

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re:

Case No. 15-22094-PGH
Chapter 11

JOHN E. TRACEY
SS#XXX-XX-3539
PATRICIA M. TRACEY
SS#XXX-XX-5743
Debtors. /

THE DISCLOSURE STATEMENT OF
JOHN E. TRACEY AND PATRICIA M. TRACEY
DATED MAY 31, 2016

I. INTRODUCTION

This is the disclosure statement (the “Disclosure Statement”) in the individual chapter 11 case of John E. Tracey and Patricia M. Tracey (the “Debtors”). This Disclosure Statement contains information about the Debtors and describes the Debtors’ Plan of Reorganization (the “Plan”) filed by the Debtors on May 31, 2016. A full copy of the Plan was filed with this Court (ECF #98) concurrently with this Disclosure Statement and is referenced as **Exhibit A**.

Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.

The proposed distributions under the Plan are discussed at pages 10 through 15 of this Disclosure Statement. General unsecured creditors are classified in Class VII. The general unsecured creditors will receive a quarterly distribution over five (5) years based on the liquidation value of the Debtors’ estate, which distributes all of the Debtors’ projected disposable income pursuant to 11 U.S.C. § 1129(a)(15)(B).

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtors and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why the Proponent believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

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

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

I. *Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan*

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on _____, 2016 at _____

a.m., in Courtroom 801A, 1515 North Flagler Drive, 8th Floor, West Palm Beach, FL 33401.

2. Deadline For Voting to Accept or Reject the Plan

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and file the ballot on or before the deadline to file the ballot _____ 2016 with the Clerk of the Court, United States Bankruptcy Court, Southern District of Florida, 1515 North Flagler Drive, 8th Floor, West Palm Beach, FL 33401. See section XI.A below for a discussion of voting eligibility requirements.

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

3. Deadline For Objecting to the Adequacy of the Disclosure and Confirmation of the Plan

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon Markarian Frank & Hayes, 2925 PGA Blvd., Suite 204, Palm Beach Gardens, FL 33410 by _____ 2016.

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact Malinda Hayes, at Markarian Frank & Hayes., 2925 PGA Blvd., Suite 204, Palm Beach Gardens, FL 33410.

C. Disclaimer

The Court has scheduled a hearing for _____, 2016 on conditional approval of this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation. The Court's approval of this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. Objections to the adequacy of this Disclosure Statement may be filed until _____.

II. BACKGROUND

The Debtors in Possession are individuals residing in the state of Florida. The Debtors' businesses and interests have consistently been based on housing, lending and banking.

In 1993, the Traceys relocated to Palm Beach County from North Florida with a banking offer at Crown Bank in Lake Worth. They purchased the home that year which they continue to occupy today. The address is 101 Albacore Lane, Jupiter, Florida. Mrs. Tracey worked for Crown Bank for approximately six years and was offered a position with Flagship Financial, a mortgage firm from Ft Lauderdale. She opened an office for them in Palm Beach County and worked with them for 2 years prior to buying out the office and opening her own company, Guardian Financial Network. In 2004, after renting for a few years, she purchased and built out three office condos-

8409 N Military Trail, Suite 110-112, Palm Beach Gardens, Florida.

While the market was good and lending was increasing, the Traceys purchased a condominium in 2003-3675 N Country Club Drive Unit 1107, Aventura, Florida as a second home and then, a rental opportunity. Then, again, when it seemed to be a good opportunity, another condominium was purchased in 2005-100 Uno Lago Drive, Apt 103, Juno Beach, Florida for rental purposes and retirement opportunities. The Uno Lago Drive apartment was purchased 50/50 ownership with another couple, who pay 50% of the expenses associated with the property when rents are inadequate to fully cover the property expenses.

In 2006, the Traceys founded a nonprofit-501(c)(3)-HUD approved counseling center to assist low to moderate income buyers in education, financial awareness and grant assistance. This was named Real Estate Education And Community Housing, Inc. (REACH). They felt that they had been blessed and wanted to help the multi-cultured community members of South Florida reach their dream of homeownership. It is a Board run, community nonprofit entity, approved by the IRS as a nonprofit organization.

Mrs. Tracey was asked to join a bank board of new start up bank, Integrity Bank in 2003, and invest in the bank. She had to invest \$250,000 as a Director and placed much of her own funds in this bank plus borrowed against the stock shares. As a Community Bank, she believed this would assist the total housing community.

As the housing and banking market began to fall in 2009, Integrity Bank was closed under FDIC orders and Mrs. Tracey was left with an outstanding debt on worthless stock. In addition, the FDIC came after the directors for a final settlement, even though the directors were fully covered with insurance. This was another loss to the Debtors. This was in 2009 and finally settled in 2014. At that point, Mrs. Tracey began to work diligently to avoid bankruptcy in 2009. She modified her home loan and the business condo buildings. She reached out and settled numerous accounts using all funds available to do so, including the bulk of Mrs. Tracey's retirement savings. Mr. Tracey did not have any retirement savings. Bankruptcy was not an option. And, it later became a very difficult choice.

Mortgage lending volume was decreasing rapidly, banks were closing and funds to lend tightened. More people than ever wanted housing and it was not attainable. Then, banking regulation changed in April, 2011, and fees from lending were lowered until many small operations, such as Guardian Financial Network (a mortgage company operated by Mrs. Tracey that provided mortgage assistance to low income families), could not continue to operate in the black. Literally, hundreds of small mortgage bankers in Florida were forced to close. Unfortunately, Guardian continued to try to assist the low income families with housing, even though profits had been removed. Families had been working with the nonprofit, REACH, for years to get in to financial shape to buy. This change damaged their opportunities.

In addition, a perfect storm was brewing within Palm Beach County. Five Commissioners were arrested and jailed. A new ethics committee was set up and many were charged with wrong doing. Guardian and REACH became a target as REACH sought grant funds for the low to moderate income individuals and was pushing to assist these families with State and Federal housing funds. The funds were managed by the County. Mrs. Tracey requested financials from Palm Beach County that would show budgeting and tracking of the fund received by the County, but her requests were ignored and seem to have led to backlash by some County officials who reported Mrs. Tracey to the newly established ethics committee for violations which were later proven to be untrue.

In October 2011, Mrs. Tracey was arrested by the State of Florida without ever meeting with an investigator and without having anyone come and review books, or look at Guardian's financials in any way. She was 65 years old. Guardian Financial had their license suspended immediately until there was an innocent or guilty verdict. This was prompted by the reported ethics violation from the County. There was a misunderstanding between grant fees for clients from Palm Beach County delivered by REACH and the Guardian loan efforts. The remainder of her retirement savings had to be used in her defense. Two years later, after a full investigation, all charges were dropped, and they were very recently expunged.

