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8  
9 **UNITED STATES BANKRUPTCY COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**

11 In re:

12 The Zuercher Trust of 1999,

13 Debtor.

Bk. No. 12:32747

Chapter 11

14 DISCLOSURE STATEMENT  
15 DESCRIBING CHAPTER 11 PLAN

16 Disclosure Statement Hearing

17 Date: May 8, 2014  
18 Time: 10:00 am  
19 Ctrm: 23

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I.

INTRODUCTION

The Zuercher Trust of 1999 is the Debtor in a Chapter 11 bankruptcy case. On September 26, 2012, The Zuercher Trust of 1999 commenced a bankruptcy case by filing a voluntary Chapter 11 petition under the United States Bankruptcy Code ("Code"), 11 U.S.C. §101 et seq., Chapter 11 allows the Debtor, and under some circumstances, creditors and other parties in interest, to propose a plan of reorganization ("Plan"). The Plan may provide for the Debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a combination of both. The debtor Zuercher Trust of 1999 is the party proposing the Plan. THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE ENCLOSED PLAN.

This is a reorganizing plan. In other words, the Proponent seeks to accomplish payments under the Plan by income generated from the real property located at 2400-2420 Bayshore Blvd., San Francisco, Ca. The Effective Date of the proposed Plan is upon final order(s) re: administrative expenses and after any appeals have been adjudicated. In addition, after all disputed unsecured nonpriority claims are resolved by adjudication finality or resolution.

**A. Purpose of This Document**

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

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

- (1) WHO CAN VOTE OR OBJECT,
- (2) WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN LIQUIDATION,
- (3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY,
- (4) WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER OR NOT TO CONFIRM THE PLAN,

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

2 (6) WHETHER THIS PLAN IS FEASIBLE.

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

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

8 The Code requires a Disclosure Statement to contain "adequate information" concerning the  
9 Plan. The Bankruptcy Court ("Court") has approved this document as an adequate Disclosure Statement,  
10 containing enough information to enable parties affected by the Plan to make an informed judgment about  
11 the Plan. Any party can now solicit votes for or against the Plan.

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

13 THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE  
14 STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE.  
15 HOWEVER, IF THE COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON  
16 THE DEBTOR AND ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

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

18 The hearing where the Court will determine whether or not to confirm the Plan will take place on  
19 \_\_\_\_\_, at \_\_\_\_\_ {A.M./P.M.}, in Courtroom 23, United States Bankruptcy Court  
20 Northern District, 235 Pine Street, San Francisco, Ca. 94101.

21 **2. Deadline for Voting For or Against the Plan**

22 If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot and return  
23 the ballot in an envelope to :

24  
25 Bradley Kass, Esq.  
26 Kass & Kass Law Offices  
520 S. El Camino Real, Suite 810  
San Mateo, CA 94402

27  
28 Your ballot must be received by \_\_\_\_\_ or it will not be counted.

1           **3. Deadline for Objecting to the Confirmation of the Plan**

2           Objections to the confirmation of the Plan must be filed with the Court and served upon

3  
4           Bradley Kass, Esq.  
5           Kass & Kass Law Offices  
6           520 S. El Camino Real, Suite 810  
7           San Mateo, CA 94402

8           by \_\_\_\_\_.

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

10          Any interested party desiring further information about the Plan should contact

11  
12                               Bradley Kass, Esq.  
13                               Kass & Kass Law Offices  
14                               520 S. El Camino Real, Suite 810  
15                               San Mateo, CA 94402

16          **.C. Disclaimer**

17          The financial data relied upon in formulating the Plan is based on information contained in this  
18          Disclosure Statement is provided by operating report of trustee, and Monica Hujazi, managing Member of  
19          debtor. The Plan Proponent represents that everything stated in the Disclosure Statement is true to the  
20          Proponent's best knowledge. The Court has not yet determined whether or not the Plan is confirmable  
21          and makes no recommendation as to whether or not you should support or oppose the Plan.

22                               **II.**

23                               **BACKGROUND**

24          **A. Description and History of the Debtor's Business**

25          The debtor is a Business Trust.

26          The debtor is in the business of ownership and development of real properties.

27          The debtor has been in this business since 1999.

28          **B. Principals/Affiliates of Debtor's Business**

                Monica Hujazi, Managing Member.

1 **C. Management of the Debtor Before and After the Bankruptcy**

2 Monica Hujazi, Managing Member of debtor; Peter Kravitz, current Bankruptcy Trustee.

3 **D. Events Leading to Chapter 11 Filing**

4 Here is a brief summary of the circumstances that led to the filing of this Chapter 11 case: Issues  
5 had arisen regarding two real properties at Alexandria and Union in Los Angeles.

6 **E. Significant Events During the Bankruptcy**

7 **1. Bankruptcy Proceedings**

8 The following is a chronological list of significant events which have occurred during this case:

9 The two properties at Alexandria and Union in Los Angeles were sold in bankruptcy over objection of the  
10 debtor. The order approving the sale is now on appeal before the Bankruptcy Appellate Panel..

11 The Court has approved the employment of the following professionals: Previous approval of Derrick  
12 Coleman Esq as attorney for Debtor in Possession., Current approval of Ezra Brutzkus Gubner LLP for  
13 Trustee, Peter Kravitz Trustee; Grostein Teeple accountant; Madison Partners, and ARA real estate  
14 brokers.

15 Currently, the following significant adversary proceedings and motions are still pending:

16 Northern Bankruptcy Adversarial action no. 13-03406.

17 **2. Other Legal Proceedings**

18 In addition to the proceedings discussed above, the Debtor is currently involved in the following  
19 non-bankruptcy legal proceedings (possible others): San Mateo County Superior Court case nos.  
20 509930,499593; Los Angeles Sup Ct. no. BC456257, San Francisco County Sup. Ct nos. CGC 11  
21 513683., CGC 12 519577.

22 **3. Actual and Projected Recovery of Preferential or Fraudulent Transfers (29)**

23 **(30)** No amount is estimated to be realized from the recovery of fraudulent and preferential  
24 transfers. The following is a summary of the fraudulent conveyance and preference actions filed or to be  
25 filed in this case: **(31)** Adversarial Pending no. 13-13046. All claims are denied by Debtor and  
26 Defendants.



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**5. Current and Historical Financial Conditions**

There is positive cash flow out of tenant current and potential from rental payments on 2400-2424 Bayshore Blvd., San Francisco, Ca.

There is positive cash flow out of tenant current and potential from rental payments on 2400-2424 Bayshore Blvd., San Francisco, Ca.

1. Property at on 2400-2424 Bayshore Blvd., San Francisco, Ca. = Date of valuation of 6/26/2013 the property had an as is value of \$4,500,000.00 plus upwards of \$5,700,000.00 if fully rented.

