

1 Eric Slocum Sparks
Arizona State Bar No. 11726
2 LAW OFFICES OF ERIC SLOCUM SPARKS, P.C.
3505 North Campbell Avenue #501
3 Tucson, Arizona 85719
Telephone (520) 623-8330
4 Facsimile (520) 623-9157
law@ericslocumsparkspc.com
5 eric@ericslocumsparkspc.com
Attorney for Debtor
6

7 IN THE UNITED STATES BANKRUPTCY COURT
8 FOR THE DISTRICT OF ARIZONA

9 In re:)
10 JOSEPH E. KOKROKO,) No. 4:14-bk-16170-SHG
11) (Chapter 11)
Debtor.)
12) NOTICE OF SUBMISSION OF
13) DEBTOR’S SECOND AMENDED
14) DISCLOSURE STATEMENT
15) DATED October 24, 2016
16) FOR ITS SECOND AMENDED PLAN OF
REORGANIZATION
17) DATED October 24, 2016
18)
19)
20)
21)
22)
23)
24)
25)
26)
27)
28)

17 Joseph E. Kokroko, (hereinafter “Debtor”), submits this proposed Second Amended Disclosure
18 Statement dated October 24, 2016 attached hereto and by reference incorporated herein (hereinafter “the
19 Disclosure Statement”) in connection with the “Debtor’s Second Amended Plan of Reorganization” filed
20 concurrently herewith dated October 24, 2016 (hereinafter “the Plan”). The Disclosure Statement is
21 submitted in compliance with 11 U.S.C. Section 1125 and Bankruptcy Rule 3017. It has not been
22 approved by the Bankruptcy Court and is filed solely to enable the Court and parties in interest to
23 evaluate the adequacy of the information contained herein as required of the Bankruptcy Code.
24 Moreover, the Disclosure Statement refers to information contained herein as required by the Bankruptcy
25 Code. The Disclosure Statement refers to information and facts that the Debtor anticipates will be
26 accurate or will occur on or prior to the date of the hearing to consider the Disclosure Statement.
27 Therefore, certain information and facts contained in the Disclosure Statement may not be completely
28 accurate as of the date hereof.

The Debtor believes that a form of Disclosure Statement in substantially the form as that which

1 is attached hereto contains information of a kind, and in sufficient detail, as far as is reasonably practical
2 in light of the nature and history of the Debtor, that would enable a reasonable investor, typical of the
3 holders of claims and interests in each class of claims and interest in the Plan, to make an informed
4 judgment about the Plan. Nevertheless, all readers are cautioned that the Debtor may file further
5 modifications of the Plan and of the Disclosure Statement prior to the hearing to consider the Disclosure
6 Statement.

7
8 *THE FILING AND ANY DISSEMINATION OF THE DISCLOSURE STATEMENT*
9 *IS NOT A SOLICITATION OF VOTES ACCEPTING OR REJECTING*
10 *THE PLAN DESCRIBED THEREIN.*

11 DATED: October 24, 2016.

12 LAW OFFICES OF
13 *ERIC SLOCUM SPARKS, P.C.*

14 /s/ Sparks AZBAR #11726
15 Eric Slocum Sparks
16 Attorney for Debtor
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS
For Second Amended Disclosure Statement filed
October 24, 2016

I.	INTRODUCTION	1
II.	DEFINITIONS	2
III.	DISCLAIMER	4
IV.	DEBTOR'S BACKGROUND, EVENTS LEADING TO CHAPTER 11 FILING AND OPERATIONS UNDER CHAPTER 11	5
V.	VOTING	5
VI.	GENERAL INFORMATION AND DISCLOSURE	8
VII.	FINANCIAL INFORMATION	12
VIII.	SUMMARY OF THE PLAN OF REORGANIZATION	12
1.	Class 1 - Administrative Claims	13
2.	Class 2 - Priority Claims of Governmental Units	13
3.	Class 3 - Secured Ad Valorem Claims	14
4.	Class 4 - Secured Claim of U.S. Bank National Association	14
5.	Class 5 - Second Lien Claim of Ocwen Loan Servicing	15
6.	Class 6 - Third Lien Claim of John Whittorne & Sharon Ann Whitthorne	15
7.	Class 7 - Secured Claim of The Bank of New York Mellon	16
8.	Class 8 - Second Lien Claim of Chase	18
9.	Class 9 - Secured Claim of Ocwen Loan Servicing	18
10.	Class 10 - Secured Claim of Chase Bank	20
11.	Class 11 - Secured Claim of Bank of America	21
12.	Class 12 - Second Lien Claim of Bank of America	22
13.	Class 13 - Third Lien Claim of First Tennessee Bank National Association	23
14.	Class 14 - Fourth Lien Claim of John Whittorne & Sharon Ann Whitthorne	23
15.	Class 15 - Secured Claim of U.S. Bank, National Association	24
16.	Class 16 - Second Lien Claim of John Whittorne & Sharon Ann Whitthorne	25
17.	Class 17 - Secured Claim of FNBN I, LLC by Pennymac Loan Services, LLC	26
18.	Class 18 - Second Lien Claim of the Bank of New York Mellon	28
19.	Class 19 - Third Lien Claim of John Whittorne & Sharon Ann Whitthorne	28
20.	Class 20 - Secured Claim of Flagstar Bank, FSB	29

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

21.	Class 21 - Secured Claim of Seterus, Inc.	30
22.	Class 22 - Unsecured Deficiency Claims and Unsecured Claims	31
23.	Class 23 - Contingent, Unliquidated and Disputed Claims	32
24.	Class 24 - Equity Interest	32
IX.	DISPUTED CLAIMS	32
X.	EXECUTORY CONTRACTS	32
XI.	MEANS OF EXECUTION	33
XII.	CHAPTER 7 LIQUIDATION ANALYSIS	33
XIII.	CRAM-DOWN	34
XIV.	TAX CONSEQUENCES	34
XV.	IMPLEMENTATION AND CONSUMMATION OF THE PLAN	34
XVI.	QUARTERLY FEES AND REPORTS	35
XVII.	RETENTION OF JURISDICTION	35
XVIII.	REPRESENTATION	36
XIX.	CONCLUSION	36

EXHIBITS

A.	Second Amended Plan of Reorganization dated October 24, 2016
B.	Ballot
C.	Liquidation Analysis
D.	Anticipated Revenue and Expense

1 Eric Slocum Sparks
Arizona State Bar No. 11726
2 LAW OFFICE OF ERIC SLOCUM SPARKS, P.C.
3505 North Campbell Avenue #501
3 Tucson, Arizona 85719
Telephone (520) 623-8330
4 Facsimile (520) 623-9157
law@ericslocumsparkspc.com
5 eric@ericslocumsparkspc.com
Attorney for Debtor

6
7 IN THE UNITED STATES BANKRUPTCY COURT
8 FOR THE DISTRICT OF ARIZONA

9 In re:)
10 JOSEPH E. KOKROKO,) No. 4:14-bk-16170-SHG
11) (Chapter 11)
Debtor.)
12) DEBTOR’S SECOND AMENDED
13) DISCLOSURE STATEMENT
14) DATED October 24, 2016
15) FOR ITS SECOND AMENDED PLAN OF
REORGANIZATION
DATED October 24, 2016

16 **I. INTRODUCTION**

17 On October 28, 2014, Debtor, Joseph E. Kokroko, (hereinafter referred to as “Debtor”), filed a
18 voluntary petition for Chapter 11 relief in the United States Bankruptcy Court for the District of Arizona.
19 This Disclosure Statement is filed pursuant to 11 U.S.C. §1125 and is intended to provide the
20 holders of claims and interest with adequate information about the debtor and Plan so as to enable the
21 creditors to make an informed judgment as to their acceptance or rejection of the Plan. In preparing this
22 Disclosure Statement the debtor has been mindful of the factors which courts tend to apply to determine
23 if a Disclosure Statement contains “adequate information”, mainly those factors articulated in *In re A.C.*
24 *Williams Company*, 25 B.R. 173 (Bankr. N.D. Ohio 1982).
25
26
27
28

1 **II. DEFINITIONS**

2 As utilized in this Disclosure Statement and in the Plan of Reorganization which accompanies
3 this Disclosure Statement, the following definitions apply to the following terms:

4 1. "Adequate Information" means information that would enable a hypothetical reasonable
5 investor typical of holders of claims or interest of the Debtor's estate, to make an informed judgment
6 about the Debtor's Plan of Reorganization.