Thus, in one day, after nearly 10 years of a perfect lending record, Guardian was suspended from operations until a court decision could be made. No work could be performed. After two years, in September, 2013, the State of Florida Attorney General's office dropped all charges against Mrs. Tracey. During this time, Guardian had their license suspended. That income disappeared overnight. Mrs. Tracey had to also remove herself from Real Estate Education and Community Housing Inc. Board. No HUD approval could continue with an arrest hanging over the founder, so to save the nonprofit she had to find other work. She received HUD approval to rejoin REACH in January 2014.

Mrs. Tracey had a real estate license and began to actively sell real estate in a troubled market from 2011 to 2014. The income the Tracey's had enjoyed was gone and the bills for Guardian remained as this was not a planned shutdown.

This was difficult on Mr. Tracey at 71 and his health deteriorated quickly. Mr. Tracey was hospitalized with ulcers, diverticulitis and pneumonia. He was diagnosed with c-diff and MERS from the hospital. In 2014 he suffered severe back pain. Bone marrow biopsies were performed and in January 2015, Mr. Tracey was diagnosed with MDS, myelodysplastic syndrome. This is a form of blood cancer. Mr. Tracey began monthly chemo treatments at UM-Sylvester Cancer Treatment Center in February, 2015 which he continues on a monthly basis. Five to seven days of chemo are required each month for the rest of his life. While Mr. Tracey worked while taking chemo, during the pendency of this proceeding the Board insisted he work on a part time basis due to his medical regimen.

Though bankruptcy was never their preferred choice, it was necessary to move forward.

The chapter 11 case was filed on July 2, 2015.

III. POST-PETITION EVENTS

The Debtors-in-Possession have been operating pursuant to §§ 1107(a) and 1108 of the U.S. Bankruptcy code. The Debtors sought and obtained approval of the retention of their attorney.

On the date of filing, Mr. Tracey was working full time. Due to his on-going treatment for cancer, Mr. Tracey's employment has been reduced to part time. He is not expected to return to full time. This has caused a substantial decrease in the Debtors' income.

On September 23, 2015, the Debtors filed a Motion to Value real property located at 101 Albacore Lane, Jupiter, FL 33477 (ECF#32), intending to value the homestead property and strip off the second and disputed third liens held by Citibank. This property is the Debtors' primary

residence. At a hearing held on October 14, 2015, the Motion to Value was granted. The Court entered an Order (ECF#38) stripping the second and disputed third liens held by Citibank.

On December 17, 2015, the Debtors filed a Motion to Value real property located at 3675 N. Country Club Drive, Unit 1107, Aventura, FL 33180 ("Aventura Property") (ECF#60), seeking to value and limit Wells Fargo's security interest in this property only. Wells Fargo has a secured claim of \$471,089.11 secured by two pieces of real property. The primary security for the loan is property located at 8409 North Military Trail, Suite 110-112, Palm Beach Gardens, FL 33410. The Aventura Property was encumbered as secondary collateral for the loan. On January 13, 2016, the Motion to Value was granted. The Order (ECF#72) states that Wells Fargo's security interest in the Aventura property is limited to \$52,252.

The Debtors had a change in tenant in the property located at 3675 N. Country Club Drive, Unit 1107, Aventura, FL. The Debtors filed a Motion to Approve Lease Agreement (ECF#69) which was granted at a hearing held on February 18, 2016. An Order was entered approving the lease agreement *nunc pro tunc* beginning January 15, 2016 through January 14, 2017.

The Debtors filed a Motion for Allowance for Roof Repair for Primary Residence (ECF#76) located at 101 Albacore Lane, Jupiter, FL 33477. After previous repairs to the roof a full replacement was needed. The Debtors sought permission to use the nonexempt funds to repair the roof of their primary residence. After notice to all creditors and no objections, at a hearing held on February 18, 2016, the Court approved the motion and entered an Order on February 19, 2016 (ECF#82). The Debtors have made 2 of the 3 payments to the roofing company performing the roof replacement.

The Miami-Dade County Tax Collector filed proof of claim #4 for real property taxes, and withdrew the claim at ECF#53 as the taxes had been paid.

The Debtors' 2015 tax return was filed in May 2016. They owed \$2,062 in tax, which was paid from the DIP account when the return was filed

There are no known preference, or fraudulent conveyances. The Debtors do not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

IV. FINANCIAL INFORMATION

The Debtors have filed schedules of assets, liabilities, income and expenses, a Statement of Financial Affairs, a Periodic Report and Monthly Operating Reports which contain the most accurate and current information available to the Debtors. A Periodic Report with a summary of the Debtors' business interests as of May 15, 2016 was filed on May 26, 2016, and is available at ECF#97 (a copy is also available upon request from Debtors' counsel). A summary of the most recently filed Monthly Operating Report is attached hereto as **Exhibit B**.

A. Real Property

The Debtors own four pieces of real property:

- 101 Albacore Lane, Jupiter, FL 33477, with an approximate value of \$605,000, secured by liens totaling \$644,574.76. This is the Debtors' primary residence. Debtors will comply with terms of the Note and Mortgage with no modification. Debtors intend to retain the property.
- 3675 N. Country Club Drive, Unit #1107, Aventura, FL 33180, with an approximate value of \$148,000, secured by liens totaling \$148,000.59. There is no equity in the property. The unit is currently occupied by a tenant paying \$1,300 per month rent with a one-year lease. Debtors intend to retain property.
- 100 Uno Lago Drive, Unit #103, Juno Beach, FL 33408, with an approximate value of \$120,000, secured by liens totaling approximately \$169,601.08. The Debtors have a 50% interest in the property. The unit is currently occupied by a tenant paying \$1,150 per month with a one-year lease that expires on June 30, 2016. It is anticipated that the unit will be re-let for \$1200 per month. There is no equity in the property. Debtors intend to retain the property.
- 8409 N. Military Trail, Unit#110-112, Palm Beach Gardens, FL 33410, with an approximate value of \$450,000, secured by liens totaling \$471,089.11. This is commercial property with a tenant occupying all three suites paying \$4,770 and is in a month to month lease. The rent will increase as of May 1, 2016 to \$5,500 per month. There is no equity in the property. Debtors intend to retain the property.

B. Personal Property

A description of the Debtors' property and the value thereof is set forth in the Debtors' Schedule B, and updated values for these assets are provided in the liquidation analysis in Section VI below.

V. EXECUTORY CONTRACTS

The Debtors are a party to one commercial and two residential leases for three properties owned on the date of filing. The Debtors propose to assume all three leases: 1) commercial lease for real property located at 8409 N. Military Trail, Unit 110-112, Palm Beach Gardens, FL 33410; 2) residential lease for real property located at 100 Uno Lago Drive, Unit #103, Juno Beach, FL 33408; and 3) residential lease for real property located at 3675 N. Country Club Drive, Unit #1107, Aventura, FL 33180. None of the tenants are insiders.

