

United States Bankruptcy Court  
Northern District of California

In re:

Case No. 14-30320 DM 11  
Chapter 11

George Henry Richards  
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[PROPOSED] COMBINED PLAN OF REORGANIZATION  
AND TENTATIVELY APPROVED DISCLOSURE STATEMENT  
(October 14, 2016)

**INTRODUCTION**

This is Debtor's Combined Chapter 11 Plan of Reorganization and Disclosure Statement (the Plan). The Plan identifies each known creditor by name and describes how each claim will be treated if the Plan is confirmed.

Part 1 contains the treatment of creditors with secured claims; Part 2 contains the treatment of general unsecured creditors: 10% of their allowed claims in monthly payments over 60 months. Taxes and other priority claims would be paid in full, as shown in Part 3.

Most creditors (those in impaired classes) are entitled to vote on confirmation of the Plan. Completed ballots must be received by Debtor's counsel, and objections to confirmation must be filed and served, no later than **November 23, 2016**. The court will hold a hearing on confirmation of the Plan on **December 1, 2016 at 10:00 a.m.**

Attached to the Plan are exhibits containing financial information that may help you decide how to vote and whether to object to confirmation. Exhibit 1 includes background information regarding Debtor and the events that led to the filing of the bankruptcy petition and describes significant events that have occurred during this Chapter 11 case. Exhibit 2 contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation. Exhibit 3 shows Debtor's monthly income and expenses. Exhibit 4 describes how much Debtor is required to pay on the effective date of the plan. Exhibit 5 shows Debtor's monthly income and expenses related to each investment property.

Whether the Plan is confirmed is subject to complex legal rules that cannot be fully described here. You are strongly encouraged to read the Plan carefully and to consult an attorney to help you determine how to vote and whether to object to confirmation of the Plan.

If the Plan is confirmed, the payments promised in the Plan constitute new contractual obligations that replace the Debtor's pre-confirmation debts. Creditors may not seize their collateral or enforce their pre-confirmation debts so long as Debtor performs all obligations under the Plan. If Debtor defaults in performing Plan obligations, any creditor can file a motion to have the case dismissed or converted to a Chapter 7 liquidation, or enforce their non-bankruptcy rights. Debtor will be discharged from all pre-confirmation debts (with certain exceptions) if Debtor makes all Plan payments. Enforcement of the Plan, discharge of the Debtor, and creditors' remedies if Debtor defaults are described in detail in Parts 5 and 6 of the Plan.

**PART 1: TREATMENT OF SECURED CREDITORS**

**Creditors' Rights Remain Unchanged.**

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
1(a)(1)	Bank of New York Mellon c/o Select Portfolio Servicing, Inc. P.O. Box 65450 Salt Lake City, UT 84165-0450  Claim 13-1	200 East Street, Pennngrove, CA 94951	Total Amount Due under original terms of the note and deed of trust unless altered by modification application in process with Creditor	Per original terms of the note and deed of trust unless altered by modification application in process with Creditor	Per original terms of the note and deed of trust unless altered by modification application in process with Creditor, subject to fluctuation.  At present, payment amount is: \$3,332.20 (P&I \$2,853.45 + escrow \$478.75)	Per original terms of the note and deed of trust unless altered by modification application in process with Creditor

Class 1(a)(1) ("SPS"), the Debtor and SPS have agreed to the following claim treatment.

SPS is unimpaired and the original terms of the note and deed of trust control, until and unless SPS agrees to approve a loan modification, at which time the terms of said loan modification, if any, would control. The loan will remain impounded for taxes, to be paid through a monthly escrow payment in addition to the principal and interest payment per the original terms of the note and deed of trust. Debtor is not obligated on the note and has title through a grant deed from the original borrower. The Original Borrower, Audree Richards, will continue to maintain insurance directly as required under the deed of trust and note. Original Borrower, Audree Richards, will continue to work directly with SPS post confirmation regarding the pending loan modification application. The order confirming Plan will also serve as an order granting SPS relief from the automatic stay. Post confirmation SPS can proceed per the deed of trust and note regarding any default on the loan.

Additionally, regarding Class 1(a)(1) and the related collateral - the real property commonly known as 200 East Street, Penngrove, CA 94951 (the "Penngrove Property"), the Debtor notes that, while both the Debtor and the Debtor's sister, Ms. Audree Richards, are on title, Ms. Audree Richards is the sole obligor on the SPS promissory note. See Exh. 5, note 6. Thus, the Debtor will not make any payments to SPS.