2. Cash from report trustee 3/20/14 = \$108,697.00

## SUMMARY OF THE PLAN OF REORGANIZATION

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

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

**1. Administrative Expenses**

Administrative expenses are claims for costs or expenses of administering the Debtor's Chapter 11 case which are allowed under Code section 507(a)(1). The Code requires that all administrative claims be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists all of the Debtor's § 507(a)(1) administrative claims and their treatment under the Plan.

<u>Name</u>	<u>Amount Owed</u>	<u>Treatment</u>
EZRA BRUTZKUS GUBNER	\$116,409.50 Balance after payment of \$200,000.00 Other amounts unk.	Upon final resolution after appeals to be paid from 2400 -2420 Bayshore Blvd, either through financing or sale
Peter Kravitz, Trustee	Other amounts unk.	Upon final resolution after appeals to be paid from 2400 -2420 Bayshore Blvd, either through financing or sale
Coleman Frost, LLP	\$195,335 fees plus 17,304.76 costs	Upon final resolution after appeals to be paid from 2400 -2420 Bayshore Blvd, either through financing or sale
Grostein Teeple	Amounts unk.	Upon final resolution after appeals to be paid from 2400 -2420 Bayshore Blvd, either through financing or sale
Madison Partners, and ARA	Amounts unk.	Upon final resolution after appeals to be paid from 2400 -2420 Bayshore Blvd, either through financing or sale
Clerk's Office Fees	None known	Paid in Full on Effective Date
Office of the U.S. Trustee Fees		Paid in Full on Effective Date
	<b>TOTAL</b>	<b>\$309,049.26</b>

Court Approval of Fees Required:

The Court must rule on all fees listed in this chart before the fees will be owed. For all fees except Clerk's Office fees and U.S. Trustee's fees, the professional in question must file and serve a properly noticed fee application and the Court must rule on the application. Only the amount of fees allowed by the Court will be owed and required to be paid under this Plan.

As indicated above, the Debtor will need to pay total additional worth of administrative claims on the Effective Date of the Plan unless the claimant has agreed to be paid later or the Court has not yet ruled on the claim. As indicated elsewhere in this Disclosure Statement, Debtor will have sufficient amount of cash on hand on the Effective Date of the Plan. The source of this cash will be from 2400 - 2420 Bayshore Blvd, either through financing or sale.

**2. Priority Tax Claims**

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

The following chart lists all of the Debtor's Section 507(a)(8) priority tax claims and their treatment under the Plan:

<u>Description</u>	<u>Amount Owed</u>	<u>Treatment</u>
• Name =	None known.	Pymt interval =
• Type of tax =		Pymt amt/interval =
• Date tax assessed =		Begin date =
		End date =
		Interest Rate % =
		Total Payout Amount _____ % = \$
• Name =		Pymt interval
• Type of tax =		Pymt amt/interval
• Date tax assessed =		Begin date
		End date
		Interest Rate %
		Total Payout Amount _____ %

**C. Classified Claims and Interests**

**1. Classes of Secured Claims**

Secured claims are claims secured by liens on property of the estate. The following chart lists all classes containing Debtor's secured pre-petition claims and their treatment under this Plan:

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
1 (one)	Secured claim of: <ul style="list-style-type: none"> <li>Name =Sequoia Mortgage</li> <li>Collateral description =2400-2420 Bayshore Blvd., San Francisco</li> <li>Collateral value 4,500,000.00 plus upwards of \$5,700,000.00</li> <li>Priority of security int. =First Deed of Trust</li> <li>Principal owed =\$1,235,000.00</li> <li>Pre-pet. arrearage amount =</li> <li>Post-pet. arrearage amount =</li> <li>Total claim amount =\$1,235,000.00</li> </ul>	no	no	<ul style="list-style-type: none"> <li>Pynt interval =month</li> <li>Pynt amt/interval =</li> <li>Balloon pynt =</li> <li>Begin date =</li> <li>End date =</li> <li>Interest rate % =</li> <li>Total payout % =</li> <li>Treatment of Lien = \$</li> </ul>
	Secured claim of: <ul style="list-style-type: none"> <li>Name =</li> <li>Collateral description =</li> <li>Collateral value =</li> <li>Priority of security int. =</li> <li>Principal owed =</li> <li>Pre-pet. arrearage amount =</li> <li>Post-pet. arrearage amount =</li> <li>Total claim amount =</li> </ul>			<ul style="list-style-type: none"> <li>Pynt interval =</li> <li>Pynt amt/interval =</li> <li>Balloon pynt =</li> <li>Begin date =</li> <li>End date =</li> <li>Interest rate % =</li> <li>Total payout _% = \$</li> <li>Treatment of Lien =</li> </ul>

## 2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and (7) are required to be placed in classes. These types of claims are entitled to priority treatment as follows: the Code requires that each holder of such a claim receive cash on the Effective Date equal to the allowed amount of such claim. However, a class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claims.

The following chart lists all classes containing Debtor's 507(a)(3), (a)(4), (a)(5), (a)(6), and (a)(7) (52) priority unsecured claims and their treatment under this Plan (see Exhibit G for more detailed information about each priority unsecured claim) (53).

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
	Priority unsecured claim pursuant to <b>none known</b>  • Total amt of claims =		• Paid in full in cash on Effective Date
	Priority unsecured claim pursuant to  • Total amt of claims =		• Paid in full in cash on Effective Date

## 3. Class of General Unsecured Claims

General unsecured claims are unsecured claims not entitled to priority under Code Section 507(a). The following chart identifies this Plan's treatment of the class containing all of Debtor's general unsecured claims (see Exhibit H for detailed information about each general unsecured claim):

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
2 (two) and 3 (three)	General unsecured claims  [SEE ATTACHED EX. A]	[SEE ATTACH EX. A]	<ul style="list-style-type: none"><li>• Pymt interval</li><li>• Pymt amt/interval</li><li>• Begin date</li><li>• End date</li><li>• Interest rate %</li></ul> =monthly as to undisputed Upon confirmation of plan at rate of total \$750.00 per month in equal shares. Total payout see effective date of plan== Upon final order(s) re: administrative expenses and after any appeals have been adjudicated. In addition, after all disputed unsecured nonpriority

				claims are resolved by adjudication finality or resolution but in no longer than three (3) years from confirmation.
			Total payout unk%	

#### 4. Class(es) of Interest Holders

Interest holders are the parties who hold ownership interest (i.e., equity interest) in the Debtor. If the Debtor is a corporation, entities holding preferred or common stock in the Debtor are interest holders. If the Debtor is a partnership, the interest holders include both general and limited partners. If the Debtor is an individual, the Debtor is the interest holder. The following chart identifies the Plan's treatment of the Class of interest holders (see Exhibit I for more detailed information about each interest holder):

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
	Interest holders Monica Hujazi	no	Remains 100% interest

#### D. Means of Effectuating the Plan

##### 1. Funding for the Plan

The plan will be funded by the following: to be paid from 2400 -2420 Bayshore Blvd, San Francisco thru ongoing rental income and either through financing or sale .