VI. LIQUIDATION ANALYSIS

As with any Plan, an alternative would be a conversion of the Chapter 11 case to a Chapter 7 case and subsequent liquidation of the Debtors' assets by a duly

appointed or elected trustee.

In the event of a Chapter 7 liquidation, an additional tier of administrative expenses entitled to priority over general unsecured claims under § 507(a)(1) of the Bankruptcy Code would be incurred. Such administrative expenses would include Trustee's commissions and fees to the Trustee's accountants, attorneys and other professionals likely to be retained by the Trustee for the purposes of liquidating the Debtor's assets.

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 liquidation. The following scenario is likely to occur in a Chapter 7 liquidation:

Estimated value of assets:	\$1,363,862.30
Real Property - \$1,323,000	<i>(source – appraisals, effective June 24, 2014)</i>
Personal Property - goods and furnishings - \$5,590	<i>(source – schedule B)</i>
Accounts Receivable - \$0	
Cash - \$5,534.37	<i>(source – reconciled DIP account balances on 5/27/16, less deposits held for tenants in the amount of \$4900)</i>
Life Insurance Policies - \$10,490.89	<i>(source, statement balance as of 05/02/2016)</i>
Annuity - \$1103.64	<i>(source, statement balance as of 5/9/2016)</i>
Jet Property Consultants LLC - \$604.75	<i>(source, bank statement balance as of April 30, 2016 – LLC has no on-going business enterprise, nor any other assets)</i>
Guardian Financial Network - \$804.97	<i>(source, bank statement balance as of May 15, 2016 – LLC has no on-going business enterprise, nor any other assets)</i>
Real estate license - \$0	<i>(not transferable)</i>
Vehicles \$16,734	<i>(Source – schedule B - value at petition date)</i>
Less liens on real property:	\$1,323,000 <i>(actual value is 1,433,264, but only</i>

value of properties considered for liquidation analysis)

Less exemptions:	\$9,696.07
Less post-petition payables (roof repair):	\$4,020
Less estimated Ch. 11 administrative claims	\$15,000
Less estimated Ch 7 admin expenses	\$ 15,000

Amount available for general unsecured creditors: \$0

The Debtors' Plan proposes to pay a dividend of approximately 2.5% of their allowed unsecured claims, which is higher than creditors would receive in a chapter 7 liquidation.

VII. SPECIAL RISK FACTORS

Certain substantial risk factors are inherent in most plans in Chapter 11 cases. If such plans are accepted, it is usually because they represent a greater return in dividends than in a liquidating Chapter 7 case.

Should the Plan fail to be approved, or should the Debtors default under the plan, the case will be dismissed or converted to chapter 7. This Plan bears the risk that the Debtors will be unable to fund the Plan payments, resulting in less money to creditors. One potential risk of the Plan is the Debtors' health and on-going ability to work. Mr. Tracey is currently on part-time pay. If he is unable to return to work, the Debtors' income could be reduced by \$25,000. If the Plan is successful, unsecured creditors will receive a dividend of approximately 2.5% of their allowed claims.

ALL RISK FACTORS INHERENT IN A PLAN UNDER CHAPTER 11 ARE PRESENT IN THIS CASE. CREDITORS ARE URGED TO CAREFULLY READ THIS DISCLOSURE STATEMENT AND THE ACCOMPANYING PLAN SO THAT AN INFORMED JUDGMENT CAN BE MADE WITH RESPECT TO VOTING ON THE PLAN.

VIII. SUMMARY OF NON-BANKRUPTCY LITIGATION

At the time of the filing of the case, the Mrs. Tracey was involved in an action in small claims court, described in greater details in section four of the Debtors' Statement of Financial Affairs (ECF#1). The case was dismissed without prejudice by the Plaintiff on July 10, 2015, just days after the filing of this petition.

IX. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

THE FOLLOWING IS A BRIEF SUMMARY OF THE MORE SIGNIFICANT MATTERS CONTEMPLATED BY OR IN CONNECTION WITH THE CONFIRMATION OF THE PLAN. THUS THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN, WHICH IS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT A. THIS SUMMARY ONLY HIGHLIGHTS CERTAIN SUBSTANTIVE PROVISIONS OF THE PLAN. CONSIDERATION OF THIS SUMMARY WILL NOT, NOR IS IT INTENDED TO YIELD A THOROUGH UNDERSTANDING OF THE PLAN. SUCH CONSIDERATION IS NOT A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO REVIEW THE PLAN CAREFULLY AND IN ITS ENTIRETY. THE PLAN, IF CONFIRMED, WILL BE BINDING ON DEBTORS AND ALL HOLDERS OF CLAIMS AND INTERESTS.

A. What is the Purpose of the Plan of Reorganization?

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interest is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtors' chapter 11 case which are allowed under §502(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtors in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following reflects the Debtors' total estimated administrative expenses in the amount of \$35,000.00 and the Debtors' proposed treatment of these expenses under the Plan:

– **Professional Fees and Expenses**, as approved by the Court. The estimated amount of Attorney's fees owed is \$35,000. As of the date of the filing, the Debtors have paid \$25,000 which shall be applied as an advance against any fees awarded by the Court. The Debtors estimate that the remaining professional fees to be paid at confirmation or according to

court order if such fees have not been approved by the Court on the effective date of the Plan will total approximately \$35,000.00.

– **Other administrative expenses - \$0.** If any, it shall be paid in full upon confirmation of the Plan or according to separate written agreement.

– **Office of the U.S. Trustee Fees - \$0.** Shall be paid in full on the Effective Date. All fees due under 1129(a)(12) shall be paid as required by 28 U.S.C. §1930. The Debtors shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. Section 1930(a)(6), on the effective date of the Plan. The Debtors, as reorganized Debtors, shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(A)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. §1930(a)(6), based upon all post-confirmation disbursements made by the reorganized Debtors, until the earlier of the closing of this case by the issuance of an Order Administratively Closing the Case by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case.

- **IRS - \$0.** Debtors' post-petition tax obligations are estimated to be \$0. To the extent any post-petition tax obligation is due, it shall be paid in full on the effective date or by separate written agreement with the Internal Revenue Service.

2. Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by §507(a)(8) of the Code. Unless the holder of such a §507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The Debtor does not owe any pre-petition taxes and does not anticipate owing any post-petition taxes.

C. Classes of Claims and Equity Interests

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. Classes of Secured Claims

Allowed Secured Claims are claims secured by property of the Debtors' bankruptcy estate or that are subject to setoff to the extent allowed as secured claims under §506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim.

Class I. DITECH FINANCIAL LLC, F/K/A GREEN TREE SERVICING LLC ("Ditech")
The class is impaired and is entitled to vote.

