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SANFORD JAY HOROWITZ
6

7
8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 SAN FERNANDO DIVISION
11

12 In re:

13 SANFORD JAY HOROWITZ,

14 Debtor and Debtor-in-Possession,

Case No. 1:09-bk-24651-MT

Chapter 11

**MOTION FOR AN ORDER
CONDITIONALLY APPROVING
DEBTOR'S ORIGINAL LIQUIDATING
CHAPTER 11 PLAN AND
DISCLOSURE STATEMENT;
DECLARATION OF SANFORD JAY
HOROWITZ IN SUPPORT THEREOF**

No Hearing Required Unless Requested by
the United States Trustee

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20 TO THE HONORABLE MAUREEN A. TIGHE, UNITED STATES BANKRUPTCY JUDGE
21 PRESIDING IN THIS CASE AND PETER C. ANDERSON, UNITED STATES TRUSTEE:

22 Debtor and Debtor-in-Possession SANFORD JAY HOROWITZ hereby moves the Court for
23 an Order conditionally approving Debtor's Original Liquidating Chapter 11 Plan and Disclosure
24 Statement (the "Motion").

25 Said motion is based upon the attached Debtor's Original Liquidating Chapter 11 Plan and
26 Disclosure Statement attached to the accompanying Declaration of Sanford Jay Horowitz as Exhibit
27 "A" and incorporated herein by this reference, the Scheduled, Statement of Financial Affairs and
28 other pleadings filed in this case, and such other information as the Court may consider and the

1 following:

2 1. This case was commencement by Debtor's voluntary petition filed November 3, 2009.

3 2. On December 23, 2009, this Court entered Order Authorizing Use of Combined Plan
4 and Disclosure Statement.

5 3. On February 22, 2010, this Court entered Scheduling Order After Status Conference
6 (the "Scheduling Order") thereby authorizing the Debtor to proceed with conditional approval of
7 Debtor's Original Liquidating Plan and Disclosure Statement by service upon the United States
8 Trustee with 21 days notice of opportunity to object or request hearing.

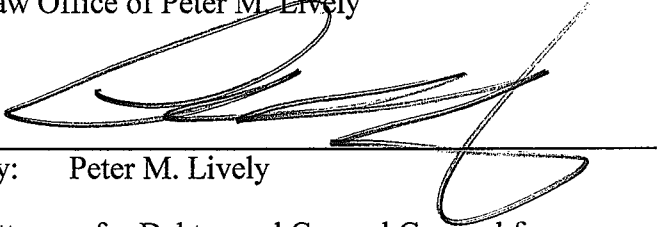
9 4. The Scheduling Order also provides Debtor and the United States Trustee with an
10 opportunity to lodge an order conditionally approving Debtor's Original Liquidating Plan and
11 Disclosure Statement approved by the United States Trustee as to form and content at anytime after
12 service of notice and the Motion.

13 WHEREFORE, Debtor requests that this honorable Court enter an order conditionally
14 approving his Original Plan and Disclosure Statement.

15 Respectfully submitted,

16 Law Office of Peter M. Lively

17
18 Dated: June 15, 2010

19 
20 By: Peter M. Lively

21 Attorney for Debtor and General Counsel for
22 Debtor-in-Possession, SANFORD JAY HOROWITZ
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1 **DECLARATION OF SANFORD JAY HOROWITZ**
2 **IN SUPPORT OF MOTION FOR AN ORDER CONDITIONALLY APPROVING**
3 **ORIGINAL LIQUIDATING PLAN AND DISCLOSURE STATEMENT**

4 I, SANFORD JAY HOROWITZ, declare and state:

5 1. I am the Debtor and Debtor-in-Possession in the within proceeding. I make the
6 following statements based upon my own personal knowledge, except those matters stated on
7 information and belief, which I believe to be true, and will testify thereto if called upon by the Court
8 to do so.

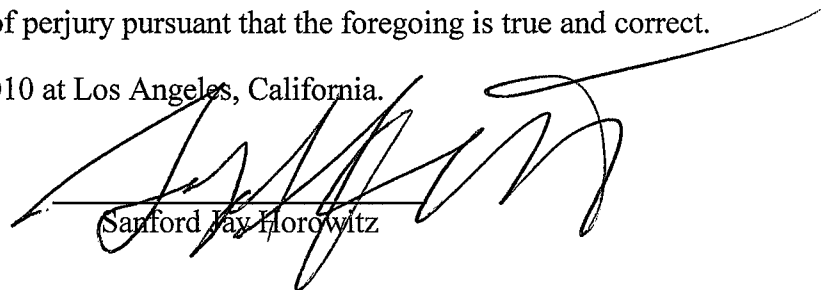
9 2. Through counsel, I caused my voluntary Chapter 11 petition to be filed on November
10 3, 2009.