1           **2. Post-Confirmation Management**

2           Sterling Heatley and/or Monica Hujazi. Sterling Heatley has an 11 % interest in 2400 - 2420  
3           Bayshore Blvd, San Francisco. Sterling Heatley interest includes managerial duties without  
4           additional compensation.

5           **3. Disbursing Agent**

6           Monica Hujazi shall act as the disbursing agent for the purpose of making all distributions  
7           provided for under the Plan. The Disbursing Agent shall serve without bond and shall receive none for  
8           distribution services rendered and expenses incurred pursuant to the Plan.

9           **E. Risk Factors**

10           The proposed plan has the following risks: If real property values were to substantially decline  
11           substantially decreasing the equity at 2400 -2420 Bayshore Blvd, San Francisco

12           **F. Other Provisions of the Plan**

13           **1. Executory Contracts and Unexpired Leases**

14           **a. Assumptions**

15           The following are the unexpired leases and executory contracts to be assumed as obligations  
16           of the reorganized Debtor under this Plan.

17           All current tenants at 2400-2420 Bayshore Blvd, San Francisco whose rent is current.

18           On the Effective Date, each of the unexpired leases and executory contracts listed above  
19           shall be assumed as obligations of the reorganized Debtor. The Order of the Court confirming the Plan  
20           shall constitute an Order approving the assumption of each lease and contract listed above. If you are a  
21           party to a lease or contract to be assumed and you object to the assumption of your lease or contract,  
22           you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of  
23           the Plan. See Section {I.B.3.} of this document for the specific date.

24           **b. Rejections**

25           On the Effective Date, the following executory contracts and unexpired leases will be  
26           rejected:  
27  
28

1 none except ongoing leases at 2400-2420 Bayshore Blvd, San Francisco whose rental  
2 payments are delinquent and/or there are other defaults not made current.

3 The order confirming the Plan shall constitute an Order approving the rejection of the lease or  
4 contract. If you are a party to a contract or lease to be rejected and you object to the rejection of your  
5 contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to  
6 the confirmation of the Plan. See Section {I.B.3.} of this document for the specific date.

7 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING FROM THE REJECTION OF A  
8 LEASE OR CONTRACT IS NOT APPLICABLE AS PLAN DOES NOT SPECIFY ANY SPECIFIC REJECTION. Any claim  
9 based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless  
10 the Court later orders otherwise.

## 11 **2. Changes in Rates Subject to Regulatory Commission Approval**

12 This Debtor is not subject to governmental regulatory commission approval of its rates.  
13 Debtor Not Regulated.

## 14 **3. Retention of Jurisdiction**

15 The Court will retain jurisdiction to the extent provided by law.

## 16 **G. Tax Consequences of Plan**

17 CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT  
18 THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS,  
19 AND/OR ADVISORS. The following disclosure of possible tax consequences is intended solely for the  
20 purpose of alerting readers about possible tax issues this Plan may present to the Debtor. The  
21 Proponent CANNOT and DOES NOT represent that the tax consequences contained below are the only  
22 tax consequences of the Plan because the Tax Code embodies many complicated rules which make it  
23 difficult to state completely and accurately all the tax implications of any action.

24 The following are the tax consequences which the Plan will have on the Debtor's tax liability: Not  
25 known as for possible expense deductions from payments made.



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IV.

CONFIRMATION REQUIREMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OR THIS PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The proponent CANNOT and DOES NOT represent that the discussion contained below is a complete summary of the law on this topic.

Many requirements must be met before the Court can confirm a Plan. Some of the requirements include that the Plan must be proposed in good faith, acceptance of the Plan, whether the Plan pays creditors at least as much as creditors would receive in a Chapter 7 liquidation, and whether the Plan is feasible. These requirements are not the only requirements for confirmation.

**A. Who May Vote or Object**

**1. Who May Object to the Confirmation of the Plan**

Any party in interest may object to the confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

**2. Who May Vote to Accept/Reject the Plan**

A creditor or interest holder has a right to vote for or against the Plan if that creditor or interest holder has a claim which is both (1) allowed or allowed for voting purposes and (2) classified in an impaired class.

**a. What is an Allowed Claim/Interest**

As noted above, a creditor or interest holder must first have an allowed claim or interest to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party in interest brings a motion objecting to the claim. When an objection to a claim or interest is filed, the creditor or interest holder holding the claim or interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or interest for voting purposes.

1 THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE WAS February 4,  
2 2013. A creditor or interest holder may have an allowed claim or interest even if a proof of claim or  
3 interest was not timely filed. A claim is deemed allowed if it is scheduled on the Debtor's schedules and  
4 such claim is not scheduled as disputed, contingent, or unliquidated, and no party in interest has objected  
5 to the claim. An interest is deemed allowed if it is scheduled and no party in interest has objected to the  
6 interest.

7 **b. What is an Impaired Claim/Interest**

8 As noted above, an allowed claim or interest only has the right to vote if it is in a class  
9 that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual  
10 rights of the members of that class. For example, a class comprised of general unsecured claims is  
11 impaired if the Plan fails to pay the members of that class 100% of what they are owed.

12 In this case, the Proponent believes that classes 2 (two) and 3 (three) are impaired as  
13 indicated and that holders of claims in each of these classes are therefore entitled to vote to accept or  
14 reject the Plan. The Proponent believes that classes 1 (one) are unimpaired and that holders of claims in  
15 each of these classes therefore do not have the right to vote to accept or reject the Plan. Parties who  
16 dispute the Proponent's characterization of their claim or interest as being impaired or unimpaired may  
17 file an objection to the Plan contending that the Proponent has incorrectly characterized the class.

18 **3. Who is Not Entitled to Vote**

19 The following four types of claims are not entitled to vote: (1) claims that have been disallowed;  
20 (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code sections 507(a)(1), (a)(2),  
21 and (a)(8); and (4) claims in classes that do not receive or retain any value under the Plan. Claims in  
22 unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan.  
23 Claims entitled to priority pursuant to Code sections 507(a)(1), (a)(2), and (a)(7) are not entitled to vote  
24 because such claims are not placed in classes and they are required to receive certain treatment  
25 specified by the Code. Claims in classes that do not receive or retain any value under the Plan do not  
26 vote because such classes are deemed to have rejected the Plan. EVEN IF YOUR CLAIM IS OF THE  
27 TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION  
28 OF THE PLAN.