Ditech has a first position lien on real property located at 3675 N. Country Club Drive, Unit#1107, Aventura, FL, with a principal balance of \$95,266.83 as of the petition date.

The Plan proposes to treat the loan as follows:

The claim will be treated as fully secured. All payments received during the chapter 11 case as adequate protection will be applied to principal and interest per the loan documents. The loan will be amortized and paid out over twenty years, with the re-amortization occurring on the last day of the month following confirmation of the Debtors' Plan, with annual interest accruing at a rate of 4.5% per year, fixed. There shall be no pre-payment penalty. Monthly payments are estimated to be approximately \$602.70. Taxes and insurance are paid direct by the Debtors.

When the secured claim is paid in full, Ditech's lien shall be deemed satisfied. Ditech shall be required to file the appropriate documents in the County records to release its lien on the Aventura Property. In the event lien release are not filed, the Plan and Confirmation Order may be recorded as evidence that the lien is satisfied.

Class II. Wells Fargo Bank, N.A. ("Wells Fargo") The class is impaired and is entitled to vote.

Wells Fargo, filed proof of claim number 5 in the amount of \$471,089.11, secured by commercial real property located at 8409 N. Military Trail, Suite #110-112, Palm Beach Gardens, Florida, and by a second position lien on 3675 N. Country Club Drive, Unit 1107, Aventura, Florida. The Debtors intend to retain the properties.

The Plan proposes to treat the loan as follows:

The claim will be treated as fully secured. All payments received during the chapter 11 case as adequate protection will be applied to principal and interest per the loan documents. The loan will be amortized and paid out over twenty years, with the re-amortization occurring on the last day of the month following confirmation of the Debtors' Plan, with annual interest accruing at a rate of 4% per year, fixed. There shall be no pre-payment penalty. Monthly payments are estimated to be approximately \$2,854.71. Taxes and insurance are paid direct by the Debtors.

Per the Order on the Debtors' Motion to Value, Wells Fargo's interest in the property located at 3675 N, Country Club Drive, Unit 1107. Aventura, Florida is limited to \$52,252. When the principal balance of the loan (as of the date that the loan is re-amortized) is reduced by \$52,252, Wells Fargo's lien shall be deemed satisfied as to the Aventura property. Wells Fargo shall be required to file the appropriate documents in the County records to release its lien on the Aventura Property. In the event lien release are not filed, the Plan and Confirmation Order may be recorded as evidence that the lien is satisfied.

Class III. Rushmore Loan Management Services LLC ("Rushmore"). The class is unimpaired and is not entitled to vote.

J.P. Morgan Mortgage Acquisition Corp. c/o Residential Credit Solutions, Inc. has transferred their claim to Rushmore (ECF#91). Rushmore has a first position lien on real property located at 101

Albacore Lane, Jupiter, FL 33477 with a principal balance of \$642,913.90 as of the petition date. Debtors intend to retain the property. Debtors are current on all loan payments. The Plan does not propose to modify the loan terms. This is the Debtor's primary residence. The monthly payment is \$3,914.28, which includes an escrow for taxes and insurance.

Class IV. Federal National Mortgage Association. This claim is unimpaired and is not entitled to vote.

Federal National Mortgage Association, through its loan servicer Seterus, filed proof of claim #8 in the amount of \$169,601.08 secured by real property located at 100 Uno Lago Drive, Juno Beach, FL 33408. Debtors intend to retain the property. Debtors are current on all loan payments. Monthly payments are \$941.62. Taxes and insurance are paid direct by the Debtors. The loan terms will not be modified in the Plan.

Class V. Ally Financial ("Ally"). This claim is impaired and is entitled to vote.

Ally, filed proof of claim #1 with a principal balance of \$7,312.68 arising from an auto loan on a 2008 Honda CR-V. The lien is partially secured and partially unsecured. The Debtors intend to retain the vehicle. The claim will be paid in full as follows:

All payments received during the chapter 11 case shall be applied to the principal balance of the allowed secured claim. The remaining balance will be amortized and paid out over three years, with the re-amortization occurring on the last day of the month following confirmation of the Debtors' Plan, with annual interest accruing at a rate of 4.5% per year, fixed.

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The Debtors does not owe priority unsecured claims under §§507(a)(1), (4), (5), (6), or (a)(7) of the Code.

Class VI. Tenant Security Deposits. These claims are unimpaired and not entitled to vote.

The Debtors listed 2 tenants as the Debtors are holding their last month's rent and security deposit. Ryan Badgley continues to occupy the property located at 100 Uno Lago Drive, #103, Juno Beach, FL 33408. His last month's rent will be used upon him giving notice that he plans to vacate the unit and his security deposit will be returned per the lease agreement. Salvador Rincon was occupying the property located at 3675 N. Country Club Drive, #1107, Aventura, FL 33180 on the petition date and has since vacated the property. His last month's rent was used and his security deposit was returned to him as per his lease agreement. A new tenant, Karla Machado moved into the property and paid last month's rent of \$1300 and security of \$1300. Her last month's rent will be used upon her giving notice that she plans to vacate the unit and her security deposit will be returned per the lease agreement. The Debtors will maintain these funds in a separate bank account

from their general operating bank account.

3. *Classes of General Unsecured Claims*

General unsecured claims (“GUCs”) are claims that are not secured by property of the estate and are not entitled to priority under §502(a) of the Code. The Debtors listed several general unsecured claims in Schedule F. The following identifies the Plan’s proposed treatment of the general unsecured claims.

Class VII General unsecured claims (“GUCs”) and is an impaired class entitled to vote.

The estimated dollar amount of all general unsecured claims (not including disputed, contingent, unliquidated claims, or claims subject to claim objections) is \$305,934.45. These claimants are expected to receive over five years a quarterly distribution of approximately 2.5% of their allowed claims. Debtors further propose to fund the payments from their cash on hand and from wages. Quarterly payments will to be \$345 per quarter for years 1-2, and increase to \$406.50 per quarter in years 3-5. The quarterly payment amount will be divided pro rata between the GUCs. The payments to the GUCs shall begin 30 days after the effective date of the Plan. Claimants shall not be entitled to interest on their claims.

The payments to be made under the plan will satisfy 11 U.S.C. §§ 1123(a)(8) and 1129(a)(15)(b) as the debtors propose to pay their entire disposable income during the 60 month (5 year) plan period.

4. *Classes of Equity Interest Holders*

Class VIII

Equity interest holders, John E. Tracey and Patricia M. Tracey, are an unimpaired class and are not entitled to vote. The Debtors shall retain their equity interests and all property of the estate not otherwise disposed of shall be vested in them upon confirmation of the Plan.