7 2. "Allowed and Approved Claim" shall mean every Claim: (a)(i) as to which a proof of such
8 Claim has been filed within the time fixed by the Bankruptcy Court, or, if such Claim arises from the
9 Debtor's rejection of an Executory Contract, no later than the first Business Day that is thirty (30) days
10 after the Effective Date, or (ii) which the Debtor has scheduled in its Schedules (including any
11 amendments thereto) as liquidated in amount and undisputed; and in either event: (b) (i) as to which no
12 objection to the allowance of such Claim has been filed within any applicable time period fixed by the
13 Bankruptcy Court, or (ii) as to which the order allowing such Claim has become final and non-
14 appealable without any appeal, review, or other challenge of any kind to that order having been taken
15 or being still timely. The term Allowed Claim may be used throughout the Plan with each of the various
16 Creditors' Claim or Classes of those Claim (e.g., "Allowed Administrative Claims" or "Allowed Class
17 I Claims") to signify that such Claims are, will be, or must, be Allowed Claims to qualify for certain
18 treatment under the Plan.

19 3. "Bankruptcy Code" shall mean the Bankruptcy Code as set forth in Title 11 of the United
20 States Code.

21 4. "Bankruptcy Court" shall mean in the United States Bankruptcy Court for the District of
22 Arizona.

23 5. "Confirmation of the Plan" shall mean the entry of an order by the Bankruptcy Court
24 confirming the Plan of Reorganization in accordance with §1129 of the Bankruptcy Code.

25 6. "Consummation of the Plan" means the accomplishment of all things required or provided for
26 under the terms of the Plan.

27 7. "Court" shall mean the United States Bankruptcy Court for the District of Arizona.
28

1 8. “Creditors” shall mean all persons holding claims for secured and unsecured obligations,
2 liabilities, demands or claims of any nature whatsoever against the Debtor arising at any time prior to
3 confirmation of the Plan and administrative creditors.

4 9. “Debtor” shall mean the petitioner in the above-captioned Bankruptcy case.

5 10. “Disclosure Statement” shall mean this Disclosure Statement (hereinafter “Disclosure
6 Statement”) filed in this case approved, after notice and a hearing by the Court as being in conformity
7 with §1129 of the Code.

8 11. “Disposable Income” that amount of income to be contributed by debtor for a period of 60
9 months and paid to creditors on allowed claims of creditor on a pro rata basis any and all claims as a full
10 and final settlement. The amount of disposable income will be reduced by any allowed administrative
11 fees allowed by this Court.

12 12. “Effect of Discharge” 11 U.S.C. 1141(d) (5), an individual Debtor will not be discharged
13 from any debts unless and until: (i) Debtor completes all payments under the Plan and obtains an order
14 of the Bankruptcy Court granting a discharge; (ii) the Bankruptcy Court grants a limited (“hardship”)
15 discharge as allowed under Bankruptcy Code § 1141(d)(5)(B); or (iii) the Bankruptcy Court orders
16 otherwise for cause.

17 13. “Effective Date” shall mean the later of (a) the first business day following the **60th** day after
18 entry of the Court of an order confirming this Plan, or (b) the first business day after such order has
19 become final and unappealable; provided however, no appeal of said order is pending; provided further,
20 the Debtors may waive the condition that no appeal of the order of confirmation be pending by a writing
21 duly executed by the Debtors and filed with the Court on or before the date which but for the pendency
22 of appeal would become the Effective Date of the Plan, and in the event that said condition is timely
23 waived by the Debtors, the Plan shall become effective as provided herein notwithstanding the pendency
24 on said date of an appeal or appeals; in the event that said condition is not timely waived, the Plan shall
25 become effective on the first business day after an appeal is no longer pending.

26 14. “Petition” means the original Chapter 11 Petition filed by the Debtor.

27 15. “Plan” shall mean the Plan of Reorganization accompanying this Disclosure Statement as it
28

1 may be amended, modified and/or supplemented pursuant to which the Debtor proposes payment in
2 whole or in part of creditors' claims.

3 16. "Plan Distribution Date" shall be a date that ends with the first full calendar quarter after the
4 date that the Chapter 11 Plan is confirmed by the Court, which the Debtor projects to be December 31,
5 2016.

6 17. All other terms not specifically defined by this Disclosure Statement shall have the meaning
7 as designated in §101 of the Bankruptcy Code or, if not contained therein, their ordinary meaning.

8
9 **III. DISCLAIMER**

10 Any representations concerning the Debtor's Plan other than as set forth herein are unauthorized.
11 This Disclosure Statement is designed to provide information the Debtor deems material, important and
12 necessary for the creditors to arrive at an informed decision in exercising their right to accept or reject
13 the Plan. **YOU SHOULD THEREFORE NOT RELY ON ANY OTHER INFORMATION,**
14 **REPRESENTATIONS OR INDUCEMENTS IN ASSESSING THE MERITS OF THE**
15 **DEBTOR'S PLAN OTHER THAN THE INFORMATION CONTAINED IN THIS**
16 **DISCLOSURE STATEMENT.**

17 The Debtor expressly does not warrant nor represent that there are no inaccuracies in the
18 following Disclosure Statement although the information provided is accurate to the best of Debtor's
19 knowledge, information and belief. Creditors should also be aware that the Court has not undertaken any
20 individual determination to verify the accuracy of the information contained in this Disclosure
21 Statement. Finally, the attorney for the debtor has not made any independent evaluation as to the
22 accuracy of the information contained herein other than to ascertain that the information contained herein
23 is generally consistent with information provided by the Debtor. Notwithstanding the foregoing, the
24 debtor believes that the information contained herein is correct and accurate and complies with the
25 requirements of the Bankruptcy Code.

1 **IV. DEBTOR’S BACKGROUND, EVENTS LEADING TO CHAPTER 11 BANKRUPTCY**

2 **FILING AND OPERATIONS UNDER CHAPTER 11**

3 Background and History of Debtor: Joseph Kokroko is originally from Ghana, West Africa and
4 English is his second language. The debtor came to the United States with his wife who worked for the
5 Peace Corp. The debtor and his wife had two children and also adopted one child. Over a period of years
6 the Debtor has acquired nine residential properties. All of the properties are rented and two were recently
7 used as an Assisted Living Facility. The Debtor filed a previous Chapter 13 case which was dismissed.

8 Events Leading to the Chapter 11: Due to the decline in property values in 2008 causing all of
9 the debtor’s real estate investments to plunge in value. As a result the debtor was unable to cover the
10 mortgages with the current rents received and expenses. The debtor continuously tried to work out
11 modifications with all of the rental property lenders’ and also hired attorney’s to help in this process.
12 When the attorney’s that the debtor hired failed to help him with loan modifications he was told to file
13 bankruptcy. This case was filed to prevent a foreclosure on 2927 E. 4th Street, Tucson, AZ. These factors
14 all contributed to the events that led to the necessity of the bankruptcy filing in order to reorganize.

15
16 **V. VOTING**

17 A. Ballots and Voting Deadline.

18 A ballot to be used for voting to accept or reject the Plan is enclosed with this Disclosure
19 Statement as Exhibit “B” and mailed to creditors entitled to vote. A creditor must (1) carefully review
20 the ballot and instructions thereon; (2) execute the ballot; and, return it to the address indicated thereon
21 by the deadline in order to be considered for voting purposes. The Bankruptcy Court has directed that,
22 in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be
23 received no later than the date established by the Bankruptcy Court, with a copy being provided to the
24 following address: LAW OFFICES OF ERIC SLOCUM SPARKS, P.C., 3505 North Campbell Avenue,
25 #501, Tucson, Arizona 85719. ***The enclosed Ballot states the Court established deadline in which all***
26 ***ballots must be filed with the Court and copies provided to Debtor’s counsel.***

1 B. Creditors Entitled to Vote.

2 Any creditor of the Debtor, whose claim is impaired under the Plan is entitled to vote if it has
3 filed a Proof of Claim on or before the last date set by the Bankruptcy Court for such filings. Any claim
4 to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless
5 the Bankruptcy Court temporarily allows the claim in an amount which it deems proper for the purpose
6 of accepting or rejecting the Plan upon Motion by the creditor whose claim is subject to any objection.
7 Such motion must be heard and determined by the Bankruptcy Court prior to the date established by the
8 Court to confirm the Plan. In addition, a creditor's vote may be disregarded if the Bankruptcy Court
9 determines that the creditor's acceptance or rejection was not solicited or procured in good faith or in
10 accordance with the provisions of the Bankruptcy Code.

11 C. Definition of Impairment.

12 Under §1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under a
13 Plan of Reorganization unless, with respect to each claim or equity interest of such class, the Plan:

14 Except as provided in Section 1123(a)(4) of this title, a class of claims or interests is impaired
15 under a plan unless, with respect to each claim or interest of such class, the
16 plan -

16 (1) leaves unaltered the legal, equitable, and contractual rights to which such claim or
17 interest entitles the holder of such claim or interest;

18 (2) notwithstanding any contractual provision or applicable law that entitles the holder
19 of such claim or interest to demand or receive accelerated payment of such claim or
20 interest after the occurrence of a default –

21 (A) cures any such default that occurred before or after the commencement of the
22 case under this title, other than a default of a kind specified in Section 365(b)(2) of this
23 title;

24 (B) reinstates the maturity of such claim or interest for any damages incurred as
25 a result of any reasonable reliance by such holder on such contractual provision of such
26 applicable law; and

27 (C) compensates the holder of such claim or interest for any damages incurred as
28 a result of any reasonable reliance by such holder or such contractual provision or such
applicable law; and

 (D) does not otherwise alter the legal, equitable, or contractual rights to which
such claim or interest entitles the holder of such claim or interest.