While the SPS loan is under pending loan modification, the Debtor's sister, Ms. Audree Richards, will make any and all payments to SPS and maintain insurance on the Penngrove Property. The source for Ms. Audree Richards's payments will be the rental income generated from the Penngrove Property (presently \$1,800.00 monthly) as well as additional disposable income available after receipt of a monthly disability income check of \$1,125. For the above reasons, the income and expenses from the Penngrove property are excluded from the Plan but the Penngrove property is included on the Liquidation Analysis (Exh. 2).

These creditors' legal, equitable, and contractual rights remain unchanged with respect to the above collateral. The confirmation order will constitute an order for relief from stay. Creditors in these classes shall retain their interest in the collateral until paid in full. **These secured claims are not impaired and are not entitled to vote on confirmation of the Plan.**

**Debtor to Make Regular Payments and Pay Arrears Over Time.**

Class	Name of Creditor	Collateral	Regular Monthly Payment	Estimated Arrears	Interest Rate on Arrears	Monthly Payment on Arrears
1(a)(2)	Ocwen Loan Servicing, LLC	6840 Sir Francis Drake Blvd, Forest Knolls, CA 94933	\$4,565.85	\$53,434.56	4.5%, adjustable every 6 months per note terms	\$996.18

The Debtor owns the real property commonly known as 6840 Sir Francis Drake Blvd, Forest Knolls, CA 94933 ("the Forest Knolls" Property) as a joint-tenancy with the Debtor's sister, Ms. Audree Richards. Both the Debtor and Mr. Audree Richards are identified as borrowers on the loan-modification agreement executed pre-petition; however Ms. Richards is the borrower on the original note.

Regarding Class 1(a)(2) ("Ocwen"), the Debtor and Ocwen have not agreed to the following treatment, which treatment would become binding upon Ocwen upon Plan confirmation.

Regarding Class 1(a)(2), Debtor received a modification pre-petition but said modification is presently in arrears. The Debtor's Plan proposes to reinstate the pre-petition modification and re-pay all petition arrears on said modification within 60 months, as follows: current contractual payment: \$4,565.85 + arrearage payment of \$996.18 = \$5,562.03.

Regarding arrearages, Ocwen notified the Debtor in writing that total arrearages as of June 28, 2016 were \$58,292.26. By the confirmation date, the Debtor will have made five (5) payments to Ocwen in the amount of \$5537.39 (\$4,565.85 principal/interest + \$971.54 arrearage payment). Thus, by the confirmation date, the Debtor will have paid 5 x \$971.54, or \$4,857.70, against the arrearage figure, resulting in an estimated projected arrearage figure on the confirmation date of \$53,434.56.

The interest on the note (as well as the arrearage interest rate) are adjustable every six (6) months, per the terms of the modified note. As of October 13, 2016, Ocwen has stated in writing that interest rate on the note at present is 3.55% and has suggested an arrearage interest figure starting 4.5%.

Debtor will pay the entire amount contractually due by making all post-confirmation regular monthly payments, and by paying all pre-confirmation arrears (including attorneys fees and late charges) with interest in 60 equal monthly payments, due the 1st day of the month, starting on the month that begins

after the Effective Date. To the extent arrears are determined to be other than as shown above, appropriate adjustments will be made in the number of payments. Creditors in these classes shall retain their interest in the collateral until paid in full.

Creditors in these classes may not repossess or dispose of their collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **These secured claims are impaired and entitled to vote on confirmation of the Plan.**

**Debtor to Pay Over Modified Loan Over Time.**

Class	Name of Creditor	Collateral	Value	Interest Rate	Monthly Payment
1(a)(3)	Wells Fargo Home Mortgage 1 Home Campus X2302-041 Des Moines, IA 50306  Claim 14-1	1 Third Street, San Rafael, CA, 94901	\$1,061,094.95	2.3% fixed	\$4,779.00  360 payments  (\$4,083.00 = principal & interest + \$696 = escrow payment (property tax)  (Debtor to pay insurance separately - See Exh. 5).
1(a)(4)	Pennymac Loan Services LLC	1282 Fowler Creek, Sonoma, CA 95476	\$985,000.00	3.875%, adjustable per terms of note/trial modification	\$3,959.42  (inclusive of principal/interest payment of \$3,430.26 + taxes/insurance payment of \$529.16

Debtor contends that the value of the collateral is less than the amount of the claim. Debtor and Creditor Classes 1(a)(3) and 1(a)(4) have stipulated to fair market valuation included hereinabove. Debtor will pay the above secured claim in full with interest from the Effective Date of the Plan through 360 equal monthly payments. Payments will be due on the 1<sup>st</sup> day of the month, starting on the first day of the month that

begins after the Effective Date. Creditors in these classes shall retain their interest in the collateral until Debtor makes all payments on the allowed secured claim specified in the Plan.