11 3. I have attached hereto as Exhibit "A" my Original Liquidating Plan and Disclosure
12 Statement.

13 4. The information provided in my Original Liquidating Plan and Disclosure Statement
14 is true and accurate to the best of my knowledge and belief and is being proposed in good faith and
15 in compliance with the requirements of the United States Bankruptcy Code.

16 I declare under penalty of perjury pursuant that the foregoing is true and correct.

17 Executed on June 15, 2010 at Los Angeles, California.

18 
19 Sanford Jay Horowitz

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4
5 Attorney for Debtor and
General Counsel for Debtor-In-Possession,
SANFORD JAY HOROWITZ
6

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10

11
12 In re
13 SANFORD JAY HOROWITZ, aka SANDY
HOROWITZ,
14 Debtor and Debtor-in-Possession.
15

Case No. 1:09-24651-MT

Chapter 11

(11 U.S.C. § 1101 et seq.)

16 **DEBTOR'S ORIGINAL LIQUIDATING**
17 **CHAPTER 11 PLAN AND DISCLOSURE**
18 **STATEMENT; SUPPORTING**
19 **DECLARATION OF SANFORD JAY**
20 **HOROWITZ**

21 Conditional Plan Approval Hearing-
22 Date: Not set unless requested by UST
23 Time:
24 Courtroom:

25 Plan Confirmation Hearing
26 Date: Not yet determined by Court
27 Time:
28 Courtroom:

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I.

INTRODUCTION & BACKGROUND

Debtor SANFORD JAY HOROWITZ, aka SANDY HOROWITZ, commenced a bankruptcy case by filing a voluntary Chapter 11 petition under the United States Bankruptcy Code ("Bankruptcy Code") on November 3, 2009. This document is the Debtor's Proposed Chapter 11 Plan and Disclosure Statement ("Plan"). This combined Plan and Disclosure Statement format was approved for use by the court pursuant to its order entered December 23, 2009.

A. Business Model:

Debtor is an individual who does not conducted business. Debtor derives income from his ownership interests in various entities that primarily own and manage real property.

B. Background:

Debtor's individual financial problems were the direct result of cash flow problems experienced by the entities he owns. With the general downturn in the economy since in or about 2007, rental income declined in numerous commercial and residential building held in Debtor's wholly owned entities. Also in 2007, Debtor lost his residence to fire and has since experienced difficulties reaching his goal of rebuilding.

Debtor's case was filed on an emergency basis on November 3, 2009 in order to stop a Trustee's Sale of Debtor's residence, certain real property located at 5656 Latigo Canyon Road, Malibu, California 90265 (the "Malibu Residence"), presently uninhabitable because the residential structure was completely destroyed in the Malibu fire of 2007. There is insurance coverage for rebuilding the residence, but Debtor has been engaged in a protracted insurance coverage dispute that has impeded progress on construction.

A primary goal of Debtor's reorganization efforts is to complete rehabilitation of the Malibu Residence, thereby obviating Debtor's need for rental housing for his family, which in turn will substantially reduce Debtor's monthly household expenses. Declaration of Sanford Jay Horowitz, attached hereto and incorporated herein by reference ("Horowitz Declaration").

A further goal in Debtor's reorganization is to liquidate sufficient assets held individually

1 and as assets in various owned entities to repay unsecured claims, reinstate secured loans and
2 reestablish cash flow from Debtor's investments sufficient to fund Debtor's future living
3 expenses.

4 **C. Plan Type:**

5 Debtor is proposing a liquidating Plan whereby claims will be paid from the net proceeds
6 from sale of various assets held by Debtor in his business entities as detailed herein under section
7 III. C. "Feasibility."

8 Debtor's Plan proposes to pay his creditors in full the "effective date" estimated to be by
9 or about February 15, 2011. Sanford Jay Horowitz will act as the disbursing agent for the
10 purpose of making all distributions provided for under the Plan, without separate compensation.

11 **D. Tax Consequences:**

12 Any Federal tax consequences of liquidating property to fund Debtor's plan will be
13 addressed in Debtor's individual income tax returns.

14 **II.**

15 **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

16 **A. General Overview:**

17 The Bankruptcy Code requires that the Debtor follow a hierarchy of expense and claim
18 priorities when distributing its typically limited funds amongst many payees: Secured claims,
19 administrative expenses, priority unsecured claims, general unsecured claims, and shareholders'
20 interests.