11 U.S.C. §1124.

1 D. Classes Impaired Under the Plan.

2 Creditors holding claims or interests in Classes 2 through 23 are impaired under the Plan and are
3 eligible, subject to the limitations set forth above, to vote to accept or reject the Plan. Creditors holding
4 claims in Classes 1 and 24 are not impaired under the Plan and are not entitled to vote with respect to
5 acceptance or rejection of the Plan. All creditors will be paid in accordance with the provisions of the
6 Plan. *See 11 U.S.C. §1126(f).*

7 E. Votes Required for Class Acceptance.

8 The Bankruptcy Code defines acceptance of a Plan by a class of creditors as acceptance by
9 holders of two-thirds in dollar amount and by a majority in number of the claims of that class which
10 actually cast ballots for acceptance or rejection of the Plan, i.e., acceptance takes place only if two-thirds
11 in amount and majority in numbers of the creditors actually voting cast their ballots in favor of
12 acceptance.

13 SINCE MAIL DELAYS MAY OCCUR, IT IS IMPORTANT THAT THE BALLOT OR
14 BALLOTS BE MAILED OR DELIVERED WELL IN ADVANCE OF THE DATE SPECIFIED. ANY
15 BALLOTS RECEIVED AFTER THIS DATE MAY NOT BE INCLUDED IN ANY CALCULATION
16 TO DETERMINE WHETHER THE DEBTOR'S CREDITORS HAVE VOTED TO ACCEPT OR
17 REJECT THE PLAN.

18 THIS IS A SOLICITATION BY THE PROPONENT ONLY AND IS NOT A SOLICITATION
19 BY THE PROPONENT'S ATTORNEY OR ACCOUNTANT, AND THE PRESENTATIONS MADE
20 HEREIN ARE THOSE OF THE PROPONENT AND NOT OF THE PROPONENT'S ATTORNEY
21 OR ACCOUNTANT, EXCEPT AS OTHERWISE INDICATED. THE RECORDS SUBSEQUENT
22 TO THE FILING OF THE PETITION FOR REORGANIZATION HAVE BEEN KEPT BY THE
23 DEBTOR-IN-POSSESSION AND MONTHLY FINANCIAL REPORTS HAVE BEEN SUBMITTED
24 BY THE DEBTOR-IN-POSSESSION FROM TIME TO TIME SINCE THE FILING OF THE
25 PETITION. WHILE EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THE
26 ACCURACY OF THE MONTHLY REPORTS, THEIR ACCURACY CANNOT BE GUARANTEED.

27

28

1 **VI. GENERAL INFORMATION AND DISCLOSURE**

2 Sources of Information.

3 Information relating to financial matters has been taken from the records of the Debtor and
4 interviews with the Debtor and discussions with one of Debtor’s prior counsel. Information of a legal
5 nature has been provided by the counsel of record. Debtor has maintained and provided accounting and
6 financial information.

7 Current Condition of Debtor.

8 Debtor is currently earning income from multiple sources, including wages, social security, and
9 net rental income from real properties. One of the debtor’s properties has failed to make rental payments
10 for over 23 months and owes debtor a large amount of back rent.

11 Stay Relief

12 The following is a list of the properties that a Motion for Relief from Stay has been filed:

13

14 Property Address	Lender	Stay relief
15 2914 E. 4 th Street, Tucson, AZ 85716	16 U.S. Bank National Association	Motion filed May 18, 2015 [DE.68]
17 2728 E. 5 th Street, Tucson, AZ 85718	18 The Bank of New York Mellon	Motion filed August 4, 2015 [DE.82]
19 4445 N. Pontatoc, Tucson, AZ 85718	20 FNBN I, LLC, Pennymac Loan Servicing	21 Motion filed September 22, 2015 [DE.89], Order signed October 19, 2015 [DE. 97]
24 630 N. Wilson Ave., Tucson, AZ 85719	25 Bayview Loan Servicing	26 Motion filed February 2, 2016 [DE.130], Order signed March 8, 2016 [DE.158]

27

28

1 2 3 4	2726 E. 6 th Street, Tucson, AZ 85716	Seterus Inc.	Motion filed June 7, 2016 [DE.164], Order signed June 29, 2016 [DE.173]
------------------	--	--------------	--

5 Debtor is not aware of any of the properties being foreclosed at this time.

6 The Accounting Process.

7 The accounting process is conducted using generally accepted accounting principals. Accounting
8 information is furnished by the Debtor and is presented on a cash basis.

9 Inventory and Asset Description.

10 The Debtor's post-petition income is an asset of the estate. The Debtor's assets are listed in
11 Schedules A and B of the petition, Debtor's exempt property is listed in Schedule C of the petition.

12	Property Address	Debtor's estimated value	Status of Property
13	3030 E. River Rd., Tucson AZ	\$335,000.00	Debtor is currently negotiating with first lien holder.
14	2728 E. 5th St., Tucson AZ	\$175,000.00	Debtor is currently negotiating with first lien holder.
15	2927 E. 4th St., Tucson AZ	\$200,000.00	Debtor is currently negotiating with first lien holder.
16	2749 E. 5th St., Tucson AZ	\$175,000.00	Trustee sale scheduled for 11/23/2016 at 11:30 a.m. Debtor is currently negotiating with first lien holder.
17	2914 E. 4th St., Tucson AZ	\$300,000.00	Trustee sale scheduled for 10/26/2016 at 11:30 a.m. Debtor is currently negotiating with first lien holder.
18			
19			
20			
21			
22			
23			
24			
25			
26			

1	4445 N. Pontatoc, Tucson AZ	\$275,000.00	Trustee sale scheduled for
2			11/28/2016 at 11:30 a.m.
3			Debtor is currently negotiating
4			with first lien holder.
5	630 N. Wilson St., Tucson AZ	\$300,000.00	Debtor is currently negotiating
6			with first lien holder.
7	4416 N. Camino Real, Tucson	\$375,000.00	Debtor is currently negotiating
8	AZ		with first lien holder.
9	2726 E. 6th St., Tucson AZ	\$185,564.28	Trustee sale scheduled for
10			11/30/2016 at 11:30 a.m.
11			Debtor is currently negotiating
12			with first lien holder.

13
14 Future Management.

15 Management of Debtor's affairs will remain with Debtor.

16 The Anticipated Future of Debtors' Affairs.

17 It is the Debtor's intention, with lowered monthly expenses to utilize the improved cash flow
18 in a prudent way to operate all of his properties and make payments to creditors.

19 Incidents which led to the filing of the Chapter 11.

20 *See* ARTICLE IV of this Disclosure Statement.

21 Disclaimer regarding the information given.

22 *See* ARTICLE III of this Disclosure Statement.

23 Amount of claims scheduled.

24 *See* ARTICLES VII AND VIII.

25 The estimated return to the creditors if liquidated.

26 *See* ARTICLE XIII.

27 A copy of the proposed plan.

28

1 **See Exhibit "A"** included herewith and filed as a separate document.

2 Existence, likelihood, and possible success of bankruptcy litigation, if any.

3 Debtor currently has a pending adversary proceeding with this Court Case No. 4:16-ap-
4 00242-SHG. A Motion to Determine Valuation of the Debtor's real properties is being prepared and
5 a hearing will be requested.

6 The collectability of any accounts receivable.

7 The adversary proceeding 4:16-ap-00242-SHG will allow the debtor to collect rent on the
8 3030 E. River Rd. property which the tenant has not paid in 23 months. Debtor has retained attorney
9 Scott Baker to remove the non-paying tenant from this property.

10 Pre-petition transfers.

11 The debtor transferred title from certain properties out of a LLC into debtor's personal name.

12 Relationship of the Debtor with affiliates.

13 None.

14 Administrative Claims.

15 These claims consist of the expenses of administration of the estate including attorney fees
16 for Debtor's counsel and any unpaid fees to the U.S. Trustee. The Debtor estimates these costs and
17 expenses may be in excess of \$25,000.00.

18 Tax Claims.

19 As reflected in the original schedules filed by the Debtor, Debtor estimated tax claims in the
20 amount of \$0.00. This does not include any amounts that may be due for ad valorem claims which are
21 secured against real property, if any. Required treatment of tax claims is addressed in §§507(a)(8) &
22 1129(a)(9). The Debtors intend to treat all relevant tax claims as required by applicable bankruptcy and
23 state law.

24 Secured Claims.

25 As reflected in the original schedules filed by the Debtors, Debtors estimated secured claims in
26 the amount of \$3,394,962.00.

27 Unsecured Claims.

28 As reflected in the original schedules filed by the Debtors, Debtors estimated unsecured claims

1 in the amount of \$33,628.00, which does not include any deficiency amounts for secured creditors.

