disallowed.

11 **Clothing.** Debtor incorrectly scheduled \$1000.00 a month for clothing per month.  
12 Debtor will be allowed \$200.00 a month.

13 **(2) Allowed Expenses**

14 Debtor will be allowed \$6000.00 a month for household expenses, miscellaneous utilities  
15 and phone, medical expenses, life insurance, health insurance, car insurance, food, travel  
16 expenses, gifts and pet care.

17 In the event the transfer of 4515 Roma Court is set aside, the Debtor will be allowed  
18 expenses to maintain the Property until it is liquidated.

19 4. **Liquidation of Real Estate.** The Plan Administrator shall liquidate the  
20 real property within three (3) years of the entry of the Confirmation Order in order to pay  
21 Allowed Claims. The Plan Administrator has the discretion to determine the order and manner  
22 of liquidation for each property. The Plan Administrator shall liquidate in a manner which is in  
23 the best interests of the Claimants. It is the discretion of the Plan Administrator as to the order  
24 of the liquidation of the real property to maximize the value, sale, price and terms of the sale.  
25 The Plan Administrator may also consult with the Debtor and Claimants as to the order of  
26 liquidation but is not required to abide by Debtors or Claimants recommendation. The proceeds  
27

1 from the sale of each property will be used to pay Allowed Claims in the priority as allowed  
2 under the Bankruptcy Code.

3 The Plan Administrator may engage and retain attorneys, accountants, engineers, agents,  
4 tax specialists, financial advisors, real estate agents, appraiser, investment bankers, other  
5 professionals, and clerical and stenographic assistance to provide assistance as may, with  
6 approval of the Kleins, be deemed necessary to liquidate the real property. Compensation for  
7 such Professionals shall be paid through the estate on an hourly basis and/or based upon a  
8 contingency agreement approved by this Court.

9 5. **Liquidation of Personal Property.** The Plan Administrator shall  
10 liquidate any and all non-exempt personal property within three (3) years of the entry of the  
11 Confirmation Order in order to pay Allowed Claims, unless the Plan Administrator deems such  
12 personal property not beneficial to the estate. It is the discretion of the Plan Administrator as to  
13 the order of the liquidation of the personal property to maximize the value, sale, price and terms  
14 of the sale. The Plan Administrator may also consult with the Debtor and Claimants as to the  
15 order of liquidation but is not required to abide by Debtors and Claimants recommendation. If  
16 beneficial to the Estate, the Plan Administrator may use personal property liquidation proceeds to  
17 pay Allowed Secured Claims to increase the overall value of the Estate. The proceeds from the  
18 liquidation of the personal property will be used to pay Allowed Claims in the priority as  
19 allowed under the Bankruptcy Code.

20 The Plan Administrator may engage and retain attorneys, accountants, engineers, agents,  
21 tax specialists, financial advisors, appraiser, investment bankers, other professionals, and clerical  
22 and stenographic assistance to provide assistance as may, with approval of the Kleins, be deemed  
23 necessary to liquidate the personal property. Compensation for such Professionals shall be paid  
24 through the estate on an hourly basis and/or based upon a contingency agreement approved by  
25 this Court.

26 6. **Payment To Allowed Claims.** From and after the Effective Date of this  
27  
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1 Plan, and so long as there are sufficient funds available, the Plan Administrator will make  
2 payments consistent with Article IV.

3 E. **Exempt Assets.** To the extent Debtor Rapoport claims Nevada exemptions and  
4 said claimed exemption(s) are not objected and sustained, the Debtor Rapoport will be able to  
5 keep the Exempt Assets.

6 F. **Excess Assets.** To the extent there are any excess assets remaining after payment  
7 in full of all Allowed Claims, with interest as provided in this Plan, and Plan Expenses, such  
8 excess assets shall be abandoned to the Debtor.

9 G. **Plan Administrator.** A Plan Administrator will administer the property of the  
10 Estate defined under § 541 and §1115 of the Code. After Confirmation of Plan, the Debtor shall  
11 not remain in possession of property of the estate, rather the Plan Administrator is authorized and  
12 directed to take all reasonable and necessary actions to hold, control, conserve, protect and  
13 maximize the Estate Assets and to collect upon, sell, or otherwise liquidate or dispose of the  
14 Estate Assets, and to distribute Estate Assets to Allowed Claims, in as prompt, efficient and  
15 orderly a fashion as reasonably possible and in accordance with the terms and provisions of this  
16 Plan.