Regarding Class 1 (a) (3) Wells Fargo Bank, N.A. ("Wells Fargo"), Wells Fargo has made an election under section 1111(b) of the Bankruptcy Code, title 11 United States Code, section 101 et seq. (the "Code") to be treated as fully secured for the purposes of the Debtor's Chapter 11 Plan of Reorganization. In order to accommodate Wells Fargo's 1111(b) election, Wells Fargo and the Debtor have agreed on the following treatment claim treatment via stipulation (Doc Nos. 157, 159) (the "Wells Fargo Stipulation"), which stipulation is hereby incorporated into the plan and fully accommodates said 1111b election; in the event of a conflict between claim treatment for Class 1(a) (3) and the Wells Fargo Stipulation, the terms of the Wells Fargo stipulation control.

The terms of the Wells Fargo Stipulation are and summarized (and incorporated herein) as follows

**Stipulated Claim treatment Under 1111(b) Election in Class 1(a) (4) of Plan:**

- Pursuant to its appraisal, Wells Fargo and the Debtor agree that the fair market value of the Subject Property is \$715,000. Wells Fargo and the Debtor have agreed that the claim treatment proposed hereinabove provides for deferred payments equal to the full value of its allowed claim with a present value as of the date of the plan equal to the value of the Subject Property, as follows:
- Secured Claim: \$1,061,094.95 (fully secured)
- Term: 30 years
- Interest Rate: 2.3% fixed.
- Monthly trial modification payment (P&I): \$4,083.11
- Escrow Payment (taxes): \$696.00
- Total Trial Modification Monthly Payment: \$4,779.00

Regarding Class 1(a) (4) ("Pennymac") and the Debtor have agreed on the following treatment. Pennymac has made an election under section 1111(b) to be treated as fully secured for the purposes of the Debtor's Chapter 11 Plan of Reorganization. In order to accommodate Pennymac's 1111(b) election, Pennymac and the Debtor have agreed on the following treatment claim treatment:

**Stipulated Claim treatment Under 1111(b) Election in Class 1(a)(2) of Plan:**

Loan Number:	XXXXXX3069	
Current Amortizing Unpaid Principle Balance	\$802,191.65	
Existing Forbearance	\$0.00	
Total Unpaid Principle Balance	\$802,191.65	
Delinquent Interest	\$268,268.54	estimate
Servicing & Escrow Advances	\$70,937.05	estimate
Total Due	\$1,141,397.24	
<b>Property Value</b>	\$985,000.00	
<b>PennyMac Consensual Claim Treatment Terms</b>		
Rate, Step	2.00%	
Rate Cap	5.50%	
Amortizing Unpaid Principal Balance	\$1,132,750.00	
Principal Reduction Alternative on Unpaid Principal Balance	\$0.00	
Forbearance on Unpaid Principle Balance	\$8,647.24	
Term	480	
<b>Principal and Interest Payment TRIAL PAYMENT</b>	<b>\$3,430.26</b>	
<b>Taxes and Insurance Payment TRIAL PAYMENT</b>	<b>\$529.16</b>	<b>estimate.</b>
<b>Total Trial Payment</b>	<b>\$3,959.42</b>	

Except as expressly modified by this Plan, the terms of the Note and Deed of Trust, which are incorporated herein by this reference, shall govern the treatment of Pennymac's Claim. Provided that the Debtor makes three timely monthly payments in the amount of \$3,959.42, as set forth herein, the parties will then execute such modified loan documents as instruments as Pennymac deems necessary and appropriate to permanently modify the debt according to terms substantially similar to those set forth herein.

