

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In re:	§	
	§	Chapter 11
SOUTHERN ONE TWENTY ONE	§	
INVESTMENTS, LTD.	§	
	§	Case No. 12-43311
Debtor.	§	

DEBTOR'S AMENDED DISCLOSURE STATEMENT

<p>THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE COURT FOR VOTING</p>

THE DEBTOR'S AMENDED DISCLOSURE STATEMENT ("DISCLOSURE STATEMENT") HAS BEEN PREPARED BY THE DEBTOR AND DESCRIBES THE TERMS AND PROVISIONS OF, AND SETS FORTH CERTAIN MATERIAL CONSIDERATIONS IN CONNECTION WITH THE DEBTOR'S AMENDED PLAN OF REORGANIZATION (THE "PLAN"). ANY CAPITALIZED TERM USED IN THIS DISCLOSURE STATEMENT THAT IS NOT DEFINED HEREIN HAS THE MEANING ASCRIBED TO THAT TERM IN THE PLAN. THE DEBTOR URGES YOU TO ACCEPT THE PLAN BY SIGNING AND RETURNING THE BALLOTS MAILED TO YOU ALONG WITH THIS DISCLOSURE STATEMENT. IN THE EVENT THAT THE PLAN IS NOT CONFIRMED, THE DEBTOR LIKELY WILL BE FORCED TO LIQUIDATE ITS ASSETS UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. IN A CHAPTER 7 LIQUIDATION, THE DEBTOR BELIEVES THAT CREDITORS WOULD RECEIVE SUBSTANTIALLY LESS THAN IS CONTEMPLATED BY THE PLAN.

ARTICLE I: INTRODUCTION

A. General

1. Southern One Twenty One Investments, Ltd. ("Debtor") provides this Disclosure Statement to all of the Debtor's known creditors entitled to same pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Code"). The purpose of this Disclosure Statement is to provide creditors of the Debtor with such information as may be deemed material, important and necessary in order for the creditors to make a reasonably informed decision in exercising the right to vote on the Plan presently on file with the Bankruptcy Court and described below.

2. A copy of the Plan accompanies this Disclosure Statement as Exhibit "A" and is incorporated herein by reference. The definitions found in Article 1.0 of the Plan are incorporated herein by reference and should be referred to in reading and analyzing the Plan and this Disclosure Statement.

3. **NO REPRESENTATIONS CONCERNING THE DEBTOR, INCLUDING THOSE RELATING TO THE FUTURE BUSINESS OPERATIONS, THE VALUE OF ASSETS, ANY PROPERTY OR CREDITOR'S CLAIMS INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED.** Any representations or inducements made to secure your acceptance or rejection, which are other than as contained in this Disclosure Statement, should not be relied upon by you in arriving at your decision.

4. The financial information contained herein has not been subject to an audit, certified or otherwise. **FOR THIS REASON AND BECAUSE OF FINANCIAL CONSTRAINTS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT INACCURACIES, ALTHOUGH DEBTOR HAS MADE AN EFFORT TO PRESENT SUCH INFORMATION FAIRLY AND ACCURATELY.** Additional information can be found in Debtor's Statement of Financial Affairs and its Schedules of Assets and Liabilities and its operating reports on file with the Bankruptcy Court.

5. The Debtor proposes the Plan which accompanies this Disclosure Statement. **THE DEBTOR RECOMMENDS A VOTE "FOR ACCEPTANCE" OF THE PLAN.**

B. Manner of Voting

1. All creditors entitled to vote on the Plan may cast votes for or against the Plan by completing, dating, signing and causing the Ballot Form accompanying this Disclosure Statement to be received no later than 5:00 p.m., prevailing central time, on _____, **2013**, at the following address: Jason M. Katz, Hiersche, Hayward, Drakeley & Urbach, 15303 Dallas Parkway, Suite 700, Addison, TX 75001.

C. Confirmation of Plan

1. Solicitation of Votes. By the order entered on _____, 2013, the Bankruptcy Court approved this Disclosure Statement in accordance with Section 1125 of the Bankruptcy Code. This Disclosure Statement is provided to each creditor whose claim has been scheduled by the Debtor and each creditor who has filed a proof of claim. This Disclosure Statement is intended to assist creditors in evaluating the Plan and in determining whether to accept the Plan. **UNDER THE BANKRUPTCY CODE, YOUR VOTE FOR ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNLESS YOU RECEIVE A COPY OF THIS DISCLOSURE STATEMENT PRIOR TO OR CONCURRENTLY WITH SUCH SOLICITATION.** The solicitation of votes on the Plan is governed by the provisions of Section 1125(b) of the Code, the violation of which may result in sanctions by the Court, including disallowance of the solicited vote and loss of the “safe harbor” provisions of Section 1125(e) of the Code.

2. Persons Entitled to Vote on the Plan. Only the votes of members of classes of claimants which are impaired under the Plan are counted in connection with confirmation of the Plan.

3. Hearing on Confirmation of the Plan. The Bankruptcy Court has set _____, 2013 at ____:____.m., for a hearing to determine whether the Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Plan have been satisfied. Each creditor will receive either with this Disclosure Statement or separately, the Bankruptcy Court’s Notice of Hearing on Confirmation of the Plan. Any objections to confirmation of the Plan must be filed in writing with the Bankruptcy Court and served upon Jason M. Katz, Debtor’s counsel, so as to be received by ____:____.m. on _____, 2013, at the address noted in paragraph B above.

4. Acceptance Necessary to Confirm Plan. At the scheduled hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by the impaired classes. Under Section 1126 of the Code, an impaired class is deemed to have accepted the Plan if at least two-thirds in amount and more than one-half in number of claims of class members who have voted to accept or reject the Plan have voted for acceptance of the Plan.

5. Confirmation of Plan Without Necessary Acceptance. The Plan may be confirmed even if it is not accepted by all of the impaired classes if one of the impaired classes accepts it and the Bankruptcy Court finds the Plan does not discriminate unfairly against and is fair and equitable to the dissenting class. This provision is set forth in Section 1129(b), a relatively complex provision of the Code. This summary is not intended to be a complete statement of the law. The Debtor may choose to rely upon this provision [Section 1129(b)] to seek confirmation of the Plan if it is not accepted by an impaired class or classes of creditors.