17 1. **Appointment of Plan Administrator.** The Plan Administrator will be  
18 appointed by Kleins. The Plan Administrator will begin to function upon Confirmation of Plan,  
19 but will seek final approval by United States Bankruptcy Court by application to verify the Plan  
20 Administrator is a Disinterested Person. That Plan Administrator shall be a disinterested person  
21 as defined by Section 101(14) and be approved by the United States Bankruptcy Court by Motion  
22 or Confirmation of the Plan.

23 2. **Service of Plan Administrator**

24 a. The Plan Administrator shall serve for the duration of the Plan  
25 subject to its, his or her earlier death, incapacity, resignation or removal.

26 b. If at any time the Plan Administrator resigns, or is removed, or  
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1 dies or becomes incapable of action or is a debtor under the Bankruptcy Code or is adjudged to  
2 be insolvent, a vacancy shall be deemed to exist and a successor Plan Administrator shall be  
3 appointed by the Kleins pursuant to a order of the Bankruptcy Court as soon as practicable.

4 **3. Resignation and Removal of Plan Administrator**

5 a. The Plan Administrator may resign at any time by giving written  
6 notice specifying the date when such resignation shall take effect to Debtor and all Claimants and  
7 filing a notice with the Bankruptcy Court. The Plan Administrator shall give notice of  
8 resignation not less than 60 days before such resignation is to take effect.

9 b. The Plan Administrator may be removed from office by the  
10 Bankruptcy Court and/or the Kleins with or without cause, by it own motion, or motion of the  
11 Kleins.

12 c. Unless the Bankruptcy Court sets a different date, such resignation  
13 shall become effective on the earlier of (i) the date on which the Bankruptcy Court appoints a  
14 successor Plan Administrator or (ii) the date the Plan Administrator notice estates that the  
15 resignation is to take effect.

16 d. Unless the Bankruptcy Court Order otherwise, upon the effective  
17 date of such resignation, the Plan Administrator shall be discharged from the performance of any  
18 further duties

19 e. Upon resignation or removal, the Plan Administrator shall file a  
20 formal account with the Bankruptcy Court and serve a copy on all Claimants and the Debtor.  
21 The predecessor Plan Administrator shall also (i) duly assign, transfer and deliver to such  
22 successor Plan Administrator all Estate Assets held or administered hereunder; and (ii) when  
23 requested in writing by the successor Plan Administrator, execute and deliver any necessary  
24 documents conveying and transferring such successor Plan Administrator all the rights, powers,  
25 properties an duties of such predecessor Plan Administrator. The Plan Administrator shall be  
26 entitled to receive compensation through the date the Plan Administrator resignation becomes  
27

1 effective.

2           4.       **Appointment of Successor Plan Administrator.** A successor Plan  
3 Administrator shall be appointed by the Kleins and approved by the Bankruptcy Court as soon as  
4 practicable thereafter upon Motion of the Kleins. If a suitable successor Plan Administrator is  
5 not chosen or the Kleins are unwilling to appoint a successor Plan Administrator, the Bankruptcy  
6 Court may seek the assistance of the Office of the United States Trustee in the selection of a  
7 successor Plan Administrator, subject to notice to the Debtor and Creditors, with an opportunity  
8 to object.

9           5.       **Acceptance of Appointment by Successor Plan Administrator.** Upon  
10 the acceptance of office by the successor Plan Administrator, which shall be evidenced by a  
11 written agreement executed by such successor Plan Administrator, all rights title, duties, powers  
12 and authority of the predecessor Plan Administrator under the Plan shall be vested in and  
13 undertaken by the successor Plan Administrator without any further act being required. No  
14 successor Plan Administrator shall be liable personally for any act or omission of its, his or her  
15 predecessor.

16           6.       **Liability of Plan Administrator.** To the maximum extent permitted by  
17 law, the Plan Administrator and its employees, managers, officers, directors, agents, members,  
18 representatives or professionals employed or retained by the Plan Administrator shall not have or  
19 incur liability to any Person for an action taken or commission made in good faith in connection  
20 with or related to the administration of the Estate, the implementation of the Plan and the  
21 distribution made thereunder. The Plan Administrator and the agents shall in all respects be  
22 entitled to reasonable upon on the advice of counsel, with respect to its duties and responsibilities  
23 under the Plan.