Upon confirmation of the Plan, the automatic stay shall terminate automatically as a matter of law and in the event of a postconfirmation default by Debtor, Pennymac may proceed to foreclose its security interest in the Fowler Creek Property under the terms of the Note and Deed of Trust and default provisions contained therein and pursuant to applicable state law and thereafter commence any action necessary to obtain

complete possession of the Fowler Creek Property without further notice, order, or proceeding of this Court.

**Disclosure of Resolution of Dispute Between the Debtor and Pennymac Regarding Distribution of Pre-Petition Insurance Check Proceeds**

Pre-petition, the Debtor received from the Debtor's insurance carrier a check in the amount of \$64,864.83 as payment for damages to the real property commonly known as 1282 Fowler Creek, Sonoma, CA 95476 (the "Fowler Creek" Property). The Debtor has completed due diligence and concluded that said check is not property of the estate due to the fact that Pennymac's Deed of Trust defines "Miscellaneous Proceeds" to include insurance proceeds. Section 11 provides that "All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender." The Section further provides that if the property is undersecured, that the proceeds shall be applied to the debt. The insurance proceeds are collateral under the Deed of Trust, and were properly perfected by the recording of the Deed of Trust. The Debtor may not use cash collateral absent Lender consent or prior court approval. 11 U.S.C. § 363(c) (2)

Here, per the Plan, Pennymac and the Debtor have agreed to the following disbursement of insurance check proceeds:

- 1) \$32,210.00 to the Debtor; and
- 2) \$32,654.83 to Pennymac, to be applied per note terms.

Said distributions will occur on the Effective Date. The Debtor has requested that the bank re-issue said check in order to have the re-issued \$64,864.83 check ready for cashing and distribution on the Effective Date.

The amount that the Debtor receives from said check shall serve as reimbursement to the estate for the value of the construction work that a "tenant-contractor", David Taylor, performed on the Subject Property for the preceding ten (10) months in lieu of paying rent, due to the condition of the Subject Property.

The DIP further believes that the compromise regarding the insurance check meets the below standards established by the Ninth Circuit Court of Appeals to determine the fairness, reasonableness, and adequacy of a settlement:

- (a) the probability of success in the litigation;
- (b) the difficulties, if any, to be encountered in the matter of collection;
- (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and



(d) the paramount interest of the creditors and a proper deference to their reasonable views.

*In re A & C Properties*, 784 F.2d 1377, 1381 (9th Cir. 1986), quoting *In re Flight Transportation Corp. Securities Litigation*, 730 F.2d 1128, 1135 (8th Cir. 1984). The Debtor believes that the foregoing settlement is fair and reasonable and is in the best interest of this bankruptcy estate, since it allows the estate to be relieved of liability and uncertainty of the related claim on the insurance check, given the provisions in the Pennymac deed of trust cited hereinabove. Additionally, while the above issues are not unduly complex, there would be costs and risks associated with litigation. For the foregoing reasons, the Debtor further believes that the settlement meets the above standards established by the Ninth Circuit Court of Appeals to determine the fairness, reasonableness, and adequacy of a settlement.

Creditors in these classes may not repossess or dispose of their collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). The Court's Guidelines for Valuing and Avoiding Liens in Individual Chapter 11 Cases and Chapter 13 Cases will apply. Additionally, here, the plan notes that the Debtor and the secured lienholders have stipulated to the fair market valuations included in the Plan, as indicted hereinabove. **These secured claims are impaired and are entitled to vote on confirmation of the Plan.**

Payments to claimants in these classes may continue past the date Debtor obtains a discharge. The claimants' rights against its collateral shall not be affected by the entry of discharge, but shall continue to be governed by the terms of this Plan. Here, where the Debtor is paying claims of Class 1(a)(3) and Class 1(a)(4) as fully secured claims pursuant to the section 1111(b) elections made, the Debtor may apply for a final decree before payments on said claims complete, upon a showing that the estate is "fully administered," per Federal Rule of Bankruptcy Procedure 3022 and related jurisprudence.