21 Debtor's Plan separately groups ("classifies") creditor claims and sets forth how each
22 group of claims is proposed to be paid. Proposed payments to all creditors of this case are
23 summarized in Debtor's Proposed Plan Payment Schedule at Exhibit "D" at the end of this
24 document and more fully explained as follows:

25 ///

1. Administrative Expenses (Paid on Effective Date).

The following chart lists all of the Debtor's administrative claims and the proposed treatment of each:

<u>Name</u>	<u>Amount Owed</u>	<u>Treatment</u>
Clerk's Office Fees	None	Paid in full on Effective Date
Office of the U.S. Trustee Fees	\$6,500	Paid in full on Effective Date
TOTAL	NA	

Court Approval of Professional Fees Required:

The Court must approve all professional fees by a separate order, after notice and a hearing where the Debtor, all creditors and the United States Trustee are provided an opportunity to object.

Debtor intends to pay all administrative fees and costs in full on the effective date.

Debtor has employed the following professionals:

<u>Professional Type</u>	<u>Name</u>	<u>Order Employing</u>
General counsel	Law Office of Peter M. Lively	December 23, 2009.
Litigation (CA)	Leonard Dicker & Schreiber	April 27, 2010.
Accountant	Arlia & Associates CPAs LLP	December 23, 2009
Litigation (NY)	Pending	Pending

Debtor estimates that professional fees owing as of the effective date, subject to court approval, will be as follows:

<u>Professional Type</u>	<u>Name</u>	<u>Fees & Costs</u>
General counsel	Law Office of Peter M. Lively	\$200,000.
Litigation (CA)	Leonard Dicker & Schreiber	\$50,000.
Accountant	Arlia & Associates CPAs LLP	\$35,000.
Litigation (NY)	Pending	\$25,000.
Total estimated professional fees and costs.		\$310,000

///

2. Priority Tax Claims.

The following chart lists all of the Debtor's priority tax claims and the proposed claim treatment:

Description	Amount Owed	Treatment	
Name = Internal Revenue Service Type of tax = Income Date tax assessed = un-assessed estimated for tax years 2006, 2007, 2008 and 2009	\$110,000	Pymt interval	= 1
		Pymt amt/interval	= \$110,000
		Begin date	= Eff. Date
		End date	= Eff. Date
		Interest Rate %	= NA
		Total Amount <u>100%</u>	= 100
Name = CA Franchise Tax Board Type of tax = Income Date tax assessed = un-assessed estimated for tax years 2006, 2007, 2008 and 2009	\$50,000	Pymt interval	= 1
		Pymt amt/interval	= \$50,000
		Begin date	= Eff. Date
		End date	= Eff. Date
		Interest Rate %	= NA
		Total Amount <u>100%</u>	= 100

B. Classified Claims and Interests

1. Secured Claims (Narrative)

Debtor's Bankruptcy Schedule "D" sets forth twelve (12) creditors that hold claims secured by his assets which consist of a two three single family residences (California, Montana and New York), 20 acres of raw land, three boats and two vehicles. A significant asset securing debts on Schedule "D" is the real property of the estate commonly know as 5656 Latigo Canyon Road, Malibu, California 90265 (Debtor's "California Residence") which is encumbered by two deeds of trust securing notes, property taxes and two mechanics liens related to construction; these are classes 1 to 6. The mechanics liens will be paid from fire insurance proceeds designated for the rebuilding of debtor's residence. All other secured claims are paid or arrearage reinstated on the effective date.

1 A second significant asset securing debts on Schedule "D" is the real property of the
 2 estate commonly known as 660 Bootjack Lake Road, Whitefish, MT 59937 (Debtor's "Montana
 3 Residence") which is encumbered by one mortgage and property taxes; these are classes 7 and 8.
 4 The remaining individual claims are independently secured by various collateral and have been
 5 classified as classes 8 through 13.

6 All of the secured claims set forth on Schedule "D" are separately classified in the
 7 following charts.

8 **2. Secured Claims (Chart)**

9 The following chart summarizes Debtor's secured claims, describes the assets that secure
 10 each and the proposed claim treatment:

CLASS #	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
1	Secured claim of: Name = TMST, Inc. (Formerly Thornburg Mortgage) Collateral description = Single Family Residence on 42 acres of land located in Malibu, California. Collateral value = 3,000,000 Priority of security int. = #1 deed of trust Principal owed =\$2,101,031.20 Pre-pet. arrearage amount = \$100,000 Post-pet. arrearage amount = \$100,000 through 10/31/10 Total claim amount =\$2,201,031.20	N	N	Pymt interval = 1 Pymt amt/interval = \$200,000 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien Retain lien

CLASS #	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
2	Secured claim of: Name = PNC Bank, success to National City Bank Collateral description = Single Family Residence on 42 acres of land located in Malibu, California. Collateral value = \$3,000,000 Priority of security int. = #2 deed of trust Principal owed = \$178,714.58 Pre-pet. arrearage amount = \$547 Post-pet. arrearage amount = \$2,730 through 10/31/10 Total claim amount = \$181,991.58	N	N	Pymt interval = 1 Pymt amt/interval = \$3,277 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Retain lien