ARTICLE II: DESCRIPTION OF THE DEBTOR AND STATUS OF THE CASE

1. Ownership Of The Debtor.

The Debtor is a Texas limited partnership which came into existence in July of 2005. The Debtor is owned by two limited partners and one general partner. The limited partners are a husband and wife, Peter Ng (52% owner) and Sophie Ng (47%) owner. Southern 121 Investments GP, Inc., owned by Peter Ng, is the general partner with a 1% interest in the Debtor.

Ken and Neil Goldberg, who have made loans to Peter Ng secured by an interest in another Ng partnership, Goldwood Investment, LLC, claim a lien on Peter Ng's interest in the Debtor to secure an alleged \$250,000 advance. Debtor takes no position on the validity of this claim and Debtor is acting pursuant to the direction of the general partner. This Goldberg Ownership Position is likely to be contested and the outcome of that contest could affect the Plan in such a way that the Plan could be withdrawn or amended. Debtor is unable to resolve the lien issue on Mr. Ng's partnership interest at this time or to predict who would prevail if the issue is litigated. There are other parties who may assert claims against Peter Ng's ownership interest in the Debtor based on claimed secured interests in Mr. Ng's interest in 121 Allen Properties, Ltd., an entity which at one time was to acquire the Debtor's ownership in the land which is the principal asset in this case. However, Debtor believes the Plan is feasible regardless of control of the Debtor.

2. The Debtor's Assets.

The Debtor is a single asset entity which owns approximately 78 acres of land in Allen, Texas located generally at Highway 121 and Stacy Road. A map of the Property is attached hereto as Exhibit "B". The Debtor originally acquired 88.87 acres from Blue Star Allen Land, LP in February, 2006. Subsequently, pre bankruptcy, the Debtor sold 8 acres of the Property and owned 80.87 acres when the bankruptcy case was filed. The Debtor has sold one tract of 3.873 acres to the City of Allen (and received back 0.972 acres) in a transaction approved by the Bankruptcy Court in April, 2013, thereby leaving the Debtor with approximately 78 acres.

The Property is zoned commercial and is well maintained. It has several available power stations making it prime property for data center development or other technology oriented buyers. The Property is capable of being sold as a whole to a substantial purchaser and it is also capable of being sold in smaller increments for uses not exclusively for a data center or technology offices. The Plan provides, as does the Deed of Trust of MetroBank, for partial releases if the entire approximate 78 acres is not sold in one transaction.

The most recent appraisal of the Debtor's Property was obtained by MetroBank and is dated as of October 11, 2012. This appraised value was \$14,080,000, an amount more than sufficient to pay the secured debt described below which does not exceed approximately \$10,500,000. It is likely that with the economy improving and the development occurring in Allen, Texas that the Property has increased in value or certainly not decreased from the time of the previously mentioned appraisal.

3. Debtor's Sales and Marketing Activities.

Pre-bankruptcy, in November, 2007, the Debtor sold 8 acres with the proceeds used to reduce secured debt. During bankruptcy, as mentioned above, Debtor concluded a sale to the City of Allen of 3.873 acres and received from the City of Allen 0.972 acres for a net acreage remaining of approximately 78 acres.

This sale was for \$255,000 and the net amount of the proceeds were paid to MetroBank. Debtor has been engaged in multiple sales efforts. After the Debtor acquired the Property in 2006, and before the power stations and other infrastructure were completed, the economy entered a lengthy down period and was in recession. Debtor had few serious offers during this period because of the decline in real estate values and the difficulty of obtaining financing. MetroBank refused to approve an earlier sale of a portion of the Property bordering Highway 121 because MetroBank believed the sales price was too low. Debtor and Mr. Ng were able to borrow funds to make interest and principal reduction payments and other expenditures with respect to the Property until a time prior to the filing of the bankruptcy.

The Debtor has received a number of pre-petition contingent offers and/or proposals that have failed to close.

When the case was filed, Debtor believed it had pending sales for the bulk of the acreage which would produce sufficient funds to pay all of the secured debt and all of the legitimate unsecured claims. Debtor had signed two contracts with JG Development Company to sell approximately 73 of the 80 acres owned at the time. These contracts were for a total consideration in excess of \$16,000,000, over \$5,000,000 more than the then secured debt against the Property. However, neither closed because the purchaser was unable to get residential zoning which was sought for part of the Property.

Debtor also had a contract for sale of 5 acres of the property with Leaf Group LLC for the sum of \$1,020,000. The broker on this transaction, approved by the Court as broker for the Debtor, believed this sale would close and assured the Debtor that he knew of no matters which could cause the buyer to back out. Nevertheless the buyer did back out.

The Debtor is involved in discussions with a number of potential purchases, developers, including Sheraton Hotels and LED Lighting, for some or all of the Property and believes that it will have sales or development agreements sufficient to satisfy all or at least one-quarter (1/4) of the secured debt by the end of this year. Debtor is also in discussions with potential investors who could inject sufficient operating funds for Debtor to pay all or a portion of the MetroBank Note claim and allow Debtor more time to develop and sell the Property.

In July 2013, Debtor received a non-binding term sheet from Construction Management Technology, Inc. for the purchase of sixty acres of land. Although this non-binding term sheet contains terms unacceptable to the Debtor, the Debtor has continued to negotiate with this proposed buyer. In July 2013, the Debtor received a signed contract for the sale of 10 acres of land to DPG, LLC for \$2,069,100.

4. The Secured Debt Encumbering the Debtor's Property and Debtor's Financial Difficulties.

The Debtor was affected in its efforts to sell part or all of the Property by the downturn in the United States economy, particularly in real estate and availability of credit, during the last several years. The Debtor is a single asset entity and has no operating income. Therefore the only funds available to service the secured debt owing to MetroBank were the personal funds of Mr. Ng and funds the Debtor or Mr. Ng individually have been able to borrow. Mr. Ng, however, did not have sufficient funds or the ability to borrow when the contracts with JG Development failed to close, thus necessitating this Chapter 11 filing.