2 Domestic Support Claims.

3 Debtor has no domestic support obligations.

4 5 VII. FINANCIAL INFORMATION

6 Debtor receives income from wages, social security, and net rental income from real property. For
7 additional information see Liquidation Analysis attached as **Exhibit “C”**. See Anticipated Income and
8 Expense as **Exhibit “D”**.

9 10 VIII. SUMMARY OF THE PLAN OF REORGANIZATION

11 *Classification and Treatment of Claims and Interests*

12 1. *Claim Amounts:* Because certain claims against the Debtors may be unknown or of
13 undetermined amounts, the amounts of claims specified in this Disclosure Statement reflect only the
14 Debtor’s best estimate at this time of the amount due. In addition, the amounts of the claims specified
15 in this Disclosure Statement do not include, for example, claims arising from the rejection of certain
16 executory contracts and other contingent or unliquidated claims arising against the debtor.

17 2. *Effective Date of the Plan:* The “Effective Date” of the Plan is important in determining
18 when performance of many of the Debtor’s obligations under the Plan is due. The Effective Date is
19 defined in the Plan as the first business day following the later of the following day;

20 (I) the date on which the Order confirming the Plan (the “Confirmation Order”) becomes
21 final and non-appealable with no appeal then pending; or

22 (ii) 60 days after the date of the Confirmation Order for unsecured claims; and

23 (iii) 30 days after the date of the Confirmation Order for secured claims.

24 3. *Classification:* The Plan divides claims against the Debtors, into multiple separate classes
25 that the Debtors assert are in accordance with the Bankruptcy Code. Unless otherwise expressly stated
26 in the Plan, distributions to holders of allowed claims are in full satisfaction of their allowed claims. All
27 claims against the Debtors arising prior to confirmation will be discharged by performance of the Plan
28 on the Effective Date to the extent that such claims are dischargeable under the Bankruptcy Code Section

1 1141(d).

2 The Plan provides for 24 classes of claims to be paid or administered in the following manner:

3 8.1 Class 1 - Administrative Claims

4 These claims are for the expenses of administration of the estate, including attorney fees for
5 Debtors' counsel in the approximate sum of \$25,000.00 and unpaid fees to the U.S. Trustee, if any.
6 Debtors believe, at the time that the Debtors' Chapter 11 Plan is confirmed, that there will be an
7 administrative expense claim in the approximate amount of \$25,000.00. The Plan provides for the
8 payment in cash, in full, of all allowed Administrative Claims on the later of the Effective Date or the
9 date upon which such Claims become Allowed Claims, or as otherwise ordered by the Bankruptcy Court
10 or agreed to by Claimant and Debtor. **(This class is not impaired.)**

11 8.2 Class 2 - Priority Claims of Governmental Units

12 A. Classification: Class 2 claims consists of all allowed claims of the United States
13 Internal Revenue Service ("IRS") and/or State of Arizona, Department of Revenue ("ADOR") and/or the
14 Arizona Department of Economic Security ("ADES"), City of Tucson or other government agency which
15 are entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code except ad valorem taxes.
16 Debtor believes there are no claims in this class.

17 B. Impairment: Class 2 is impaired.

18 C. Treatment: In the event there are determined to be allowed Class 2 claims, each
19 holder of a Class 2 allowed claim shall retain its claim, in accordance with Section 1129 of the
20 Bankruptcy Code. The claim shall bear simple interest at a fixed rate equal to that rate which would be
21 required to be paid as of the Effective Date under Section 6621 and/or 6622 of the Internal Revenue Code,
22 or such other interest rate as the Bankruptcy Court determines is sufficient to confer upon the tax note
23 a value as of the Effective Date equal to the principal amount of such claim. The allowed claim shall be
24 payable in equal monthly installments of principal, along with accrued interest, in deferred cash payments
25 over a period not to exceed five years from the date of petition. The first payment shall commence on the
26 first day of the month immediately following the month of the Effective Date. The claim is subject to
27 prepayment at any time without penalty or premium and shall have such other terms as are required by
28

1 law. In the event the Debtor defaults on any payment due as required under the confirmed plan, and in
2 the event the Debtor fails to cure said default within thirty days after written notice of the default is
3 mailed to the Debtor and the Debtor's attorney, the entire imposed liability together with any unpaid
4 current liabilities, shall become due and payable immediately unless amended by the Court. The
5 governmental unit may collect unpaid liabilities that become due as a result of the default through the
6 administrative collection provisions or the judicial remedies. The governmental unit shall not be required
7 to seek a modification from the automatic stay to collect any tax liabilities that were not discharged by
8 the confirmation of the plan and from property that has reverted with the Debtor.

9 8.3 Class 3 - Secured Ad Valorem Real Property Tax Claims

10 A. Classification: Class 3 shall consist of pre-petition allowed Ad Valorem Real
11 Property Tax Claims which are secured by liens on real property. Debtor believes there are no claims in
12 this class.

13 B. Impairment: Class 3 is impaired.

14 C. Treatment: In the event there are determined to be allowed Class 3 claims, each
15 holder of a Class 3 allowed claim shall retain its lien having an aggregate principal amount sufficient to
16 satisfy, in accordance with Section 1129 of the Bankruptcy Code, the allowed claim. Such claim shall
17 bear simple interest at a statutory rate of 16% per annum required to be paid as of the Effective Date, or
18 such other interest rate as the Bankruptcy Court determines is sufficient to confer upon the tax claim a
19 value as of the Effective Date equal to the principal amount of such claim charged by the taxing authority,
20 or the statutory rate of interest. Payments shall be made in equal monthly installments of principal, along
21 with accrued interest, in deferred cash payments over a period not to exceed five years from date of
22 petition. The claim is subject to prepayment at any time without penalty or premium and shall have such
23 other terms as are required by law.

24 8.4 Class 4 - Secured Claim of U.S. Bank National Association as Trustee for Lehman ABS
25 Corporation Mortgage Pass-Through Certificates Series 2003-1 ("U.S. Bank")

26 A. Classification: Class 4 consists of the secured claim of U.S. Bank to the extent of
27 the value of the secured creditor's interest in the Debtor's interest in the real property known as 4416
28

1 North Camino Real, Tucson, AZ 85718 (“the Property”),the Debtor’s principal residence. This claim is
2 evidenced by a promissory note and deed of trust. U.S. Bank has filed a claim in the amount of
3 \$499,817.71.

4 B. Impairment: Class 4 is impaired.

5 C. Treatment: Debtor will continue to pay pursuant to the existing mortgage contract.
6 Tax and insurance escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed
7 of Trust. Pre-petition arrears, if any, will be paid in sixty (60) equal monthly installments beginning 30
8 days after the Effective Date of the Plan. Post-petition arrears will be paid on the Effective Date of the
9 Plan.

10 8.5 Class 5 - Second Lien Claim of Ocwen Loan Servicing (“Ocwen”)

11 A. Classification: Class 5 consists of the second lien claim of Ocwen to the extent of
12 the value of the secured creditor’s interest in the Debtors’ interest in the real property known as 4416
13 North Camino Real, Tucson, AZ 85718 (“the Property”),the Debtor’s principal residence. This claim is
14 evidenced by a promissory note and deed of trust. Debtor estimates this claim in the amount of
15 \$45,348.00. Debtor believes this claim is wholly unsecured.

16 B. Impairment: Class 5 is impaired.

17 C. Treatment: The Class 5 claimant, which holds a second position lien on the real
18 property, is believed to be wholly unsecured. The Class 5 claimant shall release its lien upon discharge.
19 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
20 Debtor’s disposable income.

21 8.6 Class 6 - Third Lien Claim of John Whitthorne and Sharon Ann Whitthorne, Co-Trustee of
22 the Whitthorne Revocable Trust Dated Jun 19, 1989 (“Whitthorne”)

23 A. Classification: Class 6 consists of the third lien claim of Whitthorne to the extent
24 of the value of the secured creditor’s interest in the Debtors’ interest in the real property known as 4416
25 North Camino Real, Tucson, AZ 85718 (“the Property”),the Debtor’s principal residence. This claim is
26 evidenced by a promissory note and deed of trust. Debtor estimates this claim in the amount of
27 \$60,686.00. Debtor believes this claim is wholly unsecured.

28

1 B. Impairment: Class 6 is impaired.

2 C. Treatment: The Class 6 claimant, which holds a third position lien on the real
3 property, is believed to be wholly unsecured. The Class 6 claimant shall release its lien upon discharge.
4 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
5 Debtor's disposable income.

6 8.7 Class 7 - Secured Claim of The Bank of New York Mellon, successor trustee to JPMorgan
7 Chase Bank, National Association, as Trustee f/b/o holders of Structured Asset Mortgage Investments
8 II Inc., Bear Stearns ALT-A Trust 2005-10, Mortgage Pass-Through Certificates, Series 2005-10 ("Bank
9 of NY")

10 A. Classification: Class 7 consists of the allowed secured claim of Bank of NY to the
11 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 2728
12 E. 5th St., Tucson, AZ 85716 ("the Property"). This claim is evidenced by a promissory note and deed of
13 trust. Bank of NY has filed a claim in the amount of \$238,548.72. Debtor believes this claim is not fully
14 secured.