24           7.       **Compensation of Plan Administrator.** The Plan Administrator and any  
25 professional hired by the Plan Administrator will be compensated in an amount that is  
26 reasonable for an attorney or accountant serving as a professional in the United States  
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1 Bankruptcy Court, Los Angeles Division. In approving the appointment of the Plan  
2 Administrator, or professional sought to be employed by the Plan Administrator, the Court shall  
3 approve an hourly rate that it believes is reasonable.

4 **H. Avoidance Actions**

5 **1. Avoidance Actions Relating to 4515 Roma Court, Marina Del Ray,**  
6 **CA 90292.** The Kleins shall be vested with, and have rights and powers to pursue 4515 Roma  
7 Court, Marina Del Ray, CA 90292 under Bankruptcy Code Sections 544,547,548, 549, 550, 551,  
8 and/or under any other applicable state law, and any other applicable section of the Bankruptcy  
9 Code. The Kleins may be vested with, and have rights and powers to pursue any other  
10 Avoidance Actions as the Plan Administrator see's fit. The Kleins may initiate, prosecute, settle  
11 and resolve any and all actions provided in this paragraph, and any appeals thereof. Any funds  
12 recovered from any actions taken by the Kleins shall be for the benefit of the Claimants. In the  
13 event the Case is converted from one under Chapter 11 of the Bankruptcy Code to one under  
14 Chapter 7 of the Bankruptcy Code, all avoiding actions shall be administered and, if appropriate,  
15 prosecuted by the duly-appointed or elected Trustee, but counsel of Klein's choice assisting in  
16 the matter will remain the same.

17 **a. Compromises and Settlement of Actions**

18 Pursuant to Bankruptcy Rules and in accordance with the powers and authority provided  
19 in this Plan, the Kleins, on behalf of the Debtor, may compromise and settle any actions relating  
20 to 4515 Roma Court, Marina Del Ray, CA 90292 and any other action the Plan Administrator  
21 asks them to pursue.

22 **b. Professionals and Compensation.** The Kleins may engage and  
23 retain attorneys, accountants, engineers, agents, tax specialists, financial advisors, appraiser,  
24 investment bankers, other professionals, and clerical and stenographic assistance to provide  
25 assistance as may, in the discretion of the Kleins, be deemed necessary. Compensation for such  
26 Professionals shall be paid through the estate on an hourly basis and/or based upon a contingency  
27

1 agreement approved by this Court.

2 **Exculpation of Liability.** Except as otherwise provided in the Plan, the Kleins, nor any  
3 of their respective employees, representatives, professionals, or agents, will have or incur any  
4 liability to any Creditor for any act or omission in connection with, or arising out of, this  
5 Reorganization Case, including, without limitation, prosecuting claims related to 4515 Roma  
6 Court, Marina Del Ray, CA 90292, except for gross negligence, willful misconduct, or fraud, and  
7 in all respects such Persons will be entitled to rely on the advice of counsel with respect to their  
8 duties and responsibilities in the Reorganization Case and under the Plan.

9 The statute of limitations to commence Avoidance Actions shall be two (2) years from  
10 the entry of the Confirmation Order.

11 **2. All Other Avoidance Actions.** Except for actions relating to 4515 Roma  
12 Court, the Plan Administrator shall be vested with, and have rights and powers to pursue actions  
13 under Bankruptcy Code Sections 544,547,548, 549, 550, 551, and/or under any other applicable  
14 state law, and/or any other applicable section of the Bankruptcy Code. The Plan Administrator  
15 may initiate, prosecute, settle and resolve any and all actions provided in this paragraph, and any  
16 appeals thereof. Any funds recovered from any actions taken by the Plan Administrator shall be  
17 for the benefit of the estate. In the event the Case is converted from one under Chapter 11 of the  
18 Bankruptcy Code to one under Chapter 7 of the Bankruptcy Code, all avoiding actions shall be  
19 administered and, if appropriate, prosecuted by the duly-appointed or elected Trustee, but counsel  
20 assisting in the matter will remain the same.

21 a. **Compromises and Settlements of Avoidance Actions.** Pursuant  
22 to Rule 9019, Bankruptcy Rules and in accordance with the powers and authority provided in this  
23 Plan, the Plan Administrator, on behalf of the Debtor, may compromise and settle Claims or  
24 causes of actions held by the Estate and/or claims and causes of action that the Estate may have  
25 against other Person or entities. Matters where the amount in controversy equals or excess  
26 \$10,000 shall require notice and approval by Final Order entered by the Bankruptcy Court in



1 determine in his reasonable discretion.