CLASS #	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
3	Secured claim of: Name = Los Angeles County Tax Collector Collateral description = Single Family Residence on 42 acres of land located in Malibu, California. Collateral value = \$3,000,000 Priority of security int. = #1 statutory lien Principal owed = \$33,410.85 Pre-pet. arrearage amount = \$29,696.06 Post-pet. arrearage amount = \$3,714.79 due 12/09. \$3,714.79 due 4/10 Total claim amount = \$37,125.64	N	N	Pymt interval = 1 Pymt amt/interval * = \$37,125.64 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Retain

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<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
4	Secured claim of: Name = Los Angeles County Tax Collector (Boat tax lien) Collateral description = Single Family Residence on 42 acres of land located in Malibu, California. Collateral value = \$3,000,000 Priority of security int. = #3 by lien recorded 12/12/06 Principal owed = \$613.11 Pre-pet. arrearage amount = \$613.11 Post-pet. arrearage amount = \$56.20 (interest at 10% through 10/31/10) Total claim amount = \$699.31	N	N	Pymt interval = 1 Pymt amt/interval = \$699.31 Balloon pymt = NA Begin date = Eff. Date End date = Eff Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Released upon payment

<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
5	Secured claim of: Name = EDP Consultants, Inc. Collateral description = Single Family Residence on 42 acres of land located in Malibu, California. Collateral value = \$3,000,000 Priority of security int. = #4 by mechanic's lien (recording not confirmed) Principal owed = \$5,612.81 Pre-pet. arrearage amount = \$5,612.81 Post-pet. arrearage amount = \$515.33 (interest at 10% through 10/31/10) Total claim amount = \$6,128.14	N	N	Pymt interval = 1 Pymt amt/interval = \$6,128.14 Balloon pymt = NA Begin date = * End date = * Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Released upon payment * Payment of this claim should come from fire insurance proceeds for rebuild of structure on this parcel, prior to the effective date.

CLASS #	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
6	Secured claim of: Name = RJR Engineering Group Collateral description = Single Family Residence on 42 acres of land located in Malibu, California. Collateral value = \$3,000,000 Priority of security int. = #5 by mechanic's lien (recording not confirmed) Principal owed = \$9,773.85 Pre-pet. arrearage amount = \$9,773.85 Post-pet. arrearage amount = \$895.94 (interest at 10% through 10/31/10) Total claim amount = \$10,669.79	N	N	Pymt interval = 1 Pymt amt/interval = \$10,669.79 Balloon pymt = NA Begin date = * End date = * Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Released upon payment * Payment of this claim should come from fire insurance proceeds for rebuild of structure on this parcel, prior to the effective date.

CLASS #	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
7	Secured claim of: Name = U.S. Bank, C/o Specialized Loan Servicing Collateral description = Single Family Residence on at 660 Bootjack Lake Road, Whitefish, MT Collateral value = 2,250,000 Priority of security int. = #1 mortgage Principal owed = \$1,692,203 Pre-pet. arrearage amount = \$75,265.92 Post-pet. arrearage amount = \$70,409.70 through 10/31/10 Total claim amount = \$1,837,878.60	N	N	Pymt interval = 1 Pymt amt/interval = \$145,675.60 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Retain lien

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<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
8	Secured claim of: Name = Flathead County Treasurer Collateral description = Single Family Residence on at 660 Bootjack Lake Road, Whitefish, MT and 20 Acres of Raw Land Collateral value = \$2,250,000 Priority of security int. = Statutory lien Principal owed = \$3,254.68 (SFR) + \$293.09 (Land) Pre-pet. arrearage amount = \$3,547.77 (\$3,254.68 + \$293.09) Post-pet. arrearage amount = \$3,500 estimated through 10/31/10 Total claim amount = \$7,047.77	N	N	Pymt interval = 1 Pymt amt/interval = \$7,047.77 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Released upon payment

<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
9	Secured claim of: Name = Bank of Bennington Collateral description = Single Family Residence at 111 Ida Street, Troy, NY 12180 Collateral value = \$40,000 Priority of security int. = #1 mortgage Principal owed = \$7,770.98 Pre-pet. arrearage amount = \$0 Post-pet. arrearage amount = \$588.39 through 10/31/10 Total claim amount = \$8,359.37	N	N	Pymt interval = 1 Pymt amt/interval = \$588.39 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Released upon payment

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<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
10	Secured claim of: Name = California Yacht Club, Inc. Collateral description = 2, 1931 Sail Boats Collateral value = \$21,000 Priority of security int. = #1 Principal owed = \$11,334.26 Pre-pet. arrearage amount = \$11,334.26 Post-pet. arrearage amount = \$18,700 through 10/31/10 Total claim amount = \$30,034.26	N	N	Pymt interval = 1 Pymt amt/interval = \$30,034.26 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Released upon payment