**Debtor to Strip Off Lien.**

Class	Name of Creditor	Collateral	Amount Due
1(a)(5)	Wells Fargo Bank, N.A.	6840 Sir Francis Drake Blvd, Forest Knolls, CA 94933  All debt related to said lien forgiven pre-petition via issuance of a 1099(c)	\$0.00

1(a)(6)	Wells Fargo Bank, N.A.	1282 Fowler Creek, Sonoma, CA 95476  All debt related to said lien forgiven pre-petition via issuance of a 1099(c). Lienstrip order also entered (Doc #104).	\$0.00
1(a)(7)	JP Morgan Chase Bank, N.A. f/k/a Washington Mutual Bank, 1111 Polaris Parkway Columbus, OH 43240	1 Third Street, San Rafael, CA, 94901  All debt related to said lien forgiven pre-petition via issuance of a 1099(c) Lienstrip order also entered(Doc #103).	\$132,004.00
1(a)(8)	PNC Bank, N.A.	200 East Street, Penngrove, CA 94951 Lienstrip order entered (Doc #77). Lien in name of Audree Richards only (Debtor's sister).  Lien is stripped and is a general unsecured claim.  Lienholder waives any and all claims of liability as to Audree Richards as lien is listed as general unsecured class member in class 2(b)	\$61,129.00

If no 1099(c) issued forgiving all debt associated with the aforementioned liens, Debtor already has obtained orders with docket numbers indicated hereinabove fixing above creditors' claims at zero. Debtor will pay nothing to those creditors as secured claims. Any claim of a creditor whose lien is stripped is a general unsecured claim treated in Part 2, unless said creditor had forgiven the debt associated with said lien pre-petition via issuance of a 1099(c). Creditors in these classes shall retain their interest in the collateral consistent with the Court's Guidelines for Valuing and Avoiding Liens in Individual Chapter 11 Cases and Chapter 13 Cases.

Creditors in these classes may not repossess or dispose of their collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). The Court's Guidelines for Valuing and Avoiding Liens in Individual Chapter 11 Cases and Chapter 13 Cases will apply. **These secured claims are impaired and are entitled to vote on confirmation of the Plan.**

**Debtor to Adjust Terms and Pay Amount Due in Full Over Time.**

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
1(a)(9)	Marin County Tax Collector Dept. of Finance 3501 Civic Center Dr., Rm 225 San Rafael, CA 94903	Vacant lot  APN 003- 022-06	\$3,999.08 as of 10/14/2016	18%	\$3,999.08 Due on Effective Date	1
1(a)(10)	Christine Creighton 1856 34 <sup>th</sup> Ave. San Francisco, CA 94122	Vacant lot  APN 003- 022-06	\$225,000	.22%	\$50/month for 60 months; \$3,687.21 for next 60 months (Loan paid in full in 120 months); or, in the alternative, upon receipt of written demand from Creighton, Debtor to surrender lot to Creighton within 30 days of service of written demand.	120

Regarding Class 1(a)(9), Debtor will pay pre-petition property tax arrearage in one lump sum on Effective Date.

Regarding Class 1(a)(10), Class 1(a)(10) creditor, Ms. Christine Creighton, has not yet agreed to the treatment identified hereinabove; however, the Debtor reasonably anticipates that Ms. Creighton will agree to the above-treatment, in light of the voluntary election to surrender the property to Ms. Creighton, should Ms. Creighton so elect in writing. In the Plan, the Debtor will retain (and not surrender) the vacant lot even though said vacant lot presently generates negative monthly cashflow as detailed in Exhibit 5 on

the reasonable anticipation the lot value will appreciate as part a general upswing in real estate in Marin County such that said lot could be liquidated at a future date (if necessary) in order to pay lienholder and ensure plan feasibility.

Regarding Class 1(a)(10), Debtor will pay the entire amount contractually due with interest through 120 equal monthly payments, due the 1<sup>st</sup> day of the month, starting the first month that begins after the Effective Date. Creditors in these classes shall retain their interest in the collateral until Debtor makes all payments on the allowed secured claim specified in the Plan.

Creditors in these classes may not repossess or dispose of their collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **These secured claims are impaired and are entitled to vote on confirmation of the Plan.**

Payments to claimants in these classes may continue past the date Debtor obtains a discharge. The claimants' rights against its collateral shall not be affected by the entry of discharge, but shall continue to be governed by the terms of this Plan.

**PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS**

**Class 2(a). Small Claims.**

Name of Creditor	Amount of Claim	Amount to be Paid
Afni (AT&T) PO Box 3097 Bloomington, IL 61702	\$62.00	\$6.20
BANKRUPTCY SECTION MS A340 FRANCHISE TAX BOARD PO Box 2952 Sacramento CA 95812-2952  (Claim 11-2)	\$0.00	\$0.00
Chase Receivables 1247 Broadway Sonoma, CA 95476  Account No. X4015	\$949.00	\$94.90

Coal Coast Credit Serv. 2906 Mcbridge Ln Santa Rosa, CA 95403  Account X2840	\$130.00	\$13.00
Discovery Financial Pob 15316 Wilmington, DE 19850	\$600.00	\$60.00
Enhancrcvrco 8014 Baybery Rd. Jacksonville, Fl 32256	\$108.00	\$10.8
Enhancrcvrco 8014 Baybery Rd. Jacksonville, Fl 32256	\$62.00	\$6.20
Irv Schwartz Engineering c/o Ills Associates, Inc. 79 Galli Drive, #A Novato, CA 94949	\$300.00	\$30.00
Pacific Gas and Electric Company PO Box 8329 c/o Bankruptcy Department Stockton, CA 95208  (Claim 4-1)	\$859.15	\$85.92
LVNV Funding, LLC c/o Resurgent Capital Services PO Box 10587 Greenville, SC 29603- 0587  (Claim 8-1)	\$1,542.25	\$154.23
MIDLAND FUNDING LLC c/o Midland Credit Management, Inc. PO Box 2011 Warren, MI 48090  (Claim 9-1)	\$2,601.86	\$260.40
Questa Engineering Corporation 1220 Brickyard Cove Road Suite 206 Richmond, CA 94801-4171	\$2,500.00	\$250.20

Sonoma County Credit Service (orig. creditor: Penngrove Water Company) PO Box 1040 Santa Clara, CA 95052	\$334.20	\$33.42
Vallejo Sanitation & Flood Control Dist. 450 Ryder Street Vallejo, CA 94590	\$519.20	\$51.92
	<b>Total</b>	<b>\$1,057.19</b>

This class includes any creditor whose allowed claim is \$2,700.00 or less, and any creditor in Class 2(b) whose allowed claim is larger than \$2,700.00 but agrees to reduce its claim to \$2,700.00. Each creditor will receive on the Effective Date of the Plan a single payment equal to the lesser of its 10% of its allowed claim \$2,700.00.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Claimants in this class are impaired and are entitled to vote on confirmation of the Plan, unless their claims are paid in full with interest on the Effective Date of the Plan.**

**Class 2(b). Other General Unsecured Claims.**

Name of Creditor	Amount of Claim	Disputed Y/N	Amount to be Paid	Monthly Payment
Advanta Bank Corporation c/o Resurgent Capital Services PO Box 10368 Greenville, SC 29603-0368  (Claim 10-1)	\$12,208.20	N	\$1,221.00	\$20.35
Arbor Creek Association c/o Pro Solutions PO Box 311 Pittsburg, CA 94565  (Claim 3-1)	\$19,832.19	N	\$1,983.22	\$33.05

Bank of America PO Box 982235 El Paso, TX 79998  Account No. X9082	\$17,135.00	N	\$1,713.60	\$28.56
Chase PO Box 15298 Wilmington, DE 19580  Account No. X2841	\$5,058.00	N	\$505.80	\$8.43
Chase PO Box 24696 Columbus, OH 43224  Account No. X1057 Listed on Schedule F at \$86,372 - deficiency balance on property foreclosed pre-petition unenforceable via California Anti- Deficiency Statutes. (Cal. Civ. Pro §580(b) et seq.)  Claim 1-1	\$84,549.00	N	\$8,455.20	\$140.92
Chase PO Box 24696 Columbus, OH 43224  Account No. X0519 Listed on Schedule F at \$192,542 - - deficiency balance on property foreclosed pre-petition unenforceable via California Anti- Deficiency Statutes. (Cal. Civ. Pro §580(b) et seq.)	\$0.00	N	\$0.00	\$0.00
JP Morgan Chase Bank, N.A. f/k/a Washington Mutual Bank, 1111 Polaris Parkway Columbus, OH 43240  (avoided lien - 1 Third Street, San Rafael, CA, 94901 Junior Lien - all debt related to said lien forgiven pre-petition via issuance of a 1099(c)	\$0.00	N	\$0.00	\$0.00

Deutsche Bank Nat'l Trust Co, c/o Green Tree Servicing 345 St. Peter St. L800R St. Paul, MN. 55102  (Claim 5-1)	\$25,513.36	N	\$2,551.34	\$42.52
LVNV Funding, LLC c/o