2           **B. Consultation with Creditors and Debtor.** The Plan Administrator may consult  
3 with the Creditors and Debtors in connection with the administration of the Plan on matters  
4 including but not limited to: i) the arrangement of any sale, transfer or other disposition of Estate  
5 Assets, ii) the investment of any proceeds of Estate Assets in investments, iii) the conduct and  
6 settlement of any disputes, including Avoidance Actions and Disputed Claims, and iv) the  
7 making of Distributions.

8           **C. Specific Powers of Plan Administrator.** In furtherance of the purposes of the  
9 Plan Administrator, the following specific powers, in addition to any powers conferred upon the  
10 Plan Administrator by this Plan, are granted to the Plan Administrator:

11           1. Manage, protect and preserve the Estate subject to the terms and limitation  
12 set forth in the Plan including without limitation, obtain and maintain any necessary insurance  
13 coverage to protect the assets and relative to the proper performance of duties under this Plan.

14           2. Release, sell, transfer convey or assign any right, title or interest in or  
15 about the Estate Assets. The Plan Administrator will have all of the rights and power to execute  
16 any and all documents necessary to sell the real property of the Estate that is not exempt,  
17 including but not limited to contracts, offers, acceptances, instructions, instructions and deeds.

18           3. Pay and discharge any costs, expenses, fee or obligations deemed  
19 necessary to preserve or enhance the value of the Estate Assets.

20           4. Open and maintain bank accounts and deposit funds and draw checks and  
21 make disbursements in accordance with this Plan.

22           5. Engage and retain attorneys, accountants, engineers, agents, real estate  
23 agents, tax specialists, financial advisors, appraisers, investment bankers, other professionals, and  
24 clerical and stenographic assistance to provide assistance as may, in the discretion of the Plan  
25 Administrator, be deemed necessary.

26           6. Execute any documents on behalf of the Estate necessary to further the  
27

1 goals and objectives and accomplish the purposes of the Plan.

2 7. Pay obligations or expenses of the Estate as the Plan Administrator  
3 reasonably deems to be in the best interest of the Estate or necessary to effectuate this plan and  
4 the purpose of the Plan.

5 8. Analyze, evaluate, pursue and settle and compromise any and all Disputed  
6 Claims, objection to the Claims and any appeal, thereof, and otherwise sue and be sued as is  
7 necessary to fulfill the obligations and duties under this Plan.

8 9. Enforce, waive or release rights, privileges or immunities relating to the  
9 Plan

10 10. Enforce terms, rights, remedies in leases that are on the Assumption List.

11 11. Power to amend bankruptcy schedules and financial affairs.

12 12. Liquidate and convert all or any portion of the Estate to Cash.

13 13. Establish and maintain expense reserve that may be required.

14 14. Make distributions in accordance with the terms of this Plan.

15 15. Act as necessary with regard to all matters for which the jurisdiction of the  
16 Bankruptcy Court is reserved under this Plan.

17 16. As soon as is practicable after the final distribution, seek a Final Order for  
18 the Bankruptcy Court closing the Case and the entry of a Final Decree.

19 17. Investigate the personal and business transactions of the Debtors.

20 18. Comply with post-confirmation requirements as required by the Code and  
21 Bankruptcy Rules.

22 19. Abandon Property to the Debtor, after notice and hearing, that is not  
23 beneficial to the estate

24 20. Without limiting any of the foregoing, deal with the Estate Assets or any  
25 part or parts thereof in all other ways as would be lawful and do any and all things necessary to  
26 further the goals and objectives and accomplish the purpose of this Plan.

1           21.     The Plan Administrator shall be permitted to sell Estate Assets in  
2 accordance with Section 363 and 1123(a)(5)(D) of the Bankruptcy Code. The Sale Order shall  
3 be obtained and noticed provided in accordance with the Bankruptcy Rules. After payment of  
4 any Allowed Secured Claims with respect to the asset(s) being sold, all of the remaining proceeds  
5 from sales, if any will be held to be distributed in accordance with the terms of the Plan. The  
6 Plan Administrator may sell Estate Assets without approval of the Bankruptcy Court if the value  
7 of the Estate Assets is less than \$10,000. The foregoing shall not preclude the Plan  
8 Administrator from seeking approval of the Bankruptcy Court for a sale where the value of the  
9 Estate Asset is less than \$10,000.