5. *Disputed, Unliquidated and Contingent Creditors and Claim Objections*

The following creditors were listed in the Debtors’ schedules as disputed, unliquidated or contingent, or will be subject to claim objections filed by the Debtors. These disputed, unliquidated, contingent creditors shall receive the following treatment:

Wells Fargo Bank, N.A. Business Direct Division, secured claim #3: Debtors disputed the classification of the claim as secured. The loan was secured by property not owned by the Debtors. The claim was reclassified as a general unsecured claim in the amount of \$37,521.68. Debtors’ plan provides for claimant to receive 2.5% of its claim under Class VII above.

Wells Fargo Bank, N.A., secured claim #6: Debtors disputed the classification of the claim as secured. This was an unsecured signature loan. The claim was reclassified as a general unsecured claim in the amount of \$47,389.86. Debtors' plan provides for claimant to receive 2.5 % of its claim under Class VII above.

Citibank South Dakota N.A., unsecured claim (no proof of claim filed): Unsecured claim listed on Schedule F as disputed. On the petition date, the claimant was suing Mrs. Tracey in small claims court in Palm Beach County. This case was dismissed shortly after the filing of this case. Debtors' plan does not propose to provide treatment for the claim.

X. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors, unless such liquidation or reorganization is proposed in the Plan.

1. Ability to Fund and Complete Plan

The Debtors shall fund the plan from their income over the next five years. The Debtor's proposed payments are feasible as the Debtors have sufficient cash on hand and future income to fund the plan.

2. Ability to Make Future Plan Payments And Operate Without Further Reorganization

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit C. Debtors' projected financial information provides for the Plan to be funded by the Debtors' income.

The Plan Proponents' financial projections show that the Debtors, after paying household expenses, will have an aggregate average cash flow of approximately \$115 per month in years 1-2, and \$135.50 per month in years 3-5. The Debtors propose to pay \$345 per quarter to the Class VII general unsecured creditors in years 1-2, and \$406.50 per quarter to Class VII in years 3-5, which constitutes all of the Debtors projected disposable income during the 5 year plan period to satisfy 11 U.S.C. §1123(a)(8) and § 1129(a)(15)(B).

The Plan Proponent's financial projections show that the Debtors will be fully capable of meeting its obligations under this Plan.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

XI. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (h) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one Impaired Class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each holder of a Claim or Interest at least as much as the holder would receive in a Chapter 7 liquidation case unless the holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in 11 U.S.C. § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to accept or reject the Plan. A holder of a Claim or Interest has a right to vote for or against the Plan only if that holder has a Claim or Interest that is both (1) Allowed or allowed for voting purposes; and (2) Impaired.

In this case, the Proponents believe that Classes 1, 2, 5 and 7 are impaired and that holders of Claims and Interests in each of these Classes are therefore entitled to vote to accept or reject the Plan. The Proponent believes that Classes 3, 4, 6 and 8 are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. What is an Allowed Claim?

Only a holder of a Claim or an Interest that is Allowed has the right to vote on the Plan. Generally, a Claim or Interest is allowed if either (1) the Debtors have scheduled the Claim or Interest on the Debtors' schedules, unless the Claim or Interest has been scheduled as disputed, contingent, or unliquidated, or (2) the holder has filed a proof of claim or interest, unless an objection has been filed to such proof of claim or interest. When a Claim or Interest is not allowed, the holder cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the Claim or Interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was November 2, 2015 for all non-governmental units and December 29, 2015 for all governmental units.

The deadline for filing objections to claims is _____.

2. What is an Impaired Claim?

As noted above, the holder of an Allowed Claim or Interest has the right to vote only if it is in a class that is Impaired under the Plan. As provided in § 1124 of the Code, a Claim or Interest is considered Impaired if the Plan alters the legal, equitable, or contractual rights of the members of that Class.

3. Who is Not Entitled to Vote?

The holders of the following types of Claims and Interests are not entitled to vote:

- holders of Claims and Interests that have been disallowed by an order of the Court;
- holders of Claims and Interests that are not Allowed Claims or Allowed Interests, unless they have been Allowed for voting purposes.
- holders of Claims or Interests in Unimpaired Classes;
- holders of Claims entitled to priority pursuant to §§ 507(a)(2), (a)(3) and (a)(8) of the Code;
- holders of Claims or Interests in Classes that do not receive or retain any value under the Plan; and
- Administrative Expenses.

Even if you are not entitled to vote on the Plan, you have a right to object to confirmation of the Plan.

4. Who Can Vote in More than One Class?

A creditor whose Claim has been Allowed in part as a Secured Claim and in part as an Unsecured Claim, or who otherwise holds claims in multiple Classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If Impaired Classes exist, the Court cannot confirm the Plan unless (1) at least one Impaired Class has accepted the Plan without counting the votes of any insiders within that Class, and (2) all Impaired Classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cram down" on non-accepting classes as discussed below in Section B.2.

1. Votes Necessary for a Class to Accept the Plan

A Class of Claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the Allowed Claims in the Class cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the Allowed Claims in the Class cast their votes to accept the Plan. A Class of Interests accepts the Plan if the holders of more than two thirds (2/3) in amount of the Allowed Interests of the Class cast their votes to accept the Plan.

2. Treatment of Nonaccepting Classes

Even if one or more Impaired Classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting Classes are treated in the manner prescribed by 11 U.S.C. § 1129(b). A plan that binds nonaccepting Classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind nonaccepting classes or of Claims or Interests if it meets all the requirements for consensual confirmation except the voting requirements of 11 U.S.C. § 1129(a)(8), does not "discriminate unfairly" and is "fair and

equitable" toward each Impaired class that has not voted to accept the Plan.

You should consult your own attorney if a "cram down" confirmation will affect your Claim or Interest, as the variations on this general rule are numerous and complex.

XII. Effect of Confirmation of the Plan

A. As provided in §1141(b) "(e) except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtors.

B. Discharge of Debtors

Confirmation of the Plan does not discharge any debt provided for in the Plan until the court grants a discharge on completion of all payments under the Plan, or as otherwise provided in §1141(d)(5) of the Code. Debtors will not be discharged from any debt excepted from discharge under §523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

C. INJUNCTIONS RELATED TO DISCHARGE

Except as otherwise expressly provided in the Plan, the Confirmation Order or a separate order of the Court, all Persons who have held, hold or may hold Claims against or Equity Interests in the Debtors, are permanently enjoined, on and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest against the Debtors, (ii) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order against the Debtors on account of any such Claim or Equity Interest, (iii) creating, perfecting or enforcing any Lien or asserting control of any kind against the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Equity Interest and (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Equity Interest. Such injunctions shall extend to successors of the Debtors (including, without limitation, the Reorganized Debtors) and their respective properties and interests in property.