As of the date of the petition, Debtor was a party to a note with MetroBank, N.A. executed on February 24, 2006 in the original principal amount of \$10,800,000 (the "MetroBank Note") and related security documents including a guaranty by Mr. Ng and a Deed of Trust secured by all of the Debtor's real estate. The principal balance of the MetroBank Note is in question as MetroBank has sent notices reflecting differing balances. Further, Debtor believes that MetroBank has failed to apply all payments to the amount due such as a \$500,000 certificate of deposit. For these reasons, the Debtor believes that MetroBank's claim may be less than stated by MetroBank in its proof of claim. MetroBank's proof of claim is for \$9,571,853.22, which includes an amount allegedly owed to MetroBank's participant, New Era Life Insurance Company. The contract rate of interest was a variable rate with interest at the greater of 7 ½% per annum or the Prime Rate plus ½%. The MetroBank Note has been modified and extended nine (9) times. The most recent modification on February 13, 2012 set the outstanding principal balance at \$9,157,485.94 with interest at the greater of 7% per annum plus 1 ½% per annum prior to July 1, 2012 and thereafter at the greater of 7 ½% per annum or the Prime Rate plus 1 ½% per annum. This modification called for principal and interest payments of \$92,681.01 per month commencing March 15, 2012. The maturity date was October 12, 2012. Debtor has paid MetroBank all of the net proceeds of the sale of property to the City of Allen.

Debtor was also a party to note with Norman and Fawn Payson dated November of 2009 in the original principal amount of \$300,000.00 (the "Payson Note"). The Payson Note is secured by a Deed of Trust on the Debtor's real estate. There have been no payments on the Payson Note.

The Debtor was also party to a promissory note dated in the principal amount of \$600,000.00 in favor of Jimmy Y. An in the original principal amount of \$600,000 (the "An Note"). The An Note is secured by a Deed of Trust on the Debtor's real estate. There have been no payments on the An Note.

5. Debtor's Substantial Equity in the Property.

The maximum amount of secured debt on Debtor's real estate is approximately \$10,500,000. Not long before the filing of this case, MetroBank obtained an appraisal of the 80.87 acres of \$14,080,000. The property was originally purchased for \$14,300,000. Although no new appraisal has been obtained, the two contracts entered prior to bankruptcy, to purchase all 80.87 acres which did not close were for a total purchase price in excess of \$16,000,000. Therefore, the Debtor believes there is substantial equity in the property.

6. Funds Available.

The Debtor currently has less than \$500.00 in its bank account. Debtor's payments to the U.S. Trustee and to Debtor's counsel's trust account are being made by Peter Ng individually.

7. Events In The Bankruptcy Case.

On December 3, 2012, the Debtor filed its petition for relief under Chapter 11 of the United States Bankruptcy Code. Soon thereafter, the Debtor filed an Application, pursuant to 11 U.S.C. §§ 327, 328 & 329 and Rules 2014, 2016 and 6003 of the Federal Rules of Bankruptcy Procedure, for an order authorizing the retention of Hiersche, Hayward, Drakeley & Urbach, P.C. ("HHDU") as attorneys for the Debtor. On January 23, 2013, the Court entered its Order wherein it approved the employment of HHDU.

There is no operational activity and therefore no operating income or any need to apply to use cash collateral. Debtor has no employees. Debtor has renewed its liability insurance policy.

Debtor filed two motions to approve sales of property. Both were granted. One Order authorized a sale of less than 5 acres to the City of Allen for a gross sales price of \$255,000.00. That sale closed and the net proceeds were paid to MetroBank.

The other Order authorized the sale of a 5 acre tract to the Leaf Group LLC for a gross sales price of \$1,020,000. However, the Leaf Group LLC failed to close.

The Debtor also sought approval to extend the statutory 90 day deadline for filing a plan. MetroBank opposed the relief sought by Debtor. After a hearing, the Court extended the deadline to June 1, 2013 conditioned on Debtor making payments to MetroBank of \$55,830 per month for April, May and June, 2013. The Order authorized the Debtor to make the payments from any source and all of the Court ordered payments were made from the net proceeds of the sale to the City of Allen.

The Debtor also obtained an Order appointing George Tanghongs as exclusive broker for the Debtor's property based on his representation that the Leaf contract was sure to close and that he was already in contact with prospective buyers that he stated were very interested. Debtor has been disappointed in Mr. Tanghongs' performance and this contract will be terminated as part of the Plan.

The United States Trustee's meeting of creditors under section 341(a) of the Bankruptcy Code was held on January 18, 2013 at 11:30 a.m. The Claims Bar Date for filing Claims against and Interest in the Debtors was April 18, 2013 (see extended deadline for certain creditors in Article V below). The Debtor is analyzing Claims and may file objections to one or more of such Claims and Interests. After confirmation, the Reorganized Debtor may file objections to Claims and Interests. Claims and Interests not filed by the applicable Claims Bar Date are forever barred and discharged. The Goldbergs also have objected to many claims including the Jimmy Y An Secured Claim and the Payson Secured Claim.

Debtor's attorney filed its First Interim Fee Application on March 11, 2013. A Court Order was entered approving \$35,135.78 in fees and expenses which has been paid in part by Debtor's prior attorney, David Schiller and, in part, by Peter Ng. The fee arrangements for HHDU are set

forth in its employment and the court order approving its employment. HH DU filed its Second Interim Fee Application in July 2013. This fee application is currently pending before the Court.

8. Miscellaneous

The statements, assertions and characterizations in this Disclosure Statement are only the Debtor's view of the subject and facts and events. The Court's approval of the Disclosure Statement is not a finding by the Court regarding such statements, assertions or characterizations, is not a basis for estoppel, preclusion bar, or res judicata, and is not an admission by any creditor of any such statements, assertions, or characterizations of facts or events, including without limitation, the statements and assertions by the Debtor regarding the events precipitating the bankruptcy case, the value of any property, and terms of any MetroBank Loan Documents.