1           **4. Who Can Vote in More Than One Class**

2           A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured  
3 claim is entitled to accept or reject a Plan in both capacities by casting one ballot for the secured part of  
4 the claim and another ballot for the unsecured claim.

5           **5. Votes Necessary to Confirm the Plan**

6           If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class  
7 has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired  
8 classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cramdown" on non-  
9 accepting classes, as discussed later in Section {IV.A.8.}.

10          **6. Votes Necessary for a Class to Accept the Plan**

11          A class of claims is considered to have accepted the Plan when more than one-half (1/2) in  
12 number and at least two-thirds (2/3) in dollar amount of the claims which actually voted, voted in favor of  
13 the Plan. A class of interests is considered to have accepted the Plan when at least two-thirds (2/3) in  
14 amount of the interest-holders of such class which actually voted, voted to accept the Plan.

15          **7. Treatment of Nonaccepting Classes**

16          As noted above, even if all impaired classes do not accept the proposed Plan, the Court may  
17 nonetheless confirm the Plan if the nonaccepting classes are treated in the manner required by the Code.  
18 The process by which nonaccepting classes are forced to be bound by the terms of the Plan is commonly  
19 referred to as "cramdown." The Code allows the Plan to be "crammed down" on nonaccepting classes of  
20 claims or interests if it meets all consensual requirements except the voting requirements of 1129(a)(8)  
21 and if the Plan does not "discriminate unfairly" and is "fair and equitable" toward each impaired class that  
22 has not voted to accept the Plan as referred to in 11 U.S.C. § 1129(b) and applicable case law.

23          **8. Request for Confirmation Despite Nonacceptance by Impaired Class(es)**

24          The party proposing this Plan will ask the Court to confirm this Plan by cramdown on impaired  
25 classes 2 (two) and/or 3 (three) if any of these classes do not vote to accept the Plan.

26      **B. Liquidation Analysis**

27          Another confirmation requirement is the "Best Interest Test", which requires a liquidation analysis.  
28 Under the Best Interest Test, if a claimant or interest holder is in an impaired class and that claimant or

1 interest holder does not vote to accept the Plan, then that claimant or interest holder must receive or  
2 retain under the Plan property of a value not less than the amount that such holder would receive or  
3 retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

4 In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 trustee. Secured  
5 creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien.  
6 Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales  
7 proceeds, according to their rights to priority. Unsecured creditors with the same priority share in  
8 proportion to the amount of their allowed claim in relationship to the amount of total allowed unsecured  
9 claims. Finally, interest holders receive the balance that remains after all creditors are paid, if any.

10  
11 For the Court to be able to confirm this Plan, the Court must find that all creditors and interest  
12 holders who do not accept the Plan will receive at least as much under the Plan as such holders would  
13 receive under a Chapter 7 liquidation. The Plan Proponent maintains that this requirement is met here for  
14 the following reasons: (80) There is one real property at 2400-2420 Bayshore Blvd, San Francisco, Ca.  
15 whose value is based on fair market value and is the only source of payments of which the outcome is  
16 believed to be the same if liquidated under chapter 7.

#### 17 **C. Feasibility**

18 Another requirement for confirmation involves the feasibility of the Plan, which means that  
19 confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial  
20 reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or  
21 reorganization is proposed in the Plan.

22  
23 There are at least two important aspects of a feasibility analysis. The first aspect considers  
24 whether the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims  
25 and expenses which are entitled to be paid on such date. The Plan Proponent maintains that this aspect  
26 of feasibility is satisfied as illustrated here: Substantial equity as indicated from refinance or sale of 2400-  
27 2420 Bayshore Blvd., San Francisco.

1 The second aspect considers whether the Proponent will have enough cash over the life of the  
2 plan to make the required Plan payments. Any payments needed would be paid from positive cash flow  
3 from income at 2400-2420 Bayshore Blvd., San Francisco.

4 The Proponent has provided the latest summary of financial status provided by trustee and filed  
5 March 20, 2014. which includes both some historical and projected financial information. Please refer to  
6 Exhibit C. YOU ARE ADVISED TO CONSULT WITH YOUR ACCOUNTANT OR FINANCIAL ADVISOR  
7 IF YOU HAVE ANY QUESTIONS PERTAINING TO THIS FINANCIAL STATUS STATEMENT.

8 In summary, the Plan proposes to pay ongoing business expenses and any other necessary  
9 payments including payments of General Undisputed Unsecured claims in equal shares from a total of  
10 \$750.00 per month. . As Debtor's financial projections demonstrate, Debtor will have an average positive  
11 cash flow, after paying operating expenses and post-confirmation taxes, of varies on tenant incomes.  
12 Debtor intends to rent vacancies to maximize cash flow from property at 2400-2420 Bayshore Blvd., San  
13 Francisco., for the life of the Plan. The final Plan payment(s) is expected to be paid on or upon final  
14 order(s) re: administrative expenses and after any appeals have been adjudicated. In addition, after all  
15 disputed unsecured nonpriority claims are resolved by adjudication finality or resolution and then under  
16 the treatment of General Undisputed Unsecured claims as specified.

## 17 V.

### 18 EFFECT OF THE CONFIRMATION OF PLAN

#### 19 A. Discharge (105)

20 This Plan provides that upon confirmation with effective date as indicated, Debtor shall be  
21 discharged of liability for payment of debts incurred before confirmation of the Plan, to the extent specified  
22 in 11 U.S.C. § 1141. However, the discharge will not discharge any liability imposed by the Plan.  
23

#### 24 B. Revesting of Property in the Debtor

25 Except as provided in Section {V.E.}, and except as provided elsewhere in the Plan, the  
26 confirmation of the Plan revests all of the property of the estate in the Debtor.  
27  
28

1 **C. Modification of Plan**

2 The Proponent of the Plan may modify the Plan at any time before confirmation. However, the  
3 Court may require a new disclosure statement and/or revoting on the Plan.

4 The Proponent of the Plan may also seek to modify the Plan at any time after confirmation only if  
5 (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed  
6 modifications after notice and a hearing.

7 **D. Post-Confirmation Status Report**

8 Within 120 days of the entry of the order confirming the Plan, Plan Proponent shall file a status  
9 report with the Court explaining what progress has been made toward consummation of the confirmed  
10 Plan. The status report shall be served on the United States Trustee, the twenty largest unsecured  
11 creditors, and those parties who have requested special notice. Further status reports shall be filed every  
12 120 days and served on the same entities.