D. INJUNCTION AGAINST INTERFERENCE WITH THE PLAN

Upon the entry of a Confirmation Order with respect to the Plan, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan, except with respect to actions any such entity may take in connection with the pursuit of appellate rights.

E. Modification of Plan

The Plan Proponent may modify or supplement the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or re-voting on the Plan. "Upon request of the Debtors, the United States trustee, or the holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or

Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.”

F. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Her Tax Liability Should Consult with Her Own Accountants, Attorneys, And/Or Advisors.

There are no known tax consequences to the Debtors of this Plan. The Debtors render no opinion as to the effect of the Plan on any creditor.

G. Administratively Closing the Case Prior to Discharge

This bankruptcy case shall be administratively closed upon Debtors' filing a motion to administratively close the case and upon issuance of an Order Administratively closing the case, without prejudice to the Debtors filing a motion to reopen this bankruptcy case upon the satisfaction of all payments required under the Debtors' Plan of Reorganization (the "Plan") and seeking the entry of an Order of Discharge at that time. If and when the Debtors choose to file a motion to reopen this bankruptcy case, any Clerk of Court fees associated with the filing of the motion to reopen shall be waived.

H. Filing of Monthly or Quarterly Operating Reports and U.S. Trustee Fees

Once the Plan is confirmed and an Order Administratively Closing the Case is entered, Debtors in Possession will no longer be required to file with the Court and U.S. Trustee a monthly and/or quarterly operating report or pay U.S. Trustee fees.

I. Final Decree

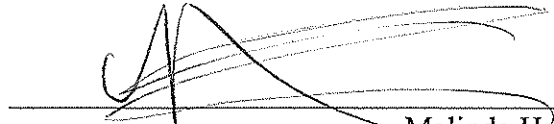
Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Debtors, Plan Proponents, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion to re-open the case. Upon the re-opening of this bankruptcy case, the Debtors shall promptly file a Final Report of Estate and Motion for Final Decree Closing Case on the Court approved local form in effect at that time, which shall certify, among other things, that all payments required under the Plan have been made. The Court may then grant the Debtors a discharge, pursuant to 11 U.S.C. § 1141(d)(5) if all other conditions are satisfied. Alternatively, the Court may enter such a final decree on its own motion.



JOHN E. TRACEY, DEBTOR-IN-POSSESSION



PATRICIA M. TRACEY, DEBTOR-IN-POSSESSION



Malinda Hayes, Esquire
Florida Bar No.: 0073503
MARKARIAN, FRANK,
& HAYES
Attorneys for Debtor in Possession
2925 PGA Boulevard
Suite 204
Palm Beach Gardens, FL 33410
561-626-4700

EXHIBIT A

Plan of Reorganization

[See ECF#98]

EXHIBIT B

Summary of Monthly Operating Report for April 2016 (ECF#96)

UNITED STATES BANKRUPTCY COURT
Southern DISTRICT OF Florida
West Palm Beach DIVISION

IN RE:

CASE NUMBER: 15-22094 PGH

JUDGE

CHAPTER 11

DEBTOR:

John / Patricia Tracey

DEBTOR'S MONTHLY OPERATING REPORT (INDIVIDUAL)

FOR THE PERIOD
FROM April 1 TO April 30

Comes now the above-named debtor and files its Monthly Operating Report in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

Dated: 5/6/2016

Mankarian Frank & Hayes
Attorney for Debtor

Debtor's Address
and Phone Number:
101 Albacore Ln
Jupiter FL
33477
Tel: 561 356 8000

Attorney's Address
and Phone Number:
2620 PGA Blvd.
Suite 204
Palm Beach Gardens FL
Bar No. _____
Tel. _____

Note: The original Monthly Operating Report is to be filed with the court and a copy simultaneously provided to the United States Trustee. Monthly Operating Reports must be filed by the 20th day of the following month.

For assistance in preparing the Monthly Operating Report, refer to the following resources on the United States Trustee Program website, http://www.usdoj.gov/usttr/21/reg_info.htm.

- 1) Instructions for Preparation Debtor's Chapter 11 Monthly Operating Report
- 2) Initial Filing Requirements
- 3) Frequently Asked Questions (FAQs)

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS

Case Name: TRACON
 Case Number: 15-22094 PGH

Note: The information requested below is a summary of the information reported on the various Schedules and Attachments contained within this report.

	Month	Cumulative Total
	April 05	
CASH- Beginning of Month (Household)	19068	35881 ⁷⁴
CASH- Beginning of Month (Business)	266 ⁰⁶	4300) ADDED <i>Back ch. not used</i>
Total Household Receipts	10639 ⁸³	118249 ³⁴
Total Business Receipts	8220-	80300
Total Receipts	18859 ⁸³	198549 ³⁴
Total Household Disbursements	17366.17	141789 ⁶²
Total Business Disbursements	9276.17	81090 ⁰⁶
Total Disbursements	26642 ²⁹	222879 ⁶⁸
NET CASH FLOW (Total Receipts minus Total Disbursements)	-7782 ⁴⁶	-24330 ³⁴
CASH- End of Month (Individual)	12341 ⁷¹	12341 ⁷¹
CASH- End of Month (Business)	50994	50994

CALCULATION OF DISBURSEMENTS FOR UNITED STATES TRUSTEE QUARTERLY FEES

TOTAL DISBURSEMENTS (From Above)	26642 ²⁹	222879.68
Less: Any Amounts Transferred or Paid from the Business Account to the Household Account (i.e., Salary Paid to Debtor or Owner's Draw)	1000	10720
	-1300	2500 ¹⁰⁰⁰
		2500
DISBURSEMENTS FOR U.S. TRUSTEE FEE CALCULATION	24342 ²⁹	204689.68

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 5 day of May 2016

[Signature]
 Debtor's Signature
[Signature]

MONTHLY OPERATING REPORT:
 INDIVIDUAL

ATTACHMENT NO. 1

QUESTIONNAIRE		
	YES*	NO
1. Have any assets been sold or transferred outside the normal course of business during this reporting period?		
2. Have any funds been disbursed from any account other than a debtor in possession account?		X
3. Are any post-petition receivables (accounts, notes, or loans) due from any relatives, insiders, or related party?		X
4. Have any payments been made on pre-petition liabilities this reporting period?		X
5. Have any post-petition loans been received by the debtor from any party?		X
6. Are any post-petition payroll taxes past due?		X
7. Are any post-petition state or federal income taxes past due?		X
8. Are any post-petition state or local sales taxes past due?		X
9. Are any post-petition real estate taxes past due?		X
10. Are any amounts owed to post-petition creditors/vendors delinquent?		X
11. Are any wage payments past due?		X

*If the answer to any of the above questions is "YES," provide a detailed explanation of each item on a separate sheet.