10           With respect to the sale of any Estate Asset, or settlement of any Disputed Claim wherein  
11 approval of the Bankruptcy Court is required or, if not required, sought by the Plan  
12 Administrator, the Plan Administrator shall file with the Bankruptcy Court a written notice  
13 containing a detailed statement of the relief requested, along with the support therefore, and serve  
14 such written notice on the Claimants. Such notices shall be served not less than twenty (20) days  
15 prior to the proposed effectiveness of such settlement or sale. If no objection is received during  
16 such twenty (20) day period, the Bankruptcy Court may enter an order approving the relief  
17 without the need for a hearing. Nothing in this Section shall preclude the Plan Administrator  
18 from requesting expedited approval of any request for relief in accordance with the procedures  
19 established in the Bankruptcy Code and Bankruptcy Rules.

20           **Bond Requirement.** The Plan Administrator shall serve without a bond.

## 21                           **ARTICLE VIII.**

### 22                           **MODIFICATION AND WITHDRAWAL OF THE PLAN**

23           A.     **Withdrawal of Plan.** Proponents reserves the right to revoke or to withdraw this  
24 Plan at any time prior to the Confirmation Date. If this Plan is withdrawn or revoked, then this Plan  
25 shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver  
26 or release of any Claims by or against Debtor or any other Person nor shall the withdrawal or



1 revocation of this Plan prejudice in any manner of rights of Proponents or any Person in any further  
2 proceedings involving Proponents. In the event this Plan is withdrawn or revoked, nothing set forth  
3 herein shall be deemed an admission of any sort of this Plan and any transaction contemplated  
4 thereby shall be inadmissible into evidence in any proceeding.

5 **B. Modification of Plan**

6 1. Before Confirmation, the Proponents may modify the Plan in accordance with  
7 Sections 1127(a), (c) and (d) of the Bankruptcy Code.

8 2. The Plan may be modified by the Proponents after Confirmation, but before  
9 substantial consummation, in accordance with Sections 1127(b), (c), and (d) of the Bankruptcy Code.

10  
11 3. In accordance with Section 1127(e), the Plan may be modified at any time  
12 after Confirmation of Plan but before the completion of payments under the plan, whether or not  
13 the plan has been substantially consummated, upon request of the Debtor Alan Rapoport, the United  
14 States Trustee, or a holder of an Allowed Unsecured Claim, to—

15 a. Increase or reduce the amount of payments on Allowed Claims of a  
16 particular Class provided for by the Plan;

17 b. Extend or reduce the time period for such payments; or

18 c. Alter the amount of the distribution to a Creditor whose Claim is  
19 provided for by the Plan to the extent necessary to take account of any payment of such Claim made  
20 other than under the Plan.

21 4. Before the Effective Date, the Proponents may make appropriate technical  
22 adjustments and modifications to the Plan, the Disclosure Statement, and the Confirmation Order  
23 provided that such technical adjustments and modifications do not materially and adversely affect  
24 the treatment of Claimants under the Plan.

25 **ARTICLE IX.**

26 **JURISDICTION OF THE BANKRUPTCY COURT**



1 litigated matters and any other matters and grant or deny any applications or motions involving  
2 Debtor or the Plan Administrator that may be pending on the Effective Date or commenced  
3 thereafter as provided for by this Plan, including, without limitation, the Disputed Claims.

4 7. To interpret and enforce the terms of the Plan.

5 8. Decide or resolve any cases, controversies, suites or disputes that may  
6 arise in connection with the consummation, interpretation or enforcement of any Final Order, this  
7 Plan or any obligations incurred in connection with the foregoing.

8 9. To determine any Priority Tax Claims, Priority Claims, Administrative  
9 Claims or any other request for allowance or payment of Claims or expenses entitled to priority  
10 under Section 507.

11 10. To modify the Plan under Section 1127 of the Code, remedy any defect,  
12 cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order so as to  
13 carry out the intent and purposes;

14 11. To determine any tax liability under Section 505 of the Code;

15 12. To enter and implement such orders as may be appropriate if the  
16 Confirmation Order is for any reason stayed, revoked, modified or vacated;

17 13. To resolve any disputes concerning whether a Person had sufficient notice  
18 of the Bankruptcy Case, the applicable Bar Date, the hearing to consider approval of the  
19 Disclosure Statement or the Confirmation Hearing or for any other purpose;

20 14. To resolve any dispute or matter arising under or in connection with any  
21 order of the Bankruptcy Court entered in the Bankruptcy Case; Kleins or the Plan Administrator;

22 15. Enter and implement such orders as are necessary or appropriate if any  
23 Final Order or the Confirmation Order is for any reason modified, stayed, reversed, revoked or  
24 vacated.