13 **E. Quarterly Fees**

14 Quarterly fees accruing under 28 U.S.C. § 1930(a)(6) to date of confirmation shall be paid to the  
15 United States Trustee on or before the effective date of the plan. Quarterly fees accruing under 28  
16 U.S.C. § 1930(a)(6) after confirmation shall be paid to the United States Trustee in accordance with 28  
17 U.S.C. § 1930(a)(6) until entry of a final decree, or entry of an order of dismissal or conversion to chapter  
18 7.  
19

20 **F. Post-Confirmation Conversion/Dismissal**

21 A creditor or party in interest may bring a motion to convert or dismiss the case under § 1112(b),  
22 after the Plan is confirmed, if there is a default in performing the Plan. If the Court orders, the case  
23 converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter  
24 11 estate, and that has not been disbursed pursuant to the Plan, will revert in the Chapter 7, estate. The  
25 automatic stay will be reimposed upon the reverted property, but only to the extent that relief from stay  
26 was not previously authorized by the Court during this case.

27 The order confirming the Plan may also be revoked under very limited circumstances. The Court  
28 may revoke the order if the order of confirmation was procured by fraud and if the party in interest brings

1 an adversary proceeding to revoke confirmation within 180 days after the entry of the order of  
2 confirmation.

3 **G. Final Decree**

4 Once the estate has been fully administered as referred to in Bankruptcy Rule 3022, the Plan  
5 Proponent, or other party as the Court shall designate in the Plan Confirmation Order, shall file a motion  
6 with the Court to obtain a final decree to close the case.  
7

8 DATE: April 3, 2014

9 The Zuercher Trust of 1999  
10 Name and Identity of Plan Proponent

11  
12 /s/  
13 Signature of Attorney for Plan Proponent

14 Bradley Kass, Esq.  
15 Name of Attorney for Plan Proponent

16 KASS & KASS LAW OFFICES  
17 Name of Law Firm for Plan Proponent  
18  
19  
20  
21  
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28

EXHIBIT A – LIST OF GENERAL UNDISPUTED UNSECURED CLAIMS

Class	Name	Insider	Impaired	SCHEDULED CLAIMS		FILED CLAIMS	
				Amount	D/C/U*	Amount	Objection
2	Niven & Smith	No	yes			11,980.17	
2	City and County of San Francisco	No	yes			2,290.24	

\*\*\*\*The plan is to pay a total in equal shares from total of \$750.00 per month for General Undisputed Unsecured claims for the period after confirmation until effective date of plan but in no event longer than three years. \*\*\*\*\*



EXHIBIT B – LIST OF GENERAL DISPUTED UNSECURED CLAIMS

CLASSIFIED CLAIMS: UNSECURED CLAIMS

Class	Name	Insider	Impaired	SCHEDULED CLAIMS		FILED CLAIMS	
				Amount	D/C/U*	Amount	Objection
3	Michael E. Grodsky	No	yes	\$261,820.00		\$312,940.00	Disputed Plaintiff same claim 13-30477
3	Lion Brownstone, LLC	No	yes			\$3,275,666.69	Disputed Also related pending appeal Los Angeles no. BC498921
3	Derrick Arnold and Michael Macklin	No	yes			12,862.95	Disputed State Court Receiver
3	Janet Leffler and Michael Chester	No	yes			10,024.58	Disputed State Court

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							Receiver
3	Kevin Washington	No	yes			2,129.86	Disputed State Court Receiver
3	Russ Demarco	No	yes			5,280.90	Disputed State Court Receiver
3	Demetrick Muraq and Karine Wike	No	yes			6,344.25	Disputed State Court Receiver
3	Franklin Nolasco	No	yes			8,869.59	Disputed State Court Receiver
3	Allen Hyman	No	yes			144,936.86	Disputed Plaintiff same claim 13-30477
3	Win Win Alexander Union, LLC	No	yes			13,037,914.64	Disputed At present Moot property sold per court order
3	Law Firm of Harold Greenberg	No	yes			28,000.00	Disputed not related per claim

3	Daniel J. Bramzon, Care of Basta, Inc.	No	yes			18,900,000.00	Disputed
3	Luscutoff, Lendormy & Associates, Sidney Luscutoff & Recoverex Corporation	No	yes			634,000.00	Disputed Plaintiff same claim 13-30477
Class	Name	Insider	Impaired	SCHEDULED CLAIMS		FILED CLAIMS	
				Amount	D/C/U*	Amount	Objection
3	Los Angeles County Department of Public Health, Environmental Health Division	No	yes			21,887.65	Disputed believed to be duplicate
3	Los Angeles Fire Department	No	yes			10,102.60	Disputed believed to be duplicate
3	Los Angeles Housing Department	No	yes			52,755.98	Disputed believed to be duplicate
3	Underwriters at Lloyds London	No	yes			1,000,000.00	Disputed
TOTAL AMOUNT FOR CLASS				\$37,463,693.			

\* Disputed/contingent/unliquidated

EXHIBIT C

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re: The Zuercher Trust of 1999

Case No. 12-bk-32747

CHAPTER 11  
MONTHLY OPERATING REPORT  
(REAL ESTATE CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 2/28/2014

PETITION DATE: 9/26/2011 0:00

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

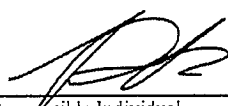
	End of Current Month	End of Prior Month	As of Petition Filing
2. Asset and Liability Structure			
a. Current Assets	\$108,697	\$111,282	\$17,078.00
b. Total Assets	\$3,538,697	\$3,541,282	\$28,450,000
c. Current Liabilities	\$324,467	\$324,467	0
d. Total Liabilities	\$30,309,467	\$30,309,467	\$12,084,016
			Cumulative
3. Statement of Cash Receipts & Disbursements for Month		Prior Month	(Case to Date)
a. Total Receipts	\$13,357	\$11,691	\$610,259
b. Total Disbursements	\$22,314	\$29,931	\$293,298
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$8,957)	(\$18,240)	\$316,961
d. Cash Balance Beginning of Month	\$111,282	\$342,541	
e. Cash Balance End of Month (c + d)	\$108,697	\$324,301	
	Current Month	Prior Month	Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	(\$8,957)	(\$226,297)	\$96,945
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$324,467	\$324,467	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

- |  | Yes | No |
|--|-----|----|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) |     | x  |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)   |     | x  |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court?  |     |    |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)                                   |     | x  |
| 12. Is the estate insured for replacement cost of assets and for general liability?  | x   |    |
| 13. Are a plan and disclosure statement on file?   |     | x  |
| 14. Was there any post-petition borrowing during this reporting period?  |     | x  |
15. Check if paid: Post-petition taxes x; U.S. Trustee Quarterly Fees x; Check if filing is current for: Post-petition tax reporting and tax returns: x.  
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 03/20/14