INSURANCE INFORMATION		
	YES	NO*
1. Are real and personal property, vehicle/auto, general liability, fire, theft, worker's compensation, and other necessary insurance coverages in effect?	X	
2. Are all premium payments current?	X	

*If the answer to any of the above questions is "NO," provide a detailed explanation of each item on a separate sheet.

CONFIRMATION OF INSURANCE				
TYPE OF POLICY	and CARRIER	Period of Coverage	Payment Amount and Frequency	Delinquency Amount
Insurance				
FOR Employee - 2016-17				

Check here if United States Trustee has been listed as a Certificate Holder on all policies of insurance.

DESCRIBE PERTINENT DEVELOPMENTS, EVENTS, AND MATTERS DURING THIS REPORTING PERIOD:

\$1300 outstanding ck for business rental is not going to be cashed, added back into total com called - waived putting up security. Holding last 2450 and security 2450 Last payments \$1900

Estimated Date of Filing the Plan of Reorganization and Disclosure Statement: _____

MONTHLY OPERATING REPORT -
 INDIVIDUAL

ATTACHMENT NO. 2

BANK ACCOUNT RECONCILIATIONS

Bank Account Information				
	Account #1	Account #2	Account #3	Account #4
Name of Bank:	Regis	Regis		
Account Number:	5145		2715	
Purpose of Account (Business/Personal)	Personal	Rental		
Type of Account (e.g. checking)	check	check		
1. Balance per Bank Statement	22427.87	3015.07		
2. ADD: Deposits not credited (attach list to this report)				
3. SUBTRACT: Outstanding Checks (attach list)	10066.16	2505.13		
4. Other Reconciling Items (attach list to this report)				
5. Month End Balance (Must Agree with Books)	12361.71	509.94		
TOTAL OF ALL ACCOUNTS				\$1285.65

Note: Attach a copy of the bank statement and bank reconciliation for each account.

Investment Account Information				
Bank / Account Name / Number	Date of Purchase	Type of Instrument	Purchase Price	Current Value

Note: Attach a copy of each investment account statement.

Outstanding personal

- #1124 - Rushmore 3914.28
- #1125 Nozzle Napan 155-
- #1126 Cornco 289.38
- #1127 - Nozzle Napan 60-
- #1128 - Town of Jop 129.85
- #1129 AXA - Equus 1398.65
- #1130 Leona Park 400
- #1132 - Prudentia 3739.00

Outstanding Rental #2

- #1056 Dilech 7098.5
- #1057 Selenus 941.62
- #1058 Ocean 363.29
- #1059 Eldorado 490.37

plus add back

\$1300 -
 Cl not to be added
 510000.

**SCHEDULE OF HOUSEHOLD
 CASH RECEIPTS AND CASH DISBURSEMENTS**

	Month	Cumulative Total
CASH - Beginning of Month	19068.05	(35881.99)
CASH RECEIPTS		
Salary or Cash from Business		10.97
Wages from Other Sources (attach list to this report) <i>Com</i>	6155.77	73863.56
Interest or Dividend Income		4058.75
Alimony or Child Support		39.21 <i>Reconcil</i>
Social Security/Pension/Retirement		210777.0 -
Sale of Household Assets (attach list to this report)	4487.06	38821.85
Loans/Borrowing from Outside Sources (attach list to this report)		
Other (specify) (attach list to this report)		- 59.20 <i>104.04 reconciling</i>
TOTAL RECEIPTS	10639.83	118249.34
CASH DISBURSEMENTS		
Alimony or Child Support Payments		
Charitable Contributions		
Gifts	300	3640
Household Expenses/Food/Clothing	65.97	1245.58
Household Repairs & Maintenance	745.91	8944.06
Insurance	1422.75	26633.32
IRA Contribution	5603.44	14861.97
Lease/Rent Payments		1048.89 <i>21/4800</i>
Medical/Dental Payments		1651.47
Mortgage Payment(s)	245.33	10875.65
Other Secured Payments	3914.28	25388.75
Taxes - Personal Property		
Taxes - Real Estate		281.23
Taxes Other (attach schedule)		499.28
Travel & Entertainment		5356.48
Tuition/Education <i>CE</i>	778.05	3298.51
Utilities (Electric, Gas, Water, Cable, Sanitation)	1099.29	1739.80
Vehicle Expenses	869.85	6438.49
Vehicle Secured Payment(s)	469.90	5978.91
U. S. Trustee Quarterly Fees		1584.24
Professional Fees (Legal, Accounting)	650-	1950.
Other (attach schedule)		2907.07
<i>Bank fee</i>	2.50	109.91
<i>Trans to Property Account</i>	1000-	3500
Total Household Disbursements	17366.17	141789.62 <i>trans to property repaired</i>
CASH - End of Month (Must equal reconciled bank statement- Attachment No. 2)	12341.71	12341.71

12341.71

SCHEDULE OF BUSINESS
 CASH RECEIPTS AND CASH DISBURSEMENTS

Outstanding ch. notes not be cashed

	Month	Cumulative Total
CASH - Beginning of Month	1300 refund	
	April	
	266.06	266.06
BUSINESS CASH RECEIPTS	(1566.06) *	
Cash Sales		
Account Receivable Collection		
Loans/Borrowing from Outside Sources (attach list to this report)		
Rental Income		
Sale of Business Assets (attach list to this report)	7220 -	94350
Other (specify) (attach list to this report)		2450
	TRA 1000 -	3500
Total Business Receipts	8220 -	80300
BUSINESS CASH DISBURSEMENTS		
Net Payroll (Excluding Self)		
Salary Paid to Debtor or Owner's Draw (e.g., transfer to Household Account)		
Taxes - Payroll		
Taxes - Sales		11858.84
Taxes Other (attach schedule)	270.	2430
Contract Labor (Subcontractors)		51.25
Inventory Purchases		
Secured/Lease Payments (Business)		
Utilities (Business)		25 -
Insurance		249.25
Vehicle Expenses		1057.
Travel & Entertainment		
Repairs and Maintenance		
Supplies	1707.32	18339.62
Charitable Contributions/Gifts		45.18
Purchase of Fixed Assets	3995.56	27968.92
Advertising	1883.24	9416.20
Bank Charges	1419.70	7098.30
Other (attach schedule)		1300 (unreconciled)
		1250.
	30	30
Total Business Disbursements	19276.12	81689.96
CASH - End of Month (Must equal reconciled bank statement - Attachment No. 2)	50994	50994