<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
11	Secured claim of: Name = New England Shipyard Collateral description = Sailboat "Kirawan" Collateral value = \$400,000 Priority of security int. = #1 Principal owed = \$51,112.86 Pre-pet. arrearage amount = \$51,112.86 Post-pet. arrearage amount = \$NA Total claim amount = \$51,112.86	N	N	Pymt interval = 1 Pymt amt/interval = 51,112.86 Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Release upon payment

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
12	Secured claim of: Name = GMAC Collateral description = 2008 Chevrolet Suburban (Lease) Collateral value = \$NA Priority of security int. = #1 Principal owed = \$NA Pre-pet. arrearage amount = \$NA Post-pet. arrearage amount = \$NA Total claim amount = \$NA	N	N	Pymt interval = 1 Pymt amt/interval = Regular payment Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Retain

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
13	Secured claim of: Name = Chase Auto Finance Collateral description = 2007 Buick Lucerne CX Sedan Collateral value = \$10,350 Priority of security int. = #1 Principal owed = \$22,420 Pre-pet. arrearage amount = \$0 Post-pet. arrearage amount = \$0 Total claim amount = \$22,420	N	N	Pymt interval = 1 Pymt amt/interval = Regular payments Balloon pymt = NA Begin date = Eff. Date End date = Eff. Date Interest rate % = NA Total payout <u>100%</u> = 100 Treatment of Lien = Released upon payment

3. Classes of Priority Unsecured Claims (Narrative)

The Debtor does not owe priority unsecured claims other than the priority tax claims set

1 forth in section II. A. 2. herein above

2 4. **Class of General Unsecured Claims; (Narrative)**

3 The remaining creditor claims in this case are those of the General Unsecured creditors.

4 There are four (4) classes of general unsecured claims designated by type as set forth in the
5 following chart:

6 **Class "14" - Undisputed general unsecured claims**

7 <u>Creditor Name</u>	<u>Type</u>	<u>Claim Amount</u>
8 SEFCU	Personal Loan	\$79,000
9 Mitchell Silberberg, etc.	Attorney fees	\$11,593.28
10 Wells Fargo Bank, NA	Revolving credit	\$10,835.49
11 Leonel's Landscaping	Gardening service	\$10,700
12 Stuart H. Salsbury	Appraisal services	\$7,068.75
13 Chase Bank USA, NA	Revolving credit	\$5,108.48
14 David Jones	Storage	\$5,000
15 Discover Bank	Revolving credit	\$4,155.22
16 Malibu Racquet Club	Club dues	\$2,419.92
17 Wayne Marshall, Esq.	Attorney fees	\$1,050
18 Well Fargo Bank	Overdraft charges	\$1,048.17
19 Direct TV	Consumer services	\$831
20 <u>Total Class "14" general unsecured claim, undisputed</u>		<u>\$138,810.31</u>

21
22 **Class "15" - Payable from fire insurance proceeds (Malibu)**

23 Robert Shachtman	Architect	\$17,000
24 Chris Nelson & Assoc.	Survey and Mapping	\$2,766.25
25 S & S Rent-A-Fence	Construction related	\$367.50
26 Harris Engineering	Engineering	\$345
27 <u>Total Class "15" payable from fire insurance proceeds (Malibu)</u>		<u>\$20,478.75</u>

28

Class "16" - Personal Guarantees of Loans to be Reinstated.

Creditor Name Security for Loan

Capmark Finance Real property at 5 Broadway, Troy, NY (the "Cannon Building");
This note to be fully paid through affiliate Chapter 11 of Horowitz
Management of Troy, Inc. (1:10-bk-14405-MT).

First Bank Niagara Restaurant equipment. Secured creditor has agreed to restructure
this debt and allow payments to start again.

Pioneer Svngs Bank Three (3) loans secured by parcels of real property held by
Horowitz Management Corporation. This corporation is making
arrangements with this creditor for reinstatement of the notes.

SEFCU Real property held in Hormi Holding Co., Inc. securing note
balance of \$969,125.55 to be reinstated by that company.

Class "17" - Personal Guarantees of loans not likely to be Reinstated

SEFCU Raw land held by Schaghticoke-Hudson River Development
Company, LCC with fair market value of approximately \$200,000
securing note balance of \$577,391.11. Deficiency balance of
\$377,391 expected if reinstatement not paid before foreclosure.

Total Class "17" Personal Guarantees of loans not likely to be reinstated \$377,391

Class "18" - Disputed Claims

Creditor Name Type Claim Amount

Drew Purvis **Construction consulting services** **\$35,991**

This claim is the subject of Debtor's Motion to Disallow which has not yet been resolved
by the Court.