15 B. Impairment: Class 7 is impaired.

16 C. Treatment: Debtor has not recently had the property appraised, but believes the
17 current value of the property is \$175,000.00.

18 IN THE EVENT THE DEBTOR IS ABLE TO REACH A STIPULATION WITH BANK OF
19 NY AS TO ITS TREATMENT, THE TERMS AND CONDITIONS THEREIN WILL SUPERCEDE
20 THE TREATMENT SET FORTH HEREIN. Under § 506 of the Bankruptcy Code, a secured creditor has
21 a secured claim to the extent of the creditor's interest in the Debtor's interest in the collateral and an
22 unsecured claim for the balance, if any, unless the creditor makes a 1111(b) election, and, if eligible,
23 elects to have its claim treated as fully secured. The allowed amount of the creditor's secured claim will
24 be the lesser of value of the creditor's interest in the Debtor's interest in the property as determined under
25 § 506, or the allowed amount of the creditor's claim. Debtor has not recently had the property appraised,
26 but believes the current value of the property is \$175,000.00. The Debtor proposes to limit the Class 7
27 creditor's secured claim to \$175,000.00 and to treat the balance of its claim, if any, as an unsecured
28

1 deficiency claim and treat and pay it as a Class 24 unsecured creditor.

2 The allowed claim of the Class 7 creditor shall be paid, assuming no 1111(b) election is made by
3 creditor, and secured by the first lien mortgage evidenced by a promissory note and deed of trust,
4 modified as follows:

5 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
6 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
7 whichever is less. The Class 7 creditor is not entitled to interest on its allowed secured claim from the
8 Petition date to the Confirmation Date as the current market value of the real property is less than the
9 amount of Bank of NY's claim.

10 2. The note shall be payable in equal monthly installments of principal and interest
11 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
12 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
13 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
14 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
15 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
16 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
17 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

18 3. The note of the Class 7 creditor shall continue to be secured by its first position deed
19 of trust on the property but the note and any obligation due the Class 7 creditor, which is secured by the
20 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
21 which Bank of NY had at the petition date other than the deed of trust above described which encumbers
22 the property Bank of NY shall retain post-confirmation.

23 4. The Debtor and the Class 7 creditor shall agree to execute such modifications to
24 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
25 treatment for this creditor.

26 5. Any difference between current market value and obligation due lender shall be treated
27 as a Class 24 unsecured claim and will be paid on a *pro-rata* basis from Debtors' disposable income.

28

1 8.8 Class 8 - Second Lien Claim of Chase (“Chase”)

2 A. Classification: Class 8 consists of the second lien claim of Chase to the extent of
3 the value of the secured creditor’s interest in the Debtor’s interest in the property known as 2728 E. 5th
4 St., Tucson, AZ 85716 (“the Property”). This claim is evidenced by a promissory note and deed of trust.
5 Debtor estimates this claim in the amount of \$42,508.00. Debtor believes this claim is wholly unsecured.

6 B. Impairment: Class 8 is impaired.

7 C. Treatment: The Class 8 claimant, which holds a second position lien on the real
8 property, is believed to be wholly unsecured. The Class 8 claimant shall release its lien upon discharge.
9 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
10 Debtor’s disposable income.

11 8.9 Class 9 - Secured Claim of Ocwen Loan Servicing (“Ocwen”)

12 A. Classification: Class 9 consists of the allowed secured claim of Ocwen to the extent
13 of the value of the secured creditor’s interest in the Debtor’s interest in the property known as 2927 E.
14 4th St., Tucson, AZ 85716 (“the Property”). This claim is evidenced by a promissory note and deed of
15 trust. Debtor estimates this claim in the amount of \$347,993.00. Debtor believes this claim is not fully
16 secured.

17 B. Impairment: Class 9 is impaired.

18 C. Treatment: Debtor has not recently had the property appraised, but believes the
19 current value of the property is \$200,000.00.

20 IN THE EVENT THE DEBTOR IS ABLE TO REACH A STIPULATION WITH OCWEN AS
21 TO ITS TREATMENT, THE TERMS AND CONDITIONS THEREIN WILL SUPERCEDE THE
22 TREATMENT SET FORTH HEREIN. Under § 506 of the Bankruptcy Code, a secured creditor has a
23 secured claim to the extent of the creditor’s interest in the Debtor’s interest in the collateral and an
24 unsecured claim for the balance, if any, unless the creditor makes a 1111(b) election, and, if eligible,
25 elects to have its claim treated as fully secured. The allowed amount of the creditor’s secured claim will
26 be the lesser of value of the creditor’s interest in the Debtor’s interest in the property as determined under
27 § 506, or the allowed amount of the creditor’s claim. Debtor has not recently had the property appraised,
28

1 but believes the current value of the property is \$200,000.00. The Debtor proposes to limit the Class 9
2 creditor's secured claim to \$200,000.00 and to treat the balance of its claim, if any, as an unsecured
3 deficiency claim and treat and pay it as a Class 24 unsecured creditor.

4 The allowed claim of the Class 9 creditor shall be paid, assuming no 1111(b) election is made by
5 creditor, and secured by the first lien mortgage evidenced by a promissory note and deed of trust,
6 modified as follows:

7 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
8 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
9 whichever is less. The Class 9 creditor is not entitled to interest on its allowed secured claim from the
10 Petition date to the Confirmation Date as the current market value of the real property is less than the
11 amount of Ocwen's claim.

12 2. The note shall be payable in equal monthly installments of principal and interest
13 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
14 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
15 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
16 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
17 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
18 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
19 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

20 3. The note of the Class 9 creditor shall continue to be secured by its first position deed
21 of trust on the property but the note and any obligation due the Class 9 creditor, which is secured by the
22 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
23 which Ocwen had at the petition date other than the deed of trust above described which encumbers the
24 property Ocwen shall retain post-confirmation.

25 4. The Debtor and the Class 9 creditor shall agree to execute such modifications to
26 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
27 treatment for this creditor.

28

1 5. Any difference between current market value and obligation due lender shall be treated
2 as a Class 24 unsecured claim and will be paid on a *pro-rata* basis from Debtors' disposable income.

3 8.10 Class 10 - Secured Claim of Chase Bank ("Chase")

4 A. Classification: Class 10 consists of the allowed secured claim of Chase to the
5 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 2749
6 E. 5th St., Tucson, AZ 85716 ("the Property"). This claim is evidenced by a promissory note and deed of
7 trust. Debtor estimates this claim in the amount of \$211,801.00. Debtor believes this claim is not fully
8 secured.

9 B. Impairment: Class 10 is impaired.

10 C. Treatment: Debtor has not recently had the property appraised, but believes the
11 current value of the property is \$175,000.00.

12 IN THE EVENT THE DEBTOR IS ABLE TO REACH A STIPULATION WITH CHASE AS
13 TO ITS TREATMENT, THE TERMS AND CONDITIONS THEREIN WILL SUPERCEDE THE
14 TREATMENT SET FORTH HEREIN. Under § 506 of the Bankruptcy Code, a secured creditor has a
15 secured claim to the extent of the creditor's interest in the Debtor's interest in the collateral and an
16 unsecured claim for the balance, if any, unless the creditor makes a 1111(b) election, and, if eligible,
17 elects to have its claim treated as fully secured. The allowed amount of the creditor's secured claim will
18 be the lesser of value of the creditor's interest in the Debtor's interest in the property as determined under
19 § 506, or the allowed amount of the creditor's claim. Debtor has not recently had the property appraised,
20 but believes the current value of the property is \$175,000.00. The Debtor proposes to limit the Class 10
21 creditor's secured claim to \$175,000.00 and to treat the balance of its claim, if any, as an unsecured
22 deficiency claim and treat and pay it as a Class 24 unsecured creditor.

23 The allowed claim of the Class 10 creditor shall be paid, assuming no 1111(b) election is made
24 by creditor, and secured by the first lien mortgage evidenced by a promissory note and deed of trust,
25 modified as follows:

26 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
27 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
28

1 whichever is less. The Class 10 creditor is not entitled to interest on its allowed secured claim from the
2 Petition date to the Confirmation Date as the current market value of the real property is less than the
3 amount of Chase's claim.

4 2. The note shall be payable in equal monthly installments of principal and interest
5 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
6 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
7 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
8 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
9 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
10 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
11 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

12 3. The note of the Class 10 creditor shall continue to be secured by its first position deed
13 of trust on the property but the note and any obligation due the Class 10 creditor, which is secured by the
14 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
15 which Chase had at the petition date other than the deed of trust above described which encumbers the
16 property Chase shall retain post-confirmation.

17 4. The Debtor and the Class 10 creditor shall agree to execute such modifications to
18 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
19 treatment for this creditor.