FACTS PRECIPITATING CHAPTER 11

Although the Debtor had two signed contracts for in excess of the balance owing on the MetroBank Note, MetroBank failed to consent to the contracts. This precipitated the MetroBank Suit in which Debtor sought to obtain an injunction against foreclosure to protect the interests of the creditors and the Debtor's equity. The Debtor failed to obtain the injunction and was forced to file this case for protection of the creditors and the equity interest in the Debtor. As noted above, these contracts also failed to close. The Debtor filed a lawsuit against MetroBank pre-petition. Generally, MetroBank denies the claims and causes of action made against it, and MetroBank further denies, without limitation, any allegation that it breached any agreement, contract, duty or obligation, acted wrongfully, improperly or unreasonably, or otherwise has any liability or responsibility for any claim or cause of action asserted by the Debtor in the pre-petition lawsuit. MetroBank asserts that it acted within its rights under the subject loan agreements and asserts the Debtor is not entitled to any relief in such a lawsuit.

FUNDING THE PLAN TERM

Mr. Ng has provided the Debtor with a substantial amount of funding as have many of the creditors. Even those creditors who may have loaned funds to Mr. Ng rather than directly to the Debtor, have provided funding which enabled the Debtor to service the MetroBank debt in the past. MetroBank took a CD from Mr. Ng in the amount of \$523,225.11 prior to bankruptcy and Mr. Ng has no significant funds at the present time. However, Mr. Ng has numerous contacts he is exploring to provide funds for debt service called for in the Plan in the event the property is not sold early in the Plan term or a development plan injecting new capital is not obtained and approved by the Court as an amendment to the Plan or otherwise, if necessary. The contacts include possible buyers of less than all of the Property, potential investors who would acquire an interest in the Debtor or a portion of Mr. Ng's partnership interest, possible buyers for all of the Property and persons or entities who may be willing to make loans to Mr. Ng to pay debt service and other obligations, including Mr. Ng's family.

**ARTICLE III: SELECTED SIGNIFICANT
EXCERPTS FROM THE PLAN OF REORGANIZATION**

The following is a brief summary of the Plan attached as Exhibit “A”, and is qualified in its entirety by the full text of the Plan itself. The Plan, if confirmed, will be binding upon the Debtor and its creditors. All creditors are urged to read the Plan carefully.

1. Designation Of Classes Of Claims And Current Partnership Interests.

The following is a designation of the Classes of Claims and Current Partnership Interests under this Plan. Administrative Expense Claims and Priority Tax Claims have not been classified and are excluded from the following classes in accordance with Section 1123(a)(1) of the Bankruptcy Code. A Claim or Current Partnership Interest shall be deemed classified in a particular Class only to the extent that the Claim or Current Partnership Interest qualifies within the description of that Class.

Class 1 – MetroBank Secured Claim

Class 2 – Norman and Fawn Payson Secured Claim

Class 3 – Jimmy Y An Secured Claim

Class 4 – Collin County Priority Tax Claim

Class 5 – General Unsecured Claims based on lending to Debtor

Class 6 – Other Unsecured Claims

Class 7 – Current Partnership Interests

2. Impairment Of Classes.

All Classes of Claims and Current Partnership Interests except Class 4 are impaired under the Plan. Impairment Controversies. If a controversy asserted in an objection to confirmation or other written pleading arises as to whether any Class of Claims or Current Partnership Interest is impaired under the Plan, the Bankruptcy Court shall determine such controversy after notice and a hearing and, if no such pleading is filed, then the identity of any impaired class will be conclusively determined by this paragraph of the Plan.

3. Treatment Of Administrative Expenses And Priority Tax Claims.

Administrative Expenses. All Administrative Expenses against the Debtor shall be treated as follows:

(1) Administrative Expenses Bar Date. The holder of any Administrative Expense other than: (i) a claim for professional fees and expenses for services rendered up to and including the Confirmation Date, (ii) a liability incurred and paid in the ordinary course of business by the Debtor; or (iii) an Allowed Administrative Expense, must file with the Bankruptcy Court and serve on the Debtor and its counsel, notice of such Administrative Expense within

fifteen (15) days after the Confirmation Date. Such notice must identify: (i) the name of the holder of such Claim; (ii) the amount of such Claim; (iii) the basis of such Claim; and (iv) all written documentation supporting such Claim. Failure to file this notice timely and properly shall result in such claim for the Administrative Expense being forever barred and discharged.

(2) Allowance of Administrative Expenses. An Administrative Expense with respect to which notice has been properly filed pursuant to Section 4.1(a) of the Plan shall become an Allowed Administrative Expense if no objection is filed within thirty (30) days after the filing and service of notice of such Administrative Expense. If an objection is timely filed, the Administrative Expense shall become an Allowed Administrative Expense only to the extent Allowed by Final Order.

(3) Payment of Allowed Administrative Expenses. Each holder of an Allowed Claim for an Administrative Expense other than a professional holding such a claim shall receive, at the Debtor's option: (i) the amount of such holder's Allowed Claim in one Cash payment on the later of the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim; (ii) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost; or (iii) such other treatment as may be agreed to in writing by the holder of such Administrative Expense and the Debtor.

(4) Payment of Allowed Administrative Expenses to Professionals. Each holder of an Allowed Administrative Claim that is a professional shall be paid in full or caused to be paid in full by Debtor and by the general and limited partners of Debtor, who shall be jointly and severally liable for payment of Allowed Administrative Expenses to Professionals on the date upon which an order approving such claim becomes final and non-appealable. Debtor shall make payment or cause payment of such fees and expenses in full. Professional fees and expenses incurred after the Confirmation Date shall be the obligation of the Reorganized Debtor and Mr. Peter Ng, jointly and severally, and shall be payable promptly and without the need for application to or approval by the Bankruptcy Court. Any guarantees of Administrative Expenses remain in full force and effect.