A. Payment of Undisputed Claims & Adjustments to Payments:

The general unsecured claims in this case are set forth in Debtor's Bankruptcy Schedules

1 “F,” a copy of which was mailed to you with the Notice of Claims Bar Date. As the claims bar
2 date notice advised you, creditors scheduled as “disputed” will not receive payments unless
3 claims are timely filed before the bar date, March 1, 2010.

4 **6. Class of General Unsecured Claims (Chart)**

5 The following chart describes the treatment of these claims class containing all of
6 Debtor’s general unsecured claims:

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
14	Undisputed general unsecured claims Total amt of claims = \$138,810.31	Y	Paid in full on the effective date.
15	Payable from fire insurance proceeds (Malibu) Total amt of claims = \$20,478.75	N	Paid in full from fire insurance proceeds as said proceeds are made available to the estate.
16	Personal Guarantees of Loans to be Reinstated.	N	Debtor reaffirms personal guarantees.
17	Personal Guarantees of loans not likely to be Reinstated Total amt of claims = \$377,391	Y	Paid in full on the effective date.

CLASS#	DESCRIPTION	IMPAIRED (Y/N)	TREATMENT
18	Disputed general unsecured claim of Drew Purvis (Motion to Disallow is pending) Total amt of claims = \$35,991	Y	If this claim is allowed, then it will be paid from fire insurance proceeds as said proceeds are made available to the estate

III.

CONFIRMATION REQUIREMENTS AND PROCEDURES

Before the Court can confirm a Plan, it must find that the Plan has been proposed in good faith, that it has been accepted by the creditors, that it pays creditors at least as much as creditors would receive in a Chapter 7 liquidation, and that it is feasible.

A. Objections to Debtor's Plan

Any party in interest may object to the confirmation of the Plan. If you accept Debtor's Plan you do NOT need to take any action, the absence of your objection will mean that you accept Debtor's Plan.

IF YOU OBJECT TO DEBTOR'S PLAN, PLEASE TEAR OFF AND COMPLETE THE OBJECTION BALLOT ATTACHED TO THIS DOCUMENT AS EXHIBIT "E" (ADD YOUR NAME AND ADDRESS, AND STATE THE REASON FOR YOUR OBJECTION), THEN MAIL IT TO DEBTOR'S COUNSEL AT THE ADDRESS THEREON AT LEAST TWENTY ONE (21) DAYS BEFORE THE CONFIRMATION HEARING DATE. Debtor's counsel will prepare and file with the court, a summary of the acceptances and objections, and serve a copy on the United States Trustee prior to the confirmation hearing.

Even if a party in interest objects to the proposed Plan, the Court may nonetheless confirm the Plan if the objecting creditor is treated in the manner required by the Code.

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1 **B. Liquidation Analysis**

2 Another confirmation requirement is the “Best Interest Test”, which requires a liquidation
3 analysis. The Best Interests Test requires that all creditors receive at least as much through the
4 Plan as they would receive if the Debtor ceased to operate its business and its assets were
5 liquidated, unless they accept a Plan that pays less.

6 Funds obtained from a Debtor’s assets that are liquidated under Chapter 7 of the
7 Bankruptcy Code are disbursed to liens against assets of the estate (Secured claims), then to the
8 costs of liquidation (Administrative expenses), then to Priority Unsecured claims, and then to
9 General Unsecured claims. Finally, if any funds remain after all expenses, liens and all creditor
10 claims are fully paid, the Debtor’s Shareholders receive any remaining funds.

11 This is a liquidating Plan which provides for 100% payment to allowed claims. Below is
12 a demonstration provided by the Debtor, in balance sheet format, that all creditors and interest
13 holders will receive at least as much under the Debtor’s Plan as such creditor or interest holder
14 would receive under a Chapter 7 liquidation.

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1	ASSETS VALUE AT LIQUIDATION VALUE (Estimated Values):	
2	VARIOUS CURRENT ASSETS (Refer to Bankruptcy Schedule "B" for all assets)	
3	Personal Property	\$ 500,000
	Hormi Holding Company, Inc.	\$5,000,000
4	Horowitz Management Company	\$5,000,000
	River Street Associated LLC	\$ 700,000
5	Horowitz & Hunt, LLC	\$2,000,000
6	TOTAL CURRENT ASSETS (Not complete list)	<u>\$13,200,000</u>
7	FIXED ASSETS	
	a. Office furniture & equipment	\$NA
8	b. Machinery & equipment	\$NA
	c. Automobiles	\$No equity
9	d. Building & Land	\$5,390,000*
10	TOTAL FIXED ASSETS	<u>\$5,390,000*</u>
11	TOTAL ASSETS AT LIQUIDATION VALUE	
12	Less:	
13	Secured creditor's recovery	\$4,290,931.40*
14	Less:	
	Chapter 7 trustee fees and expenses (Statutory Trustee Fee plus estimated attorney fees and accountant fees)	<u>\$250,000</u>
15	Less:	
	Chapter 11 administrative expenses	\$310,000
16	Less:	
	Priority claims, excluding administrative expense claims	\$160,000
17	Less:	
18	Debtor's claimed exemptions	\$NA
19	(1) Balance for unsecured claims	\$13,579,068.60
20	(2) Total amt of unsecured claims	<u>\$516,201.31</u>
21		
22	% OF THEIR CLAIMS WHICH UNSECURED CREDITORS WOULD RECEIVE OR RETAIN IN A CH. 7 LIQUIDATION: = <u>100 %</u>	
23	% OF THEIR CLAIMS WHICH UNSECURED CREDITORS WILL RECEIVE OR RETAIN UNDER THIS PLAN: = <u>100 %</u>	
24		