20 5. Any difference between current market value and obligation due lender shall be treated
21 as a Class 24 unsecured claim and will be paid on a *pro-rata* basis from Debtors' disposable income.

22 8.11 Class 11 - Secured Claim of Bank of America, N.A. (" B of A ")

23 A. Classification: Class 11 consists of the allowed secured claim of B of A to the
24 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 3030
25 E. River Rd., Tucson, AZ 85718 ("the Property"). This claim is evidenced by a promissory note and deed
26 of trust. B of A has filed a claim in the amount of \$336,801.70.

27 B. Impairment: Class 11 is impaired.

28

1 C. Treatment: IN THE EVENT THE DEBTOR IS ABLE TO REACH A
2 STIPULATION WITH B of A AS TO ITS TREATMENT, THE TERMS AND CONDITIONS
3 THEREIN WILL SUPERCEDE THE TREATMENT SET FORTH HEREIN.

4 The allowed claim of the Class 10 creditor shall be paid and secured by the first lien mortgage
5 evidenced by a promissory note and deed of trust, modified as follows:

6 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
7 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
8 whichever is less.

9 2. The note shall be payable in equal monthly installments of principal and interest
10 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
11 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
12 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
13 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
14 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
15 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
16 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

17 3. The note of the Class 10 creditor shall continue to be secured by its first position deed
18 of trust on the property but the note and any obligation due the Class 10 creditor, which is secured by the
19 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
20 which B of A had at the petition date other than the deed of trust above described which encumbers the
21 property B of A shall retain post-confirmation.

22 4. The Debtor and the Class 11 creditor shall agree to execute such modifications to
23 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
24 treatment for this creditor.

25 8.12 Class 12 - Second Lien Claim of Bank of America (“ B of A”)

26 A. Classification: Class 12 consists of the second lien claim of B of A to the extent
27 of the value of the secured creditor’s interest in the Debtor’s interest in the property known as 3030 E.
28

1 River Rd., Tucson, AZ 85718 (“the Property”). This claim is evidenced by a promissory note and deed
2 of trust. Debtor estimates this claim in the amount of \$94,803.00. Debtor believes this claim is wholly
3 unsecured.

4 B. Impairment: Class 12 is impaired.

5 C. Treatment: The Class 12 claimant, which holds a second position lien on the real
6 property, is believed to be wholly unsecured. The Class 12 claimant shall release its lien upon discharge.
7 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
8 Debtor’s disposable income.

9 8.13 Class 13 - Third Lien Claim of First Tennessee Bank National Association Successor
10 Through Merger with First Horizon Home Loan Corporation (“ First Tennessee”)

11 A. Classification: Class 13 consists of the third lien claim of First Tennessee to the
12 extent of the value of the secured creditor’s interest in the Debtor’s interest in the property known as 3030
13 E. River Rd., Tucson, AZ 85718 (“the Property”). This claim is evidenced by a promissory note and deed
14 of trust. First Tennessee has filed a claim in the amount of \$29,363.79. Debtor believes this claim is
15 wholly unsecured.

16 B. Impairment: Class 13 is impaired.

17 C. Treatment: The Class 13 claimant, which holds a third position lien on the real
18 property, is believed to be wholly unsecured. The Class 13 claimant shall release its lien upon discharge.
19 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
20 Debtor’s disposable income.

21 8.14 Class 14 - Fourth Lien Claim of John Whitthorne and Sharon Ann Whitthorne, Co-Trustee
22 of the Whitthorne Revocable Trust Dated Jun 19, 1989 (“Whitthorne”)

23 A. Classification: Class 14 consists of the fourth lien claim of Whitthorne to the extent
24 of the value of the secured creditor’s interest in the Debtor’s interest in the property known as 3030 E.
25 River Rd., Tucson, AZ 85718 (“the Property”). This claim is evidenced by a promissory note and deed
26 of trust. Debtor estimates this claim in the amount of \$175,000.00. Debtor believes this claim is wholly
27 unsecured.

28

1 B. Impairment: Class 14 is impaired.

2 C. Treatment: The Class 14 claimant, which holds a fourth position lien on the real
3 property, is believed to be wholly unsecured. The Class 14 claimant shall release its lien upon discharge.
4 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
5 Debtor's disposable income.

6 8.15 Class 15 - Secured Claim of U.S. Bank, National Association, as Trustee for CMLTI 2007-6
7 (" U.S. Bank")

8 A. Classification: Class 15 consists of the allowed secured claim of U.S. Bank to the
9 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 2914
10 E. 4th St., Tucson, AZ 85716 ("the Property"). This claim is evidenced by a promissory note and deed of
11 trust. Debtor estimates this claim in the amount of \$407,339.72. Debtor believes this claim is not fully
12 secured.

13 B. Impairment: Class 15 is impaired.

14 C. Treatment: Debtor has not recently had the property appraised, but believes the
15 current value of the property is \$300,000.00.

16 IN THE EVENT THE DEBTOR IS ABLE TO REACH A STIPULATION WITH U.S. BANK
17 AS TO ITS TREATMENT, THE TERMS AND CONDITIONS THEREIN WILL SUPERCEDE THE
18 TREATMENT SET FORTH HEREIN. Under § 506 of the Bankruptcy Code, a secured creditor has a
19 secured claim to the extent of the creditor's interest in the Debtor's interest in the collateral and an
20 unsecured claim for the balance, if any, unless the creditor makes a 1111(b) election, and, if eligible,
21 elects to have its claim treated as fully secured. The allowed amount of the creditor's secured claim will
22 be the lesser of value of the creditor's interest in the Debtor's interest in the property as determined under
23 § 506, or the allowed amount of the creditor's claim. Debtor has not recently had the property appraised,
24 but believes the current value of the property is \$300,000.00. The Debtor proposes to limit the Class 15
25 creditor's secured claim to \$300,000.00 and to treat the balance of its claim, if any, as an unsecured
26 deficiency claim and treat and pay it as a Class 24 unsecured creditor.

27 The allowed claim of the Class 15 creditor shall be paid, assuming no 1111(b) election is made
28

1 by creditor, and secured by the first lien mortgage evidenced by a promissory note and deed of trust,
2 modified as follows:

3 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
4 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
5 whichever is less. The Class 15 creditor is not entitled to interest on its allowed secured claim from the
6 Petition date to the Confirmation Date as the current market value of the real property is less than the
7 amount of U.S. Bank's claim.

8 2. The note shall be payable in equal monthly installments of principal and interest
9 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
10 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
11 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
12 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
13 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
14 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
15 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

16 3. The note of the Class 15 creditor shall continue to be secured by its first position deed
17 of trust on the property but the note and any obligation due the Class 15 creditor, which is secured by the
18 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
19 which U.S. Bank had at the petition date other than the deed of trust above described which encumbers
20 the property U.S. Bank shall retain post-confirmation.

21 4. The Debtor and the Class 15 creditor shall agree to execute such modifications to
22 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
23 treatment for this creditor.

24 5. Any difference between current market value and obligation due lender shall be treated
25 as a Class 24 unsecured claim and will be paid on a *pro-rata* basis from Debtors' disposable income.

26 8.16 Class 16 - Second Lien Claim of John Whitthorne and Sharon Ann Whitthorne, Co-Trustee
27 of the Whitthorne Revocable Trust Dated Jun 19, 1989 ("Whitthorne")

28

1 A. Classification: Class 16 consists of the second lien claim of Whitthorne to the
2 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 2914
3 E. 4th St., Tucson, AZ 85716 ("the Property"). This claim is evidenced by a promissory note and deed of
4 trust. Debtor estimates this claim in the amount of \$70,000.00. Debtor believes this claim is wholly
5 unsecured.

6 B. Impairment: Class 16 is impaired.

7 C. Treatment: The Class 16 claimant, which holds a second position lien on the real
8 property, is believed to be wholly unsecured. The Class 16 claimant shall release its lien upon discharge.
9 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
10 Debtor's disposable income.

11 8.17 Class 17 - Secured Claim of FNBN I, LLC, by Pennymac Loan Services, LLC, Its Servicing
12 Agent (" Pennymac")

13 A. Classification: Class 17 consists of the allowed secured claim of Pennymac to the
14 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 4445
15 N. Pontatoc, Tucson, AZ 85718 ("the Property"). This claim is evidenced by a promissory note and deed
16 of trust. Pennymac has filed a claim in the amount of \$428,030.63. Debtor believes this claim is not fully
17 secured.

18 B. Impairment: Class 17 is impaired.

19 C. Treatment: Debtor has not recently had the property appraised, but believes the
20 current value of the property is \$275,000.00.