Priority Tax Claims. Each holder of a Priority Tax Claim, unless addressed otherwise herein, shall receive the amount of such holder's Allowed Claim in one Cash payment on the Effective Date.

4. Treatment Of Claims And Current Partnership Interests.

5.1 Class 1 – MetroBank Secured Claim. The entire MetroBank Secured Claim is secured by, in part, the Debtor's Property and is being treated as an over-secured Secured Claim in this class. The entirety of the MetroBank Secured Claim owed under the MetroBank Loan Documents is treated in this class. The MetroBank Secured Claim shall include post-petition interest, and the attorneys' fees, charges, expenses and costs incurred post-petition by MetroBank pursuant to Section 506(b) of the Bankruptcy Code. After the Effective Date, the Reorganized Debtor shall not defer required payments to MetroBank under the terms of this Plan even if the Reorganized Debtor objects to or contests the amount of the MetroBank Secured Claim, including pursuant to Article 9 of this Plan. The Allowed MetroBank Secured Claim will be paid in full through a modification of the terms of the MetroBank Note and MetroBank Loan Documents as follows:

- As of the Effective Date, the new principal amount of the MetroBank Note is: (i) the MetroBank Secured Claim of \$9,571,853.22 as of December 4, 2012 (or such lesser Allowed amount as may be determined by the Bankruptcy Court), plus (ii) the unpaid post-petition interest on the MetroBank Secured Claim accrued between the Petition Date and the Effective Date and the Allowed attorneys' fees, charges, expenses and costs incurred by MetroBank from the Petition Date through the Effective Date.
- After the Effective Date, interest will accrue on the unpaid principal amount at the rate of 5.5% per annum.
- The maturity date of the MetroBank Note will be modified and extended to January 1, 2014, unless further extended as provided below. Except as modified herein, after confirmation of the Plan, all of the MetroBank Loan Documents will remain in full force and effect, are not discharged or enjoined, and continue to evidence, secure and govern the entire MetroBank Secured Claim and all rights, remedies, liens and interests with respect to Reorganized Debtor, the Property and any other collateral. All liens, security interests and other interests granted under the MetroBank Loan Documents are retained to secure the MetroBank Secured Claim by the holder of such Claim, are not discharged or enjoined, and continue against all collateral, including the Property, to secure the entire amount of the MetroBank Secured Claim. The MetroBank Secured Claim is not a Contested Claim unless the Debtor files an objection to MetroBank's proof of claim pursuant to the terms of the Plan.
- Interest payments of \$50,000 per month will be made to MetroBank beginning September 1, 2013 and on the first day of each month thereafter through December 1, 2013. Any interest in excess of such amount will accrue and be added to the principal payment due January 1, 2014 or, if applicable, the maturity date as modified. On the maturity date of the MetroBank Note, the unpaid principal, accrued unpaid interest and all other amounts under the MetroBank Loan Documents will be due and owing.

- MetroBank shall retain the MetroBank Loan Documents to secure the MetroBank Secured Claim and MetroBank Note as amended. MetroBank shall release the MetroBank Deed of Trust Lien upon receipt of payment in full of the MetroBank Secured Claim. Should Mr. Ng lose his interest in the Debtor, MetroBank may at its discretion release Mr. Ng from his guaranty if a suitable replacement guaranty is provided to MetroBank.
- All net sales proceeds of the Property or other collateral securing the MetroBank Secured Claim shall be paid to MetroBank up to the amount of the Allowed MetroBank Secured Claim. MetroBank may release some net sales proceeds above the release prices herein to the Debtor (pre-confirmation) or Reorganized Debtor (post-confirmation) at MetroBank's sole discretion.
- In the event that, after July 22, 2013, the Reorganized Debtor pays or causes to be paid not less than one-fourth ($\frac{1}{4}$) of the principal balance of the modified MetroBank Note, together with all accrued interest, on or before December 31, 2013, then the MetroBank Note will be deemed renewed at the new reduced principal balance (that includes any accrued unpaid interest), and with an extended maturity date of January 1, 2017, with interest accruing on such principal balance at 5.5% per annum. Commencing April 1, 2014, and on each July 1, October 1, and January 1 thereafter, the Debtor will make interest only payments through the extended January 1, 2017 maturity date. Although no further loan documents are necessary as the terms of this Plan are sufficient to evidence the terms of payment of the Allowed MetroBank Secured Claim as between the Reorganized Debtor and MetroBank, the Reorganized Debtor shall execute the loan documents presented by MetroBank to effectuate the terms of this Plan as long as the loan documents are reasonably requested by MetroBank and the terms of the loan documents are mutually agreeable and are consistent with the terms of this Plan.
- The MetroBank Note shall have no prepayment penalty at any time during its original or extended term.
- The MetroBank Note and MetroBank Deed of Trust will be modified to provide that MetroBank shall be required to provide partial releases of the MetroBank Deed of Trust provided that any sale of any part of Debtor's Property (pre-confirmation) or Reorganized Debtor's Property (post-confirmation) shall be for a price of not less than \$270,000 per acre for the part of the Property fronting Highway 121 and not less than \$180,000 per acre for the balance of the Property. Debtor and/or Reorganized Debtor must identify the Property fronting Highway 121 and Property that does not front Highway 121 that is being sold prior to closing of any sale and have MetroBank approve the release prices for the proposed parcels being sold.
- In the event that, after July 22, 2013, the Debtor (pre-confirmation) or Reorganized Debtor (post-confirmation) fail to pay at least one-fourth ($\frac{1}{4}$) of the principal balance and all accrued interest on the modified MetroBank Note on or before December 31, 2013, then MetroBank, or its assignees, may exercise all rights and remedies under

the MetroBank Loan Documents and applicable law, including foreclosure of the Property. If a default or failure to pay or perform occurs under the MetroBank Loan Documents, as modified under the Plan, MetroBank, or its assignees, may enforce all rights and remedies under the MetroBank Loan Documents and applicable law, including foreclosure of the Property.