25 **C. Feasibility**

26 Another requirement for confirmation involves the feasibility of the Plan, which means
27 that the Debtor can reasonably afford to make the proposed effective date payments, the monthly
28

1 plan payments and that Plan Confirmation is not likely to be followed by the need for the Debtor
2 to be liquidated in Chapter 7, or the need for further financial reorganization in Chapter 11.

3 To facilitate payment to creditors under his Plan, Debtor requires between \$1,000,000 and
4 \$1,400,000 of cash on the effective date. The Debtor maintains that he will have sufficient funds
5 as of the effective date to make the proposed effective date payments as illustrated here:

6 **1. Contribution by River Street Holdings LLC. \$500,000 to \$700,000**

7 Debtor holds 100% interest in River Street Holdings LLC ("Holdings LLC"). In or about
8 May 2007, this entity sold real property commonly know as 444 River Street, Troy, New York to
9 River Street Associates, LLC ("Associates LLC") and held back a mortgage of \$625,000.
10 Associates LLC defaulted in payments and when Holdings LLC proceeded with non-judicial
11 foreclosure, Associates LLC filed its first Chapter 11 petition on July 9, 2009. The first Chapter
12 11 case was dismissed for failure to obtain counsel. After a failed attempt to obtain an injunction
13 in Superior Court to prevent Holdings LLC's rescheduled foreclosure sale, Associates LLC filed
14 is second Chapter 11 petition on February 11, 2010. Associates LLC second Chapter 11 case
15 was dismissed on May 14, 2010 upon motion by the United States Trustee and Joinder by Debtor
16 appearing in that matter through general counsel in this case, as counsel for Holdings LLC, *pro*
17 *hac vice*. Holdings LLC has re-noticed its foreclosure sale for June 24, 2010. If a buyer is not
18 forthcoming at the June 24th auction, then Holdings LLC will immediately list the 444 River
19 Street property for sale. The net proceeds of sale are expected to be \$500,000 to \$700,000 and
20 will be contributed by the Debtor to this estate.

21 **2. Contribution by Hormi Holding Co., Inc.. \$1,100,000 to \$1,600,000**

22 Debtor holds 100% interest in Hormi Holding Co., Inc. which holds title to various
23 parcels of real property and other assets:

24 A. Sale of the real property commonly known as 17 First Street, Troy, New York is
25 listed for sale and is expected to provide net proceeds of \$350,000.

26 B. Auction of Investment in Oil & Gas reserves commonly known as Pinnacle.
27 Pinnacle Medina Properties SPE 1, LLC ("SPE") was formed in Texas on May 29, 2007 by
28 Debtor as a special purpose entity owned by Hormi Holding Co. Inc. for assets "the Medina

1 Properties” which consist of oil, gas and mineral lease rights, acquired from Pinnacle Medina
2 Properties, L.L.C. (“PMP”) on or about May 21, 2007. PMP apparently acquired its rights in the
3 Medina Properties from Universal Resources Holdings, Inc., a Pennsylvania corporation
4 registered in New York (“URH”), on or about 11/1/06. The acquired rights are subject to a joint
5 operating agreement whereby URH is the “operator” apparently meaning URH is responsible for
6 exploration, development, operation and maintenance of the leases comprising the Medina
7 Properties. The original investment was \$490,000 with 10% debt, which acquired approximately
8 3% undivided interest in 10,000 acres with 63 producing wells and the potential for 43 additional
9 drilling locations. Debtor, through Hormi Holding Co., Inc. has contracted with Todd Garner,
10 Manager of Pinnacle Royalties Management, LLC to auction 50% of his interest which is
11 expected to net \$100,000 to \$150,000. Depending on the results of auction, Debtor intends to
12 auction the remaining 50% which is expected to net a similar sum.

13 C. Sale of the real property commonly known as 1 Monroe Street, Troy, New York is
14 being listed for sale and is expected to provide net proceeds of \$750,000 to \$1,000,000.

16 IV.

17 TREATMENT OF MISCELLANEOUS ITEMS

18 A. Executory Contracts and Unexpired Leases

19 1. Assumptions (see Exhibit A for more detailed information).