25 16. Enter orders approving the sale of property of the estate, as the case may  
26 be, and effectuating documents authorized pursuant to this Plan

1 17. Enter a Final Decree and other Final Orders necessary to close the Case.

2 **ARTICLE X.**

3 **DISCHARGE AND FINAL DECREE**

4 Confirmation does not discharge any debt or Claims provided for in the Plan until the  
5 Bankruptcy Court grants a discharge which will not be until the complete liquidation of all  
6 Estate Assets and completion of all payments under the Plan or all Allowed Claims are paid in  
7 full. The case will be closed upon completion of the Plan, which is when all distributions  
8 contemplated by the Plan have been made by the Plan Administrator. Once the Estate has been  
9 fully administered as referred to in Bankruptcy Rule 3022, the Plan Administrator, shall file a  
10 Motion with the Court to obtain a Final Decree to close the case and seek a discharge for the  
11 Alan Rapoport. Shalan Enterprises does not get a discharge.

12 **ARTICLE XI.**

13 **GENERAL PROVISIONS**

14 A. **Abstention.** If the Bankruptcy Court abstains from exercising or declines to  
15 exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating  
16 to this Reorganization Case, Section IX shall not affect and shall not control, prohibit or limit the  
17 exercise of jurisdiction by any other court having competent jurisdiction with respect to such  
18 matter.

19 B. **Confirmation by Non-Acceptance Method.** The Proponents hereby requests  
20 Confirmation pursuant to Section 1129(b) of the Bankruptcy Code with respect to any Class  
21 which is Impaired and does not vote to accept the Plan.

22 C. **Construction.** The rules of construction set forth in Section 102 of the  
23 Bankruptcy Code will apply to the construction of the Plan.

24 D. **Cram-down.** In the event that any Impaired Class is determined to have rejected  
25 this Plan in according with Section 1126 of the Bankruptcy Code, Proponents may invoke the  
26 provisions of Section 1129(b) of the Bankruptcy Code to satisfy the requirements for  
27

1 Confirmation.

2 E. **Exculpation.** Except as otherwise provided in the Plan, the Proponents, nor any  
3 of their respective employees, representatives, professionals, or agents, will have or incur any  
4 liability to any Creditor for any act or omission in connection with, or arising out of, this  
5 Reorganization Case, including, without limitation, prosecuting confirmation of the Plan,  
6 consummation of the Plan, or administration of the Plan or the property to be distributed  
7 hereunder, except for gross negligence, willful misconduct, or fraud, and in all respects such  
8 Persons will be entitled to rely on the advice of counsel with respect to their duties and  
9 responsibilities in the Reorganization Case and under the Plan.

10 F. **Execution of Documents.** The Bankruptcy Court will direct the Debtor, any  
11 Creditor, and any other necessary party to execute and deliver or to join in the execution and  
12 delivery of any instrument required to effect a transfer or deemed transfer of property dealt with  
13 by the Plan or to perform any other act which is necessary for the consummation of the Plan,  
14 pursuant to Section 1142(b) of the Bankruptcy Code.

15 G. **Fractional Dollars and Shares.** Notwithstanding any other provision of the  
16 Plan, no payments of or on account of fractions of dollars will be made to any holder of an  
17 Allowed Claim. When any payment of or on account of a fraction of a dollar to any holder of a  
18 Claim would otherwise be called for, the actual payment made will reflect a rounding of such  
19 fraction to the nearest whole number (up or down). Further, no fractional shares will be issued.

20 H. **Governing Law.** Except to the extent the Bankruptcy Code or Bankruptcy Rules  
21 are applicable, the rights and obligations arising under the Plan will be governed by, and will be  
22 construed and enforced in accordance with, the laws of the State of Nevada and California.

23 I. **Headings.** Headings used in the Plan are inserted for convenience only and do  
24 not constitute a portion of the Plan or affect the provisions of the Plan.

25 J. **Notices.** all notices and requests to the Debtor (on or after the Effective Date)  
26 with respect to the Plan shall be in writing and shall be sent to Joseph Eisenburg Esq, Jeffer,

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1 Mangels, Butler & Marmoro LLP, 1900 Avenue of the Stars, Seventh Floor, Los Angeles,  
2 California 90067.