  
Responsible Individual

# STATEMENT OF OPERATIONS

(Real Estate Case)

For the Month Ended 02/28/14

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$13,357	\$12,431	\$926	Revenues:		
\$0		\$0	1 Rent/Leases	\$252,788	13,357
\$0		\$0	2 Real Property Sales Gross	\$100,000	
\$0		\$0	3 Interest	\$0	
\$0		\$0	4 Other Income: North Oxford Distribution	\$258,211	
\$0		\$0	5 less deposit return	(\$740)	(\$1,650)
		\$0	6		
\$13,357	\$12,431	\$926	7 Total Revenues	\$610,259.05	11,707
			Expenses:		
			8 Cost of Property Sold		
			8a Initial Cost & Improvement		
			8b less: Depreciation Taken		
\$0		\$0	9 Selling	\$0	
\$0		\$0	10 Administrative	\$4,624	
\$0		\$0	11 Interest	\$0	
\$0		\$0	12 Compensation to Owner(s)/Officer(s)	\$0	
\$0		\$0	13 Salaries	\$0	
\$0		\$0	14 Commissions	\$0	
\$852	\$852	\$0	15 Management Fees	\$852	\$954
			Rent/Lease:		
\$0		\$0	16 Personal Property	\$0	
\$0		\$0	17 Real Property	\$0	
\$0		\$0	18 Insurance	\$8,293	\$29
\$0		\$0	19 Depreciation		
			Taxes:		
\$0		\$0	20 Employer Payroll Taxes	\$0	
\$0		\$0	21 Real Property Taxes	\$31,191	
\$0		\$0	22 Other Taxes	\$0	
\$0	\$0	\$0	23 Other Expenses:	\$1,100	
\$0	\$0	\$0	24 Bank Fees	\$156	\$0
\$402	\$400	\$2	25 Utilities: Electricity/Gas/Water	\$5,639	\$368
\$20,563	\$10,281	\$10,282	26 Mortgage	\$157,301	\$10,281
			27 Utilities: Phonen and Internet	\$2,384	
\$497	\$1,500	(\$1,003)	28 Repair/Maintenance	\$14,346	\$1,500
\$0		\$0	29 Marketing	\$5,000	
\$0	\$671	(\$671)	30 garage	\$5,651	\$671
		\$0	31 other	\$53,511	
\$22,314	\$13,704	\$8,610	32 Total Expenses	\$290,048	\$12,820
(\$8,957)	(\$1,273)	(\$7,684)	33 Subtotal	\$320,211	(\$1,113.00)
			Reorganization Items:		
\$0		\$0	34 Approved Professional Fees and expenses	\$220,016	
\$0		\$0	35 Provisions for Rejected Executory Contracts	\$0	
\$0		\$0	36 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	\$0	
\$0		\$0	37 Gain or (Loss) from Sale of Equipment	\$0	
\$0	\$0	\$0	38 U.S. Trustee Quarterly Fees	\$3,250	\$0
		\$0	39		
\$0	\$0	\$0	40 Total Reorganization Items	\$223,266	\$0
(\$8,957)	(\$1,273)	(\$7,684)	41 Net Profit (Loss) Before Federal & State Taxes	\$96,945	(\$1,113)
		\$0	42 Federal & State Income Taxes	\$0	
(\$8,957)	(\$1,273)	(\$7,684)	43 Net Profit (Loss)	\$96,945	(\$1,113)

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

**BALANCE SHEET**  
(Real Estate Case)  
For the Month Ended 2/28/2014 0:00

Assets		From Schedules	Market Value
<b>Current Assets</b>			
1	Cash and cash equivalents - unrestricted		\$108,697
2	Cash and cash equivalents - restricted		\$0
3	Accounts receivable (net)	A	\$0
4	Prepaid expenses		\$0
5	Professional retainers		
6	Other: _____		
7	_____		
8	<b>Total Current Assets</b>		<b>\$108,697</b>
<b>Property and Equipment (Market Value)</b>			
9	Real property*	A	\$3,100,000
10	Machinery and equipment	B	\$0
11	Furniture and fixtures	D	\$0
12	Office equipment	D	\$0
13	Leasehold improvements	D	\$0
14	Vehicles	D	\$0
15	Other: _____	D	
16	_____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	<b>Total Property and Equipment</b>		<b>\$3,100,000</b>
<b>Other Assets</b>			
21	Loans to shareholders		\$0
22	Loans to affiliates		\$0
23	Equity Assets (Debtor was previously advised that this amount was		\$330,000
24	\$330 and is investigating)		
25	_____		
26	_____		
27	<b>Total Other Assets</b>		<b>\$330,000</b>
28	<b>Total Assets</b>		<b>\$3,538,697</b>

**NOTE:** Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

\*Based on preliminary reports and alleged offers

**Liabilities and Equity**  
(Real Estate Case)

**Liabilities From Schedules**

**Post-Petition****Current Liabilities**

29	Salaries and wages		
30	Payroll taxes		
31	Real and personal property taxes		
32	Income taxes		
33	Sales taxes		
34	Notes payable (short term)		
35	Accounts payable (trade)	A	\$0
36	Real property lease arrearage		
37	Personal property lease arrearage		
38	Accrued professional fees		\$324,467
39	Current portion of long-term post-petition debt (due within 12 months)		
40	Other:		
41			
42			
43	<b>Total Current Liabilities</b>		<b>\$324,467</b>
44	<b>Long-Term Post-Petition Debt, Net of Current Portion</b>		
45	<b>Total Post-Petition Liabilities</b>		<b>\$324,467</b>

**Pre-Petition Liabilities (allowed amount)**

46	Secured claims	F	\$34,224
47	Priority unsecured claims	F	\$0
48	General unsecured claims	F	\$29,950,777
49	<b>Total Pre-Petition Liabilities</b>		<b>\$29,985,000</b>
50	<b>Total Liabilities</b>		<b>\$30,309,467</b>

**Equity (Deficit)**

51	Retained Earnings/(Deficit) at time of filing		\$0
52	Capital Stock		\$0
53	Additional paid-in capital		\$0
54	Cumulative profit/(loss) since filing of case		
55	Post-petition contributions/(distributions) or (draws)		\$0
56			\$0
57	Market value adjustment		\$0
58	<b>Total Equity (Deficit)</b>		
59	<b>Total Liabilities and Equity (Deficit)</b>		<b>\$30,309,467</b>



**SCHEDULES TO THE BALANCE SHEET**  
(Real Estate Case)

**Schedule A**  
**Accounts Receivable and (Net) Payable**

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days			
31-60 Days			
61-90 Days			
91+ Days			\$0
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