Security at El Dorado never cashed

EXHIBIT C

Financial Projections

Exhibit C - Financial Projections		Monthly	Year 1	Year 2	Year 3	Year 4	Year 5
Household Income		Amount					
Jack Tracey	Reach	\$2,125	\$25,500	\$25,500	\$0	\$0	\$0
	Federal Withholding	-\$319	-\$3,825	-\$3,825	\$0	\$0	\$0
	Payroll Taxes	-\$163	-\$1,951	-\$1,951	\$0	\$0	\$0
	Social Security	\$1,378	\$16,536	\$16,536	\$16,536	\$16,536	\$16,536
	Net Pay	\$3,022	\$36,260	\$36,260	\$16,536	\$16,536	\$16,536
Pat Tracey	Reach	\$5,833	\$70,000	\$70,000	\$77,000	\$77,000	\$77,000
	Federal Withholding	-\$875	-\$10,500	-\$10,500	-\$12,330	-\$12,330	-\$12,330
	Payroll Taxes	-\$446	-\$5,355	-\$5,355	-\$6,273	-\$6,273	-\$6,273
	Pension	\$633	\$7,596	\$7,596	\$7,596	\$7,596	\$7,596
	Social Security	\$1,840	\$22,080	\$22,080	\$22,080	\$22,080	\$22,080
	Real Estate Commissions (net after tax)	\$480	\$5,760	\$5,760	\$9,360	\$9,360	\$9,360
	Net Pay	\$7,465	\$89,582	\$89,582	\$97,433	\$97,433	\$97,433
Household Income Subtotal		\$10,487	\$125,842	\$125,842	\$113,969	\$113,969	\$113,969
Household Expenses							
	Principal Residence	\$3,914	\$46,971	\$46,971	\$46,971	\$46,971	\$46,971
	HOA	\$158	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900
	Food/Clothing	\$890	\$10,680	\$10,680	\$10,680	\$10,680	\$10,680
	INS LIFE AXA	\$197	\$2,366	\$2,366	\$2,366	\$2,366	\$2,366
	INS LONG TERM CARE	\$98	\$1,176	\$1,176	\$1,176	\$1,176	\$1,176
	INS HEALTH	\$569	\$6,828	\$6,828	\$3,612	\$3,612	\$3,612
	INS Flood	\$30	\$360	\$360	\$360	\$360	\$360
	INS CAR	\$192	\$2,304	\$2,304	\$2,304	\$2,304	\$2,304
	Utilities (Electric, Water, Cable, Telephone)	\$619	\$7,428	\$7,428	\$7,428	\$7,428	\$7,428
	Medical/Dental Payments	\$1,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
	Business Lunches/ Dining	\$75	\$900	\$900	\$900	\$900	\$900
	Vehicle Fuel & Maintenance	\$500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
	Auto Payment	\$218	\$2,610	\$2,610	\$2,610	\$2,610	\$2,610
	Dry Cleaning	\$25	\$300	\$300	\$300	\$300	\$300
	Pet/Veterinary/Food/ Supply	\$50	\$600	\$600	\$600	\$600	\$600
	Hair Cuts/ Grooming/ Manicures	\$65	\$780	\$780	\$780	\$780	\$780
	Home Repairs & Maintenance	\$500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
	Entertainment	\$250	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
	Donations (Religious)	\$500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
	Licenses/Registrations	\$30	\$360	\$360	\$360	\$360	\$360
	Timeshare Taxes and Maintenance	\$42	\$504	\$504	\$504	\$504	\$504

Postage/Delivery	\$9	\$108	\$108	\$108	\$108	\$108
Gifts	\$130	\$1,560	\$1,560	\$1,560	\$1,560	\$1,560
		\$0	\$0	\$0	\$0	\$0
Total Household Expenses	\$10,061	\$120,736	\$120,736	\$117,520	\$117,520	\$117,520
Net Household Cash Flow	\$426	\$5,106	\$5,106	-\$3,550	-\$3,550	-\$3,550
Rental Income & Expenses						
8409 N. Military Trail						
Rental Income (including sales tax)	\$5,500	\$66,000	\$66,000	\$71,300	\$71,300	\$71,300
Mortgage	\$2,854	\$34,248	\$34,248	\$34,248	\$34,248	\$34,248
Sales Tax	\$330	\$3,960	\$3,960	\$3,960	\$3,960	\$3,960
Property Tax Escrow	\$654	\$7,846	\$7,846	\$7,846	\$7,846	\$7,846
Insurance Escrow	\$192	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
Maintenance	\$1,100	\$13,200	\$13,200	\$13,200	\$13,200	\$13,200
Cleaning	\$100	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Vacancy Contingency	\$33	\$396	\$396	\$396	\$396	\$396
Cashflow	\$238	\$2,850	\$2,850	\$8,150	\$8,150	\$8,150
3675 N. Country Club Drive						
Rental Income	\$1,300	\$15,600	\$15,600	\$18,000	\$18,000	\$18,000
Mortgage	\$603	\$7,232	\$7,232	\$7,232	\$7,232	\$7,232
Real Property Tax	\$183	\$2,190	\$2,190	\$2,190	\$2,190	\$2,190
Insurance Escrow	\$75	\$900	\$900	\$900	\$900	\$900
Maintenance	\$490	\$5,884	\$5,884	\$5,884	\$5,884	\$5,884
Advertising	\$100	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Cleaning	\$15	\$175	\$175	\$175	\$175	\$175
Vacancy Contingency	\$108	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300
Cashflow	-\$274	-\$3,282	-\$3,282	-\$882	-\$882	-\$882
100 Uno Lago Drive						
Rental Income	\$1,200	\$14,400	\$14,400	\$16,800	\$16,800	\$16,800
Mortgage	\$942	\$11,299	\$11,299	\$11,299	\$11,299	\$11,299
Real Property Tax	\$193	\$2,317	\$2,317	\$2,317	\$2,317	\$2,317
Insurance Escrow	\$75	\$900	\$900	\$900	\$900	\$900
Utilities	\$15	\$180	\$180	\$180	\$180	\$180
Maintenance	\$363	\$4,356	\$4,356	\$4,355	\$4,355	\$4,355
Advertising	\$100	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Cleaning	\$28	\$336	\$336	\$336	\$336	\$336
Vacancy Contingency	\$33	\$396	\$396	\$396	\$396	\$396
Cashflow	-\$549	-\$6,584	-\$6,584	-\$4,183	-\$4,183	-\$4,183
Reimbursement from joint owners	\$274	\$3,292	\$3,292	\$2,092	\$2,092	\$2,092
Net cash flow	-\$274	-\$3,292	-\$3,292	-\$2,092	-\$2,092	-\$2,092
Net Rental Income	-\$310	-\$3,724	-\$3,724	\$5,176	\$5,176	\$5,176
Net Projected Disposable Income	\$115	\$1,382	\$1,382	\$1,626	\$1,626	\$1,626
Payment to Unsecured Creditors	\$115	\$1,382	\$1,382	\$1,626	\$1,626	\$1,626
quarterly payment	\$345	\$345	\$345	\$406.50	\$406.50	\$406.50