21 IN THE EVENT THE DEBTOR IS ABLE TO REACH A STIPULATION WITH PENNYMAC
22 AS TO ITS TREATMENT, THE TERMS AND CONDITIONS THEREIN WILL SUPERCEDE THE
23 TREATMENT SET FORTH HEREIN. Under § 506 of the Bankruptcy Code, a secured creditor has a
24 secured claim to the extent of the creditor's interest in the Debtor's interest in the collateral and an
25 unsecured claim for the balance, if any, unless the creditor makes a 1111(b) election, and, if eligible,
26 elects to have its claim treated as fully secured. The allowed amount of the creditor's secured claim will
27 be the lesser of value of the creditor's interest in the Debtor's interest in the property as determined under
28

1 § 506, or the allowed amount of the creditor's claim. Debtor has not recently had the property appraised,
2 but believes the current value of the property is \$275,000.00. The Debtor proposes to limit the Class 17
3 creditor's secured claim to \$275,000.00 and to treat the balance of its claim, if any, as an unsecured
4 deficiency claim and treat and pay it as a Class 24 unsecured creditor.

5 The allowed claim of the Class 17 creditor shall be paid, assuming no 1111(b) election is made
6 by creditor, and secured by the first lien mortgage evidenced by a promissory note and deed of trust,
7 modified as follows:

8 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
9 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
10 whichever is less. The Class 17 creditor is not entitled to interest on its allowed secured claim from the
11 Petition date to the Confirmation Date as the current market value of the real property is less than the
12 amount of Pennymac's claim.

13 2. The note shall be payable in equal monthly installments of principal and interest
14 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
15 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
16 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
17 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
18 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
19 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
20 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

21 3. The note of the Class 17 creditor shall continue to be secured by its first position deed
22 of trust on the property but the note and any obligation due the Class 17 creditor, which is secured by the
23 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
24 which Pennymac had at the petition date other than the deed of trust above described which encumbers
25 the property Pennymac shall retain post-confirmation.

26 4. The Debtor and the Class 17 creditor shall agree to execute such modifications to
27 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
28

1 treatment for this creditor.

2 5. Any difference between current market value and obligation due lender shall be treated
3 as a Class 24 unsecured claim and will be paid on a *pro-rata* basis from Debtors' disposable income.

4 8.18 Class 18 - Second Lien Claim of The Bank of New York Mellon Trust Company, N.A., as
5 Trustee for GMACM Home Equity Loan Trust 2007-HE2 ("Bank of NY")

6 A. Classification: Class 18 consists of the second lien claim of Bank of NY to the
7 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 4445
8 N. Pontatoc, Tucson, AZ 85718 ("the Property"). This claim is evidenced by a promissory note and deed
9 of trust. Bank of NY has filed a claim in the amount of \$84,755.15. Debtor believes this claim is wholly
10 unsecured.

11 B. Impairment: Class 18 is impaired.

12 C. Treatment: The Class 18 claimant, which holds a second position lien on the real
13 property, is believed to be wholly unsecured. The Class 18 claimant shall release its lien upon discharge.
14 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
15 Debtor's disposable income.

16 8.19 Class 19 - Third Lien Claim of John Whitthorne and Sharon Ann Whitthorne, Co-Trustee
17 of the Whitthorne Revocable Trust Dated Jun 19, 1989 ("Whitthorne")

18 A. Classification: Class 19 consists of the third lien claim of Whitthorne to the extent
19 of the value of the secured creditor's interest in the Debtor's interest in the property known as 4445 N.
20 Pontatoc, Tucson, AZ 85718 ("the Property"). This claim is evidenced by a promissory note and deed of
21 trust. Debtor estimates this claim in the amount of \$50,000.00. Debtor believes this claim is wholly
22 unsecured.

23 B. Impairment: Class 19 is impaired.

24 C. Treatment: The Class 19 claimant, which holds a third position lien on the real
25 property, is believed to be wholly unsecured. The Class 19 claimant shall release its lien upon discharge.
26 Any deficiency amount shall be treated as a Class 24 unsecured claim and paid on a pro-rata basis from
27 Debtor's disposable income.

28

1 8.20 Class 20 - Secured Claim of Flagstar Bank, FSB (“ Flagstar ”)

2 A. Classification: Class 20 consists of the allowed secured claim of Flagstar to the
3 extent of the value of the secured creditor’s interest in the Debtor’s interest in the property known as 630
4 North Wilson Ave., Tucson, AZ 85719 (“the Property”). This claim is evidenced by a promissory note
5 and deed of trust. Flagstar has filed a claim in the amount of \$414,339.04. Debtor believes this claim is
6 not fully secured.

7 B. Impairment: Class 20 is impaired.

8 C. Treatment: Debtor has not recently had the property appraised, but believes the
9 current value of the property is \$300,000.00.

10 IN THE EVENT THE DEBTOR IS ABLE TO REACH A STIPULATION WITH FLAGSTAR
11 AS TO ITS TREATMENT, THE TERMS AND CONDITIONS THEREIN WILL SUPERCEDE THE
12 TREATMENT SET FORTH HEREIN. Under § 506 of the Bankruptcy Code, a secured creditor has a
13 secured claim to the extent of the creditor’s interest in the Debtor’s interest in the collateral and an
14 unsecured claim for the balance, if any, unless the creditor makes a 1111(b) election, and, if eligible,
15 elects to have its claim treated as fully secured. The allowed amount of the creditor’s secured claim will
16 be the lesser of value of the creditor’s interest in the Debtor’s interest in the property as determined under
17 § 506, or the allowed amount of the creditor’s claim. Debtor has not recently had the property appraised,
18 but believes the current value of the property is \$300,000.00. The Debtor proposes to limit the Class 20
19 creditor’s secured claim to \$300,000.00 and to treat the balance of its claim, if any, as an unsecured
20 deficiency claim and treat and pay it as a Class 24 unsecured creditor.

21 The allowed claim of the Class 20 creditor shall be paid, assuming no 1111(b) election is made
22 by creditor, and secured by the first lien mortgage evidenced by a promissory note and deed of trust,
23 modified as follows:

24 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
25 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
26 whichever is less. The Class 20 creditor is not entitled to interest on its allowed secured claim from the
27 Petition date to the Confirmation Date as the current market value of the real property is less than the
28

1 amount of Flagstar's claim.

2 2. The note shall be payable in equal monthly installments of principal and interest
3 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
4 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
5 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
6 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
7 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
8 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
9 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

10 3. The note of the Class 20 creditor shall continue to be secured by its first position deed
11 of trust on the property but the note and any obligation due the Class 20 creditor, which is secured by the
12 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
13 which Flagstar had at the petition date other than the deed of trust above described which encumbers the
14 property Flagstar shall retain post-confirmation.

15 4. The Debtor and the Class 20 creditor shall agree to execute such modifications to
16 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
17 treatment for this creditor.

18 5. Any difference between current market value and obligation due lender shall be treated
19 as a Class 24 unsecured claim and will be paid on a *pro-rata* basis from Debtors' disposable income.

20 8.21 Class 21 - Secured Claim of Seterus, Inc. as the authorized subservicer for Federal National
21 Mortgage Association (" Seterus ")

22 A. Classification: Class 21 consists of the allowed secured claim of Seterus to the
23 extent of the value of the secured creditor's interest in the Debtor's interest in the property known as 2726
24 E. 6th St., Tucson, AZ 85716 ("the Property"). This claim is evidenced by a promissory note and deed of
25 trust. Seterus has filed a claim in the amount of \$185,564.28.

26 B. Impairment: Class 21 is impaired.

27 C. Treatment: IN THE EVENT THE DEBTOR IS ABLE TO REACH A
28

1 STIPULATION WITH SETERUS AS TO ITS TREATMENT, THE TERMS AND CONDITIONS
2 THEREIN WILL SUPERCEDE THE TREATMENT SET FORTH HEREIN.

3 The allowed claim of the Class 21 creditor shall be paid and secured by the first lien mortgage
4 evidenced by a promissory note and deed of trust, modified as follows:

5 1. The allowed secured claim (which includes pre-petition arrears) shall accrue interest
6 from the Effective Date of the Plan at the rate of 4.0 % per annum fixed, or the rate on the existing note,
7 whichever is less.

8 2. The note shall be payable in equal monthly installments of principal and interest
9 amortized over thirty (30) years. The first monthly installment shall be due thirty (30) days after the
10 Effective Date of the Plan and subsequent monthly installments shall be due on the same day of each
11 subsequent month. On the thirtieth anniversary of the Effective Date of the Plan the outstanding principal
12 balance of the note and all accrued and unpaid interest thereon shall be due and payable in full. The final
13 payment shall be made either from proceeds of the sale or refinancing of the property or contributions of
14 the owners of the property at the time the final payment is due. Unless modified herein tax and insurance
15 escrows, if any, will continue to be paid pursuant to the terms of the Note and Deed of Trust.

16 3. The note of the Class 21 creditor shall continue to be secured by its first position deed
17 of trust on the property but the note and any obligation due the Class 21 creditor, which is secured by the
18 above deed of trust, shall be non-recourse to the Debtor. Any security for payment of the allowed claim
19 which Seterus had at the petition date other than the deed of trust above described which encumbers the
20 property Seterus shall retain post-confirmation.

21 4. The Debtor and the Class 21 creditor shall agree to execute such modifications to
22 the existing note and deed of trust as are reasonably necessary to reflect the provisions of the Plan
23 treatment for this creditor.