**Schedule B**  
**Inventory/Cost of Goods Sold**  
Not Applicable to Real Estate Cases

**Schedule C**  
**Real Property**

Description	Cost	Market Value
2400-2424 Bayshore Blvd. San Francisco, CA 94134		\$3,100,000
Total	\$0	\$3,100,000

**Schedule D**  
**Other Depreciable Assets**

Description	Cost	Market Value
Machinery & Equipment - ACCORDING TO DEBTOR		
14 refrigerators, 14 stoves, 2 ladders at Bayshore		\$14,000
Total	\$0	\$14,000
Furniture & Fixtures -		
Total	\$0	\$0
Office Equipment -		
Total	\$0	\$0
Leasehold Improvements -		
Total	\$0	\$0
Vehicles -		
Total	\$0	\$0

**Schedule E**  
**Aging of Post-Petition Taxes**  
**(As of End of the Current Reporting Period)**

<b>Taxes Payable</b>	<b><u>0-30 Days</u></b>	<b><u>31-60 Days</u></b>	<b><u>61-90 Days</u></b>	<b><u>91+ Days</u></b>	<b><u>Total</u></b>
<b>Federal</b>					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total Federal Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>State and Local</b>					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total State &amp; Local Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Schedule F**  
**Pre-Petition Liabilities**

**List Total Claims For Each Classification -**

	<b><u>Claimed Amount</u></b>	<b><u>Allowed Amount (b)</u></b>
Secured claims (a)	\$34,224	
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	\$29,950,777	

(a) List total amount of claims even if under secured.

(b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G**  
**Rental Income Information**

List the Rental Information Requested Below By  
Properties

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>	<u>Property 4</u>
Description of Property	2400 Bayshore			
Scheduled Gross Rents				
Less:				
Vacancy Factor				
Free Rent Incentives				
Other Adjustments				
Total Deductions	\$0	\$0	\$0	\$0
Scheduled Net Rents	\$13,357	\$0	\$0	\$0
Less: Rents Receivable *				
Scheduled Net Rents Collected *	\$13,357	\$0	\$0	\$0

\* To be completed by cash basis reporters only.

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Metro United Bank	Private Bank of Ca	Wells Fargo	
Account Type	Checking	Client Trust Act.	Jackson Group Management	
Account No.	4603	9212		
Account Purpose	DIP-old	New Trust Act.	Management Account	
Balance, End of Month	\$16,914	\$78,833	\$12,950	
Total Funds on Hand for all Accounts	\$108,697			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

# STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents  
For the Month Ended 2/28/14

	Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>		
1 Rent/Leases Collected	\$13,357	\$252,788
2 Cash Received from Sales	\$0	\$100,000
3 Interest Received		
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders		
6 Capital Contributions		
7 Deposit received from Vista re sale of Alexandria Property, owed to Win Win	\$0	
8 North Oxford Distribution	\$0	\$258,211
9 less deposit refund	\$0	(\$740)
10		
11		
12 <b>Total Cash Receipts</b>	\$13,357	\$610,259
<b>Cash Disbursements</b>		
13 Selling	\$0	\$0
14 Administrative	\$0	\$4,624
15 Capital Expenditures	\$0	\$0
16 Principal Payments on Debt	\$0	\$0
17 Interest Paid	\$0	\$0
Rent/Lease:		
18 Personal Property	\$0	\$0
19 Real Property	\$0	\$0
Amount Paid to Owner(s)/Officer(s)		
20 Salaries	\$0	\$0
21 Draws	\$0	\$0
22 Commissions/Royalties	\$0	\$0
23 Expense Reimbursements	\$0	\$0
24 Other	\$0	\$0
25 Salaries/Commissions (less employee withholding)	\$0	\$0
26 Management Fees	\$852	\$852
Taxes:	\$0	\$0
27 Employee Withholding	\$0	\$0
28 Employer Payroll Taxes	\$0	\$0
29 Real Property Taxes	\$0	\$31,191
30 Other Taxes	\$0	\$0
31 Other Cash Outflows:	\$0	\$54,611
32 Bank Fees	\$0	\$156
33 Utilities phone & internet	\$0	\$2,384
34 Utilities Electric and gas	\$402	\$5,639
35 Mortgage	\$20,563	\$157,301
Garage	\$0	\$5,651
Insurance	\$0	\$8,293
36 repairs and maintenance	\$497	\$14,346
37 Marketing	\$0	\$5,000
38 <b>Total Cash Disbursements:</b>	\$22,314	\$290,048
39 <b>Net Increase (Decrease) in Cash</b>	(\$8,957)	\$320,211
40 <b>Cash Balance, Beginning of Period</b>	\$111,282	
<b>Cash Balance, End of Period</b>	\$108,697	

**STATEMENT OF CASH FLOWS**  
(Optional) Increase/(Decrease) in Cash and Cash Equivalents  
For the Month Ended 2/28/2014

	Actual Current Month	Cumulative (Case to Date)
<b>Cash Flows From Operating Activities</b>		
1 Cash Received from Sales	0	100,000
2 Rent/Leases Collected	\$13,357	\$252,788
3 Less Deposit Return	\$0	(\$740)
4 Cash Paid for Development of Real Estate/Management	\$852	\$852
5 Cash from Distribution-North Oxford	\$0	\$258,211
6 Cash Paid for Administrative Expenses	\$0	\$4,624
Cash Paid for Rents/Leases:		
7 Personal Property	\$0	\$0
8 Real Property	\$0	\$0
9 Cash Paid for Interest	\$0	\$0
10 Cash Paid for Net Payroll and Benefits	\$0	\$0
Cash Paid to Owner(s)/Officer(s)		
11 Salaries	\$0	\$0
12 Draws	\$0	\$0
13 Commissions/Royalties	\$0	\$0
14 Expense Reimbursements	\$0	\$0
15 Other	\$0	\$0
Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16 Employer Payroll Tax	\$0	\$0
17 Employee Withholdings	\$0	\$0
18 Real Property Taxes	\$0	\$31,191
19 Other Taxes	\$0	\$0
20 Cash Paid for General Expenses	\$0	\$54,611
21 Bank Fees	\$0	\$156
22 Utilities Phone and Internet	\$0	\$2,384
23 Utilities Gas and Electric	\$402	\$5,639
24 Mortgage	\$20,563	\$157,301
25 repairs and maintenance	\$497	\$14,346
Garage	\$0	\$5,651
Insurance	\$0	\$8,293
26 Marketing	\$0	\$5,000
27 Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$8,956.57)	\$320,211.48
<b>Cash Flows From Reorganization Items</b>		
28 Interest Received on Cash Accumulated Due to Chp 11 Case	\$0	\$220,016
29 Professional Fees Paid for Services in Connection with Chp 11 Case	\$0	\$3,250
30 U.S. Trustee Quarterly Fees	\$0	\$0
31		
32 Net Cash Provided (Used) by Reorganization Items	\$0	(\$223,266)
33 Net Cash Provided (Used) for Operating Activities and Reorganization Items		\$0
<b>Cash Flows From Investing Activities</b>		
34 Capital Expenditures		
35 Proceeds from Sales of Capital Goods due to Chp 11 Case		
36		
37 Net Cash Provided (Used) by Investing Activities	\$0	\$0
<b>Cash Flows From Financing Activities</b>		
38 Net Borrowings (Except Insiders)		
39 Net Borrowings from Shareholders, Partners, or Other Insiders		
40 Capital Contributions		
41 Principal Payments		
42		
43 Net Cash Provided (Used) by Financing Activities	\$0	\$0
44 Net Increase (Decrease) in Cash and Cash Equivalents	(\$8,957)	\$96,945
45 Cash and Cash Equivalents at Beginning of Month	\$111,282	
46 Cash and Cash Equivalents at End of Month	\$108,697	