3 K. **Reservation of Rights.** Neither the filing of the Plan, nor any statement or  
4 provision contained herein, nor the taking of any action by the Proponents with respect to the  
5 Plan will be or will be deemed to be an admission or a waiver of any rights prior to the  
6 Confirmation Date.

7 L. **Revocation or Nullity of Plan and Survival of Vested Rights.** If the Plan will  
8 be revoked or withdrawn by the Proponents, or if Confirmation or the Effective Date does not  
9 occur in accordance with the Plan, then the Plan will be deemed null and void.

10 M. **Severability.** If any provision in the Plan is determined to be unenforceable, and  
11 at the option and in the sole discretion of the Proponent, the unenforceable provision may be  
12 severed from the Plan; and such determination will not limit or affect the enforce ability of any  
13 and all other provisions of the Plan.

14 N. **Solicitation or participation.** Pursuant to section 1125(e) of the Bankruptcy  
15 Code the Property, managers, officer, direction employee, agents advisors, representative,  
16 successors or assign and any Professional employed or any of the foregoing entities will neither  
17 have nor incur any liability to any Person for their role in soliciting acceptance or rejection of the  
18 Plan

19 O. **Substantial Consummation.**

20 The Plan will be deemed to be substantially consummated after events have occurred that  
21 would constitute substantial consummation under Bankruptcy Code Section 1101(2) but no later  
22 than thirty (30) days from the Confirmation Date.

23 P. **Successors and Assigns.** The rights, benefits, and obligations of any Person  
24 named or referred to in the Plan will be binding upon, and will insure to the benefit of, the heirs,  
25 personal representatives, successors, and assigns of such Person.

26 Q. **Time Bar to Cash Payments.** Checks issued by any Person making distributions  
27

1 under this Plan shall be null and void if not cashed within ninety (90) days of the date of issuance  
2 thereof. Any Claim in respect of such a voided check shall be made on or before the later of the  
3 first anniversary of the date of issuance of such check. After such date, all Claims in respect of  
4 voided checks shall be discharged and forever barred.

5 R. **Voting of Claims.** Any Creditor holding a Claim which has been objected to and  
6 which is not an Allowed Claim as of the confirmation hearing will not be entitled to vote on the  
7 Plan unless, upon request of the Creditor, the Bankruptcy Court estimates or temporarily allows  
8 such Claim for voting purposes at or before the confirmation hearing. The Expiration Date shall  
9 be five (5) Business Days before the Confirmation Date.

10 S. **Withholding and Reporting Requirements.** In connection with the Plan, the  
11 Plan Administrator shall file all post-petition reports as required by Local Rule 3020(a), with  
12 each report to include the time period ending on the last day of the calendar month at least thirty  
13 (30) days prior to the due date of such report. The Plan Administrator shall thereafter file post-  
14 petition reports every 120 days thereafter.

15 In addition the Debtor and Plan Administrator will comply with all withholding and  
16 reporting requirements imposed by any federal, state, local, or foreign taxing authority; and all  
17 distributions under the Plan will be subject to any such withholding and reporting requirements.

18 DATED this 6 day of Oct., 2010.

19 Presented by:

Prepared and submitted by:

20 By: //s// Perry Klein  
PERRY KLEIN, an individual

DAVID J. WINTERTON & ASSOC., LTD.

22 By: //ss// Rita Klein  
RITA KLEIN, an individual

23 By: //ss// David J. Winterton  
DAVID J. WINTERTON, ESQ.  
Nevada Bar No. 004142  
211 N. Buffalo Drive, Suite A  
24 Las Vegas, Nevada 89145  
25 Attorney of Proponents