- MetroBank is not required to file a motion or application pursuant to 11 U.S.C. § 506(b) in order to receive post-petition interest as part of the MetroBank Secured Claim or have a Claim for the post-petition attorneys' fees, costs and charges incurred by MetroBank, but shall be required to follow the procedure described herein for fees, costs and charges. MetroBank's post-petition interest rate shall accrue at 5.5% through the Effective Date, notwithstanding section 8.6 of the Plan. MetroBank shall serve the Reorganized Debtor with a request for allowance of its post-petition fees, costs and charges within 30 days after the Effective Date ("Request"). The Reorganized Debtor shall have thirty days from receipt of MetroBank's Request to either approve the Request or file an objection to the Request with the Court. The amount of MetroBank's post-petition attorneys' fees, costs and charges shall either be agreed to by the Reorganized Debtor based on the Request or determined by the Court at a hearing. Once the amount of post-petition fees, costs and charges is determined that amount shall be added to the Allowed MetroBank Secured Claim.

5.2 Class 2 – Norman and Fawn Payson Secured Claim. This claim is secured by a second lien on Debtor's real estate. This claim is evidenced by a promissory note in the original principal amount of \$300,000.00 (the "Payson Note"). The allowed amount of this claim, if it is determined to be a Secured Claim, will be paid out of any proceeds derived from the sale of the Debtor and/or Reorganized Debtor's real estate or other funds of the Debtor after the MetroBank Secured Claim has been paid in full. Should MetroBank foreclose on the Property, as could occur under the proposed treatment of the MetroBank Claim, the Payson Note will no longer be secured by an interest in Reorganized Debtor's real estate and will be deemed an unsecured claim.

5.3 Class 3 – Jimmy Y. An Secured Claim. This claim is secured by a third lien on Debtor and/or Reorganized Debtor's real estate. This claim is evidenced by a promissory note in the original principal amount of \$600,000.00 (the "Jimmy Y. An Note"). The allowed amount of this claim, if it is determined to be a Secured Claim, will be paid out of any proceeds derived from the sale of the Debtor and/or Reorganized Debtor's real estate or other funds of the Debtor after the MetroBank Secured Claim and the Payson Secured Claim have been paid in full. Should MetroBank foreclose on the Property, as could occur under the proposed treatment of the MetroBank claim, the Jimmy Y. An Note will no longer be secured by an interest in the Reorganized Debtor's real estate and will be deemed an unsecured claim.

5.4 Class 4 – Collin County Priority Tax Lien. This claim will be paid in full within ten (10) days of the Effective Date.

5.5 Class 5 – General Unsecured Claims based on lending to Debtor. This class of claims may include all of the following unsecured claims:

Claimant	Amounts Claimed
Beanstalk Investments, Ltd.	\$375,000.00
Penny Chen	\$250,000.00
Weepoh Chau	\$300,000.00
Chiang Chu-Pin	\$3,365,696.51
Yang Wei Chien	\$500,000.00
Khen Sheng Ng	\$420,000.00
Khen Sheng Ng	\$200,000.00
Sam Yang	\$175,244.93
Sam and Laura Yang Investment Holdings, LP	\$200,000.00
Peter Qian and Daisy Liu	\$1,340,000.00
Peter Ng	\$5,800,000.00

The Allowed Claims in this class will be paid pro rata out of the proceeds of the sales of the Debtor and/or Reorganized Debtor's real estate or other funds after the payment in full of Classes, 1, 2, 3 and 4. It is assumed all claimants will seek interest in addition to the amount claimed listed above. The Reorganized Debtor may contest any claim to interest.

5.6 Class 6 – General Unsecured Claims. This class is provided for unknown claims based on transactions or occurrences which did not involve direct loans to Debtor. There could be claims in the class for pre-petition brokerage fees, attorney's fees, trade debt claims and the like. Debtor has entered into pre-petition contracts which provide for payments out of the proceeds of sales of Debtor's properties in the form of commission and otherwise. All of these contracts will be rejected in the Plan and may produce rejection claims which are also included in Class 6. Any allowed claims in this class will be paid pro rata with the claims of Class 5 claims.

5.7 Class 7 – Current Partnership Interests. All current partnership interest in the Debtor shall be cancelled on the Effective Date. New Partnership Interests will be issued to the New Partnership Owners making Partnership Contributions as provided in Paragraph 7.5 of the Plan.

Means Of Implementation Of The Plan.

7.1 On the Effective Date, the Reorganized Debtor shall assume all liabilities pursuant to this Plan.

7.2 On the Effective Date, all right, title, and interest in and to the Assets shall vest in the Reorganized Debtor, , subject to the terms of the Plan and all Liens and Claims under the Plan.

7.3 The Reorganized Debtor shall have the powers and duties specified in this Plan together with all other powers of a Texas limited partnership. Such powers shall include, without limitation, the power to object to Claims, to administer Cash and Cash on Hand and to operate the business of the Reorganized Debtor subject only to any limitations imposed by the Plan. The Reorganized Debtor may operate without approval from the Bankruptcy Court.

7.4 The Reorganized Debtor shall own all Avoidance Actions and all Litigation Claims and shall have full power to institute, proceed to trial and appeal, settle or dismiss any Avoidance Action or Litigation Claim without approval from the Bankruptcy Court.

7.5 The New Partnership Interest Owners will purchase all of the New Partnership Interests in the Reorganized Debtor. The Total New Partnership Interest Owners Contributions shall be a total of not less than \$250,000 plus release of one-half (½) of his allowed unsecured claim. The Reorganized Debtor will be owned by those individuals or entities purchasing New Partnership Interests. Peter Ng intends to purchase New Partnership Interests in accordance with the following:

(a) Subject to higher and better bids, Peter Ng, may purchase all of the New Partnership Interests for the sum of \$250,000 plus release of one-half (½) of his allowed unsecured claim. New Partnership Interest Bidders may bid a higher amount than \$250,000 to purchase all of the New Partnership Interests. Such bid must be received via certified mail by the Debtor's attorney, 15303 Dallas Parkway, Suite 700, Addison, Texas 75001, Attention: Jason Katz, on or before ten (10) days prior to the Confirmation Hearing. In the event that a New Partnership Interest Bidder properly submits a timely New Partnership Interest Bid, Peter Ng shall have one (1) calendar days to submit a higher bid. New Partnership Interest Bids must be in increments of no less than \$25,000. Peter Ng, and the New Partnership Interests bidders thereafter may continue to make competing bids until 12:00 noon the day before the Confirmation Hearing. The Debtor shall accept the highest bid.

(b) All bids made by any third party must include cash or other certified funds in the amount of such bid. The successful New Partnership Interest Bid Amount will be deemed a Partnership Contribution and the successful New Partnership Interest Bidder will become a New Partnership Interest Owner with all the rights, responsibilities, and obligations of a New Partnership Interest Owner under the Plan and Metro Bank Loan Documents.

7.6 Confirmation of the Plan shall be deemed to constitute a permanent injunction against maintenance or commencement of any action against Debtor arising out of any events occurring prior to the filing of this case and all holders of Claims against Debtor are permanently enjoined with respect to such Claims: (a) from commencing or continuing any action or proceeding of any kind with respect to any such Claim against the Reorganized Debtor and/or the Assets; (b) from enforcing, attaching, collecting, or recovering by any manner or means, any judgment, award, decree, or order against the Assets and/or the Reorganized Debtor; (c) from creating, perfecting, or enforcing any encumbrance of any kind against the Assets and/or the Reorganized Debtor; (d) from asserting any right of subrogation or recoupment of any kind against any obligation due the Debtor or the Reorganized Debtor; and (e) from performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan and all Claims and causes of action held by all Entities against the Debtor and the Reorganized Debtor are released and discharged except the obligations of the Reorganized Debtor pursuant to the provisions of the Plan; provided, however, that each holder of a Contested Claim may continue to prosecute its proof of Claim in the Bankruptcy Court and all holders of Claims and Partnership Interests shall be entitled to enforce their rights under the Plan and any agreements executed or delivered pursuant to or in connection with the Plan.

7.7 The Reorganized Debtor shall: (i) be solely responsible for pursuing and/or settling all causes of action owned by the Reorganized Debtor and for distribution of all cash distributions contemplated by the Plan; (ii) have the right and power to enter into any contract or agreements binding the Reorganized Debtor in connection with the performance of its duties; (iii) have power to issue or arrange for the issuance of its Partnership Interests to New Partnership Owners; (iv) have power to borrow funds and/or obtain investors and/or sell or encumber its real estate for valid business purposes including funding any cash obligations pursuant to the Plan, funding expansion of Debtor's business as contemplated by Debtor's business plans submitted in support of confirmation of the Plan; (v) have power to do all acts contemplated by the Plan; and (vi) have sole discretion to settle or compromise any claim, cause of action, chose-in-action or litigation and settle any such claim, cause of action, chose-in-action or litigation, without approval of the Bankruptcy Court.

7.8 Subject to the following, the Debtor reserves the right to revoke and withdraw this Plan before the entry of the Confirmation Order. If the Debtor revokes or withdraws this Plan, or if confirmation of this Plan does not occur, then this Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or to prejudice in any manner the rights of the Debtor, or person in any further proceedings involving the Debtor or to provide the basis for any claim against Debtor.

7.9 The holders of the Guaranty Claims are hereby enjoined from: (a) commencing or continuing in any manner any action, proceeding or lawsuit against the Guarantors based on the Guaranty Agreements, or (b) enforcing, attaching, collecting or recovery on account of any judgment, award, decree or other against the Guarantors or their respective assets or property on account of the Guaranty Agreements; provided, however, that: (a) such injunction shall automatically terminate if the Reorganized Debtor defaults in the payment of any obligation which has been guaranteed by the Guarantors; and (b) the Reorganized Debtor shall not be deemed in default under this Plan in respect of the Guaranty Agreements until the Reorganized Debtor has been given 30 days written notice of default and an opportunity to cure such default during such 30 day period. In addition, the holder of the Guaranty Agreements will be required to exhaust all of its remedies against their Collateral including but not limited to foreclosing and selling the Collateral in a commercially reasonable manner before pursuing the Guarantors.

ARTICLE IV: FINANCIAL INFORMATION REGARDING DEBTOR

Debtor's Statement of Financial Affairs, detailed schedules of assets and liabilities, and amendments thereto, and the periodic Operating Reports and interim statements required to be filed by the Bankruptcy Court, have been filed with the Court. **ADDITIONAL FINANCIAL INFORMATION AND CLARIFICATION CAN BE FOUND IN THE ABOVE DESCRIBED DOCUMENTS ON FILE WITH THE U.S. BANKRUPTCY CLERK.**

ARTICLE V: OTHER DISCLOSURES AND RELEVANT INFORMATION

The Debtor believes that Peter Ng's claims may be duplicative of some of the other unsecured claims. In addition, Goldbergs, not a creditor of the Debtor, have objected to many of the unsecured claims. Goldbergs have obtained Orders disallowing the following secured and unsecured claims:

Jimmy Y. An
Beanstalk Investments Ltd.
Penny Chen
Weepoh Chau
Yang Wei Chien
Khen Sheng Ng (2 claims)
Norma and Fawn Payson
Sam Yang
Sam and Laura Yang Investment Holdings, LP

However, the Orders permit each of these disallowed claimants to file proofs of claim within thirty (30) days of the entry of the Orders. The thirty (30) day period has not passed as of the date of filing of this Disclosure Statement and therefore Debtor is unable to forecast whether any of these disallowed claims may ultimately be allowed.

Goldbergs have also objected to the claims of Chiang Chu-Pin and Peter Ng. A status conference with respect to these objections is scheduled for September 23, 2013. Debtor cannot forecast whether these claims will be allowed or disallowed in whole or in part.