BANC OF  
CALIFORNIA

019 00001 00  
ACCOUNT:

PAGE: 1  
9212 02/28/2014

SLTNTRST LLC  
DBA SOLUTION TRUST  
"ZUERCHER TRUST OF 1999"  
29209 CANWOOD ST STE 210  
AGOURA HILLS CA 91301-1579

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CENTURY CITY TELEPHONE: 310-286-0710  
10100 SANTA MONICA, SUITE 2500  
CENTURY CITY, CA 90067

Analyzed Business Checking ACCOUNT 9212

	LAST STATEMENT 01/31/14	94,367.36
MINIMUM BALANCE	78,832.99 2 CREDITS	5,750.00
AVG AVAILABLE BALANCE	89,580.90 4 DEBITS	21,284.37
AVERAGE BALANCE	89,580.90 THIS STATEMENT 02/28/14	78,832.99

- - - - - OTHER CREDITS - - - - -		
DESCRIPTION	DATE	AMOUNT
E-DEPOSIT	02/05	3,750.00
E-DEPOSIT	02/19	2,000.00

- - - - - CHECKS - - - - -					
CHECK #..DATE.....	AMOUNT	CHECK #..DATE.....	AMOUNT	CHECK #..DATE.....	AMOUNT
1046 02/11	401.61	1047 02/28	320.00		

- - - - - OTHER DEBITS - - - - -		
DESCRIPTION	DATE	AMOUNT
Outgoing Wire 70438 FBO SEQUOIA MORTGAGE CAPITAL	02/07	10,281.38
Outgoing Wire 72009 FBO SEQUOIA MORTGAGE CAPITAL	02/28	10,281.38

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

*****			
*		TOTAL FOR	TOTAL
*		THIS PERIOD	YEAR TO DATE
*****			
* TOTAL OVERDRAFT FEES:		\$ .00	\$ .00
*****			
* TOTAL RETURNED ITEM FEES:		\$ .00	\$ .00
*****			

\* \* \* C O N T I N U E D \* \* \*





BANC OF  
CALIFORNIA

019 00001 00

ACCOUNT:

9212

PAGE: 2

02/28/2014

SLTNTRST LLC

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Analyzed Business Checking ACCOUNT 9212

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DAILY BALANCE

DATE.....BALANCE

02/05 98,117.36

02/07 87,835.98

DATE.....BALANCE

02/11 87,434.37

02/19 89,434.37

DATE.....BALANCE

02/28 78,832.99

- END OF STATEMENT -



02/11/2014 - #1046 - \$401.61

**SOLUTION TRUST**  
ZUERCHER TRUST OF 1999  
7780 CANTWOOD STREET SUITE 710  
LOS ANGELES, CA 90045-1512

**PRIVATE BANK OF CALIFORNIA**  
www.1stcc.com  
93-4117171

1046  
02/11/2014

PAY TO THE ORDER OF **PG&E** \$ 401.61  
Four hundred one and 61/100

PG&E  
BOX 667200  
San Antonio, CA 78269

MEMO Account No. 2541807734-3

⑈001046⑈ ⑆122214439⑆ [REDACTED] 1212⑈

02/11/2014 - #1046 - \$401.61

PAY TO THE ORDER OF [REDACTED] \$ 372.5

⑈001046⑈ ⑆122214439⑆ [REDACTED] 1212⑈

02/28/2014 - #1047 - \$320.00

**SOLUTION TRUST**  
ZUERCHER TRUST OF 1999  
7780 CANTWOOD STREET SUITE 710  
LOS ANGELES, CA 90045-1512

**PRIVATE BANK OF CALIFORNIA**  
www.1stcc.com  
93-4117171

1047  
02/18/2014

PAY TO THE ORDER OF **Metro Locomotion, Inc.** \$ 320.00  
Three hundred twenty and 00/100

Metro Locomotion, Inc.  
2545 Embarcadero St.  
San Francisco, CA 94115

MEMO Invoice No. 115800

⑈001047⑈ ⑆122214439⑆ [REDACTED] 1212⑈

02/28/2014 - #1047 - \$320.00

PAY TO THE ORDER OF [REDACTED] \$ 320.00

⑈001047⑈ ⑆122214439⑆ [REDACTED] 1212⑈





**EAST WEST BANK** *Your Financial Bridge*  
 7320 Clairemont Mesa Blvd. • San Diego, CA 92111  
 858-496-3800

Account # 1100

Return Service Requested

006 00005 00

ACCOUNT:

DOCUMENTS:

PAGE: 1

02/28/2014

4603

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00 \*\* TR00012

MTUB

THE ZUERCHER TRUST OF 1999  
 DIP CHAPTER 11 BANKRUPTCY  
 CASE #12-32747  
 29209 CANWOOD ST STE 210  
 AGOURA HILLS, CA 91301-1919

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SAN MATEO  
 43 E 3RD AVENUE  
 SAN MATEO, CA 94401

TELEPHONE: 650-685-8900

BUSINESS CHECKING ACCOUNT 4603

		LAST STATEMENT 01/31/14	16,914.41
MINIMUM BALANCE	16,914.41	CREDITS	.00
AVERAGE BALANCE	16,914.41	DEBITS	.00
		THIS STATEMENT 02/28/14	16,914.41

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

*****			
*		TOTAL FOR	TOTAL
*		THIS PERIOD	YEAR TO DATE
*****			
*	TOTAL OVERDRAFT FEES:	\$ .00	\$ .00
*****			
*	TOTAL RETURNED ITEM FEES:	\$ .00	\$ .00
*****			