20 The Debtor will assume unexpired leases and executory contracts for two vehicles,
21 GMAC (2008 Chevrolet Suburban) and Chase Auto Finance (2007 Buick Lucerne).

22 On the Effective Date, each of the unexpired leases and executory contracts listed above
23 shall be assumed as obligations of the reorganized Debtor. The Order of the Court confirming
24 the Plan shall constitute an Order approving the assumption of each lease and contract listed
25 above. If you are a party to a lease or contract to be assumed and you object to the assumption of
26 your lease or contract, you must file and serve your objection to the Plan at least 21 days prior to
27 the confirmation hearing.

28 2. Rejections

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

2 A creditor or party in interest may bring a motion to convert or dismiss the case under §
3 1112(b), after the Plan is confirmed, if there is a default in performing the Plan. If the Court
4 orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been
5 property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revert
6 in the Chapter 7 estate, and the automatic stay will be reimposed upon the reverted property only
7 to the extent that relief from stay was not previously granted by the Court during this case.

8 **F. Final Decree**

9 Once the estate has been fully administered as referred to in Bankruptcy Rule 3022, the Plan
10 Proponent, or other party as the Court shall designate in the Plan Confirmation Order, shall file a
11 motion with the Court to obtain a final decree to close the case.

12 I, SANFORD JAY HOROWITZ, hereby declare, and will testify if asked, that the
13 information provided in this Combined Plan and Disclosure Statement is true and accurate to the
14 best of my knowledge and belief and is being proposed in good faith and in compliance with the
15 requirements of the United States Bankruptcy Code.

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Date: 6/15/10

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SANFORD JAY HOROWITZ
Debtor and Debtor-in-Possession

BALLOT

(SANFORD JAY HOROWITZ; 1:09-bk-24651-MT)

The Plan referred to in this ballot can be confirmed by the court and thereby bind you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class and the holders of two-thirds in amount of equity security interests in each class voting on the Plan.

If the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirement of Section 1129(b) of the Bankruptcy Code.

The Debtor believes that only the Classes 14 and 17 are entitle to vote. If you do not submit a ballot, your vote may be counted as an acceptance.

The undersigned, creditor of the above-named debtor in the unpaid amount of \$ _____, objects to the Debtor's Plan for the following reasons:

Signed on date: _____

By: _____
(Name of person signing and title, if employed by claim holder).

Address _____

Return this ballot, so that it reaches the address below, on or before 21 days prior to the Plan Confirmation Hearing date.

to: Peter M. Lively, 162686
Law Offices of Peter M. Lively
11268 Washington Blvd. Suite 203
Culver City, CA 90230-4647
Telephone: (310) 391-2400
Facsimile: (310) 391-2462
PeterMLively@aol.com

In re: Sanford Jay Horowitz	Debtor(s).	CHAPTER 11 CASE NUMBER 1:09-bk-24651-MT
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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: 11965 Venice Boulevard, Suite 301, Los Angeles, California 90066-3977.

A true and correct copy of the foregoing document described MOTION FOR AN ORDER CONDITIONALLY APPROVING DEBTOR'S ORIGINAL LIQUIDATING CHAPTER 11 PLAN AND DISCLOSURE STATEMENT; DECLARATION OF SANFORD JAY HOROWITZ IN SUPPORT THEREOF 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 June 15, 2010, 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:

Service information continued on attached page

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

On June 15, 2010, 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

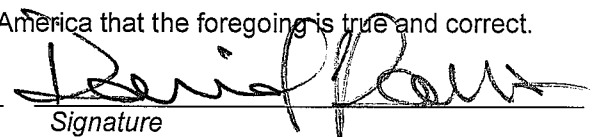
III. **SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____ I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such 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.

06/15/2010
Date

David Ramos
Type Name


Signature

In re: Sanford Jay Horowitz	Debtor(s).	CHAPTER 11 CASE NUMBER 1:09-bk-24651-MT
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ADDITIONAL SERVICE INFORMATION (if needed):

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”):

United States Trustee:

U.S. Trustee
ustpreion16.wh.ecf@usdoj.gov

Katherine Bunker
kate.bunker@usdoj.gov

Creditor:

Ramesh Singh
Recovery Management Systems Corp
claims@recoverycorp.com

Lee S Raphael
cmartin@pprlaw.net

SEFCU

Carey L Melton
cmelton@clark-law.net

US Bank, N.A. as trustee for CCB

David F Makkabi
cmartin@pprlaw.net

Christopher M. McDermott
ecfcacb@piteduncan.com

GMAC

Bernard J Kornberg
Severson & Werson PC
bjk@severson.com

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL:

via U.S. Mail:

Debtor:

Sanford Horowitz
1044 Meadows End Drive
Calabasas, CA 91302