The Debtor is unable to estimate the aggregate of Allowed Unsecured Claims because of the uncertainty with respect to the Claims objected to by Goldbergs. Goldbergs have objected to all Unsecured Claims except the joint claim of Peter Qian and Daisy Liu in the amount of \$1,340,000. All of the objected to Unsecured Claims total \$12,925,941.44. It is assumed all Claimants will seek interest on their Claims and Debtor reserves the right to object to any interest sought by claimants. Debtor does not anticipate any allowed Administrative Claims other than Peter Ng may assert claims based on funding of the Debtor during the pendency of the case. Debtor does not anticipate any allowed Claims in Class 6. Debtor anticipates professional fees and expenses will be in the range of \$100,000 to \$125,000 and may exceed the funds in HH DU's trust account by \$50,000-\$75,000, in which case the approved fees and expenses will be paid from the net proceeds of sale and/or by Ng.

Nevertheless, Debtor is of a view that sufficient equity exists in the Debtor's real estate that if Debtor is able to make sales, some dividend will be paid on allowed unsecured claims.

ARTICLE VI: CONSIDERATIONS IN VOTING ON THE PLAN

The Debtor has proposed a Plan that it believes treats all creditors fairly and equitably and is in the best interest of the creditors. In order to assist the creditors in evaluating the Plan, the Debtor provides the following summary of items which Debtor believes to be significant considerations for

creditors in deciding how to vote on the Plan. References are made to paragraphs in this Disclosure Statement and Plan of Reorganization which discuss and have summarized topics in greater detail. **THE FOLLOWING IS ONLY A BRIEF SUMMARY AND SHOULD NOT BE RELIED UPON EXCLUSIVELY FOR VOTING PURPOSES. YOU ARE URGED TO READ ALL OF THIS DISCLOSURE STATEMENT, THE PLAN OF REORGANIZATION IN FULL AND ALL OTHER RELEVANT ORDERS AND DOCUMENTS ON FILE IN THESE PROCEEDINGS.**

Possible Tax Consequences. Implementation of the Plan may result in income, gain, or loss for federal income tax purposes to holders of claims against and interests in Debtor. Tax consequences to a particular Creditor or holder of an interest in Debtor may depend on the particular circumstances or facts regarding the Claim of the Creditor or the interest of such holder in Debtor. To the extent that a holder of a Claim receives a distribution under the Plan which is less than the full amount of the Claim, and the remainder of the Claim is being discharged under the Plan, that holder of a Claim may be entitled to a deduction from taxable income to the extent of the realized loss on the Claim (but only to the extent the loss has not been recognized in prior tax years).

Each holder of an interest in Debtor will recognize taxable income or gain as a result of the implementation of the Plan to the extent that the holders allocable share of the gain from the transfer of the Property and/or income from cancellation of indebtedness due to the modification and/or discharge of Claims under the Plan.

THE TAX CONSEQUENCES TO EACH CLAIMANT RESULTING FROM ANY REORGANIZATION OF DEBTOR OR LIQUIDATION OF DEBTOR'S ASSETS ARE COMPLEX AND MAY VARY AND WILL DEPEND UPON THE PARTICULAR CIRCUMSTANCES OF EACH CLAIMANT. CONSEQUENTLY, EACH CLAIMANT IS URGED TO CONSULT HIS OWN TAX ADVISOR WITH SPECIFIC REFERENCE TO HIS PARTICULAR CIRCUMSTANCES AND TO THE TAX CONSEQUENCES OF BOTH THE PLAN AND ANY ALTERNATIVE TO THE PLAN AND NO CLAIMANT IS AUTHORIZED TO RELY FOR TAX ADVICE OR INFORMATION ON THIS DISCLOSURE STATEMENT.

ARTICLE VII: LIQUIDATION ANALYSIS

1. Liquidation Analysis

The Debtor believes that in the event of liquidation after conversion to Chapter 7 or dismissal of the case, its assets would bring net proceeds in amounts probably not exceeding the value of the secured claims. However, MetroBank has a recent 2012 appraisal of the Debtor's Property at \$14,080,000. This Plan is predicated on the Debtor's view that non-liquidation sales of the Debtor's Property as a whole or in parcels will generate more funds than necessary to pay the secured debt. Debtor has received several contracts which unfortunately did not close. All of these contracts were offers that the Debtor considered as market value offers and therefore demonstrate that under a non-forced sale scenario, unsecured creditors and perhaps equity could be paid from sales of all or parcels of the Property by the Reorganized Debtor.

On the other hand, the liquidation value of the Debtor's assets is likely less than or no more than the secured debt of approximately \$10,500,000. Indeed it is likely that if the case is converted

to Chapter 7, the Trustee would sell the Debtor's assets with all of the net proceeds going to the secured creditors or the Property would be foreclosed on by the Bank pursuant to a successful motion to lift the automatic stay. If the case were converted, the Chapter 7 Trustee's fees and expenses would be paid. Therefore, Debtor believes that there would likely be little or no funds available for payment to unsecured creditors and possibly insufficient funds to pay the entire secured debt in the event of a conversion or dismissal. Certainly the Debtor believes that the proceeds of liquidation would produce substantially less than orderly sales procedures under the Plan.

Debtor's Recommendation:

BASED ON THE CONTENTS OF THIS DISCLOSURE STATEMENT, THE DEBTOR BELIEVES IT IS IN THE BEST INTERESTS OF ALL CREDITORS THAT THE PLAN AS PROPOSED BY THE DEBTOR BE APPROVED BY ITS CREDITORS. DEBTOR BELIEVES THAT REORGANIZATION WOULD PRODUCE MORE DISTRIBUTION TO CREDITORS THAN IF THE DEBTOR WERE LIQUIDATED. ACCORDINGLY, THE DEBTOR RECOMMENDS THAT ITS CREDITORS VOTE TO CONFIRM THE PLAN AS FILED BY THE DEBTOR.

Dated: July 19, 2013.

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SOUTHERN ONE TWENTY ONE
INVESTMENTS, LTD.

By: /s/ Peter Ng
Peter Ng, General Partner of
Southern 121 Investments GP, Inc.

Submitted by:

HIERSCHE, HAYWARD, DRAKELEY
& URBACH, P.C.

By: /s/ Gerald P. Urbach
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