**EXHIBIT 1**

**ASSUMPTION LIST**

Name	Property
Bryan & Jenni Rennie	9942 East Deer Trail, Tucson AZ, 85748
Chantel Saathoff	2139 N. Creek Vista Dr. Tucson AZ, 85749
Charles & Christina Watanabe	5676 Slicer Circle, Agoura Hills, CA 91301
Dan & Connie Sheere	2165 N. Camino Agrios, Tucson AZ, 85715
David Buehler	5827 Capehorn, Agoura Hills, CA 91301
Deanna & Tony Cobb (Shalan Proof of Claim #2 )	552 Highview, Newbury Park, CA 91320
Debbie Lucas	5837 Lake Lindero Agoura Hills, CA 91301
Eric Dillon	125 Los Vientos Newbury Park, CA 91320
Garrett Pacheco	3760 N. Lost Chestnut, Tucson AZ, 85719
Isaiah Cervantes/Char-Leigh Hoyes	90729 Mainmast, Agoura Hills, CA 91301
Jessica Markley	9143 E. 33 <sup>rd</sup> Place, Tucson AZ, 85710
Joe Conlon	5883 Cape Horn, Agoura Hills, CA 91301
Joel Cohen	1674 Glenbrock, Newbury Park, CA 91320
John & Jennifer Manchester	10273 E. Falcon Point Dr. Tucson AZ, 85710
Juan Carrasaco and Ashley Briscoe-Moore	3016 Elinor Dr., Tucson AZ, 85730
Kaydi Truman/Zachery Elam/ Theresa Costig	5834 Capehorn, Agoura Hills, CA 91301
Leila Mahanedi & Shawn Frank	30865 Overfall, Westlake Village, CA 91382
Leslie Wise	6017 Hackers, Agoura Hills, CA 91301
Lois Paha	2342 Via De Dos Arroyos, Tucson AZ, 85730
Myra Deck	5322 Lake Crest Dr. Tucson AZ, 85740
Rashaun Thompson	9195 Ironbark, Tucson AZ, 85747
Robert Walton/Irina & Emily Shikhavarger	30723 Mainmast, Agoura Hills, CA 91301
Ryan & Sari Steaffens	27312 Pinavette, Mission Viego, CA 92691



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Saul Olivas & Yvette Espadas (Shalan Proof of Claim #8)	9457 Lilly Bay Loop, Tucson AZ, 85710
Scott & Erica Marx	10246 Calle Cadiz, Tucson AZ, 85747
Shaul Maouda	30657 Passageway, Agoura Hills, CA 91301
Stratford Dews	5354 Captains Pl, Agoura Hills, CA 91301
Thomas McGarry	5823 Capehorn, Agoura Hills, CA 91301
Tina Nicholson	21981 Sundowners, Lake Forest CA 92630
Valerie Freedman	5645 Slicers Circle, Agoura Hills, CA 91301
Josh Childress	135 Harmon #1501, Las Vegas, Nevada
Kirsten De Benedictis	135 Harmon #1503, Las Vegas, Nevada
Michael Leonard	2777 Paradise Road #2105, Las Vegas, Nevada
Suzanne Vier	404 E. 76 <sup>th</sup> St. #2I, New York, New York
Travis Troyer	404 E 76 <sup>th</sup> #2J, New York, New York

In re: SHALAN ENTERPRISES, LLC Substantially consolidated with Alan Rapoport,  Debtor(s).	CHAPTER 11  CASE NUMBER 2:09-bk-43263-PC
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**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

**PROOF OF SERVICE OF DOCUMENT**

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

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

A true and correct copy of the foregoing document described **CHAPTER 11 PLAN OF PERRY AND RITA KLEIN** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On 10/6/10 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- Robert D Bass rbass@greenbass.com
- Russell Clementson russell.clementson@usdoj.gov
- Leslie A Cohen leslie@lesliecohenlaw.com, jaime@lesliecohenlaw.com
- Caroline Djang crd@jmbm.com
- Joseph A Eisenberg jae@jmbm.com
- Thomas M Geher tmg@jmbm.com
- Jeffrey J Hagen hagenlaw@earthlink.net
- Sheri Kanesaka kanesaka@gmail.com
- Charles Liu cliu@mrllp.com, fbaig@mrllp.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
- David J Williams dwilliams@mrllp.com  Service information continued on attached page

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

On 10/6/10 I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

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

Service information continued on attached page

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

10/6/10 J'aime Williams /s/ J'aime Williams  
 Date Type Name Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

<p>In re: SHALAN ENTERPRISES, LLC Substantially consolidated with Alan Rapoport,</p> <p>Debtor(s).</p>	<p>CHAPTER: 11</p> <p>CASE NUMBER: 2:09-bk-43263-PC</p>
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**By Overnight Delivery:**

Hon. Peter Carroll  
US Bankruptcy Court  
255 E. Temple Street  
Los Angeles, CA 90012

**By US Mail:**

Robert D Bass  
Greenberg & Bass LLP  
16000 Ventura Blvd Ste 1000  
Encino, CA 91436

Joseph A Eisenberg  
Caroline Djang  
Jeffer Mangels Butler & Marmaro  
1900 Ave Of The Stars, 7th Flr  
Los Angeles, CA 90067

Russell Clementson  
Office of United States Trustee  
725 S Figueroa Street  
26<sup>th</sup> Floor  
Los Angeles, CA 90017