24 8.22 Class 22 - Unsecured Deficiency Claims and Unsecured Claims.

25 A. Classification: Class 22 consists of all unsecured deficiency claims and unsecured
26 claims against the debtor. Debtor estimated unsecured claims in the amount of \$33,628.00, which does
27 not include any deficiency amounts for secured creditors.

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

XI. MEANS OF EXECUTION/PROJECTION

The Debtors will provide for payment of all timely filed and allowed claims over 60 months. The Debtors shall make payments in the sum of \$1,050.00 per quarter to the Class 22 unsecured creditors, which shall be disbursed as set forth in the Plan. The source of the funds shall come from the Debtor’s earned post-petition income. *See 11 U.S.C. §1123(a)(8).*

The 2005 BAPCPA amendments to the Bankruptcy Code added, among other things, section 1129(a)(15). This section requires that upon the objection of an unsecured creditor to the Debtor’s plan, the Debtors must either (A) pay the claim in full, or, (B) commit their disposable income to the plan payments for a minimum of 5 years, as determined by §1325(b)(2). The Debtors believe that projected disposable income is committed to the plan under the current projections.

The Debtors reserve the right to accelerate payment under the Plan from financing obtained from third party financing, although currently Debtors have no plans or ability to do so. Debtors believe that by virtue of Confirmation of the Plan, they will have the ability to pay all allowed and approved claims pursuant to the Plan of Reorganization. The unsecured creditors will be paid a total of \$21,000.00 under the Plan of Reorganization.

XII. CHAPTER 7 LIQUIDATION ANALYSIS

Pursuant to the provisions of the Bankruptcy Code providing for Court approval of a Plan or Reorganization, Debtor is required to pay creditors at least as much as creditors would receive in a Chapter 7 liquidation case, after costs of administration and the liquidation of the Debtor’s assets. 11 U.S.C §1129(a)(7)(ii). A Liquidation Analysis is attached hereto as **Exhibit “C”**. The Liquidation Analysis represents an estimate of recovery based upon hypothetical liquidation assumptions whereby a Trustee would liquidate the Debtor’s assets to convert assets to cash and settle claims. The determination of the hypothetical proceeds from the liquidation of assets is an uncertain process involving the use of estimates and assumptions that, although considered reasonable, are inherently subject to business, economic and competitive contingencies beyond the control of the Debtor.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

XIII. CRAM-DOWN

If all impaired classes do not accept the Plan, the Debtor, Debtor-in-Possession will use the “cram-down” provisions of section 1129(b) of the Bankruptcy Code. Cram-down is a colloquial term for confirmation of a Plan over the dissent of a class of holders of claims.

XIV. TAX CONSEQUENCES

Neither the Debtor nor Debtor’s lawyer can make any statements with regard to the tax consequences of the Plan on any of the creditors. Each creditor in this case, when analyzing the Plan, should consult with its own professional advisors to determine whether or not acceptance of the Plan by the creditor will result in any adverse tax consequences to the creditor.

XV. IMPLEMENTATION AND CONSUMMATION OF PLAN

The terms of the Plan subsequent to confirmation shall bind the Debtor, any entity acquiring property under the Plan, and any creditor or claimant, whether or not such creditor or claimant has accepted the Plan. All property of the estate shall vest in the Debtor and shall be free from attachment, levy, or garnishment of execution by creditors bound by the Plan.

ALL SECURED CREDITORS SHALL PROVIDE THE DEBTOR WITHIN 60 DAYS OF THE EFFECTIVE DATE, A NEW PAYMENT BOOK REFLECTING AMOUNT OF MODIFIED PAYMENTS, IF ANY AND/OR MONTHLY STATEMENTS REFLECTING THE NEW MONTHLY PAYMENTS AMOUNTS DUE AS SET FORTH UNDER THE TERMS OF THE CONFIRMED PLAN OF REORGANIZATION.

It shall be the obligation of each creditor participating under the Plan to keep the Debtors advised of its current mailing address. In the event any payment tendered to creditors is mailed, postage prepaid, (1) to the address specified in the Debtor’s schedules and statement, (2) to the address specified in any proof of claim filed by creditor or claimant here or (3) to the address provided by any such creditor or claimant for purposes of distribution, and if subsequently the Post Office returns such distribution due to a lack or insufficiency of address or forwarding address, the Debtors shall retain such distribution for

1 a period of six months. Thereafter, the distribution shall revert to the Debtors without further Order from
2 the Court and free and clear of any distributions to any creditor for whom a distribution has been returned
3 by the Post Office. The Debtors reserve the right to modify the Plan in accordance with §1127 of the
4 Bankruptcy Code. The Plan may be modified prior to confirmation provided that the plan still complies
5 with §1122 and §1123 of the Bankruptcy Code. The Plan may be modified subsequent to confirmation
6 and before substantial consummation of the Plan under such circumstances as may warrant such under
7 §1127 of the Bankruptcy Code. Any holder of a claim or interest that has previously accepted or rejected
8 a confirmed Plan, shall be deemed to have accepted or rejected any subsequently modified Plan unless
9 the holder of such claim or interest changes its acceptance or rejection of the Plan within the time fixed
10 by the Court.

11

12

XVI. QUARTERLY FEES AND REPORTS

13

14

15

16

17

18

19

20

21

XVII. RETENTION OF JURISDICTION

22

23

24

25

26

27

28

The Bankruptcy Court will retain jurisdiction over this case for purposes of determining the allowance of claims or objections to claims. The Court will also retain jurisdiction for purposes of fixing allowances for compensation and/or for purposes of establishing bar dates and making a determination with respect to all disputed claims. Finally, the Court shall retain jurisdiction for purposes of determining any dispute arising from the interpretation, implementation or consummation of the Plan and to implement and enforce the provisions of estoppel, the principles of *res judicata* or

1 collateral estoppel with respect to any term or provision contained herein in the event the Plan is not
2 confirmed.

3 The Court may enter a Final Decree and retain jurisdiction over this case to reopen the case to
4 provide relief including the entering of a Discharge Order.

5
6 **XVIII. REPRESENTATION**

7 No representations concerning the Debtor are authorized by the Debtor other than as set forth
8 in this statement. Any representation or inducement made to secure your acceptance other than as
9 contained in this statement should not be relied upon by you in arriving at your decision, and such
10 additional representations and inducements should be reported to counsel for the Debtor, who, in turn,
11 shall deliver such information to the Bankruptcy Court for such action as may be deemed appropriate.

12
13 **XIX. CONCLUSION**

14 It is respectfully submitted that Debtor have given every thought to the complex problems
15 confronting Debtor, and, with the assistance of counsel, have devised and formulated this Plan with
16 the hope that the equitableness of the Plan will be considered favorable by creditors.

17
18 RESPECTFULLY SUBMITTED: October 24, 2016.

19
20 LAW OFFICES OF
ERIC SLOCUM SPARKS, P.C.

21 /s/ Sparks AZBAR #11726
22 Eric Slocum Sparks
23 Attorney for Debtor

24 COPIES of the foregoing
25 mailed/delivered/faxed
26 October 24, 2016 to:
27 Larry L. Watson
28 Office of the United States Trustee
230 N. First Avenue, Suite 204
Phoenix, AZ 85003-1706

1 Select Portfolio Servicing, Inc.
P.O. Box 65250
2 Salt Lake City, UT 84165-0250

3 McCarthy & Holthus LLP
1770 Fourth Avenue
4 San Diego, CA 92101-2607
Attorneys for The Bank of New York Mellon
5 *Attorneys for Bank of America, N.A.*
Attorneys for U.S. Bank National Association

6 Tiffany & Bosco
7 Seventh floor Camelback Esplanade II
2525 East Camelback Road
8 Phoenix, AZ 85016
Attorneys for JPMorgan Chase Bank
9 *Attorneys for First Tennessee Bank*
Attorneys for Wilmington Trust

10 LANG & KLAIN, PC
11 8767 E. Via De Commercio, Suite 102
Scottsdale, AZ 85258
12 *Attorneys for Bayview Loan Servicing*

13 CARSON MESSINGER PLLC
4808 N 22nd Street, Suite 200
14 Phoenix, AZ 85016
Attorneys for Flagstar Bank

15 ALDRIDGE PITE, LLP
16 Fifteen Piedmont Center
3575 Piedmont Rd., NE, Suite 500
17 Atlanta, GA 30305
Attorneys for PennyMac Loan Services, LLC
18 *Attorneys for Wilmington Savings Fund Society*

19 WRIGHT, FINLAY & ZAK, LLP
16427 N Scottsdale Rd, Suite 300
20 Scottsdale, AZ 85254
Attorneys for Seterus, Inc.

21 MALCOLM & CISNEROS, A LAW CORPORATION
22 2112 Business Center Drive
Irvine, CA 92612
23 *Attorneys for U.S. Bank, National Association*

24

25 /s/ A. Court-Sanchez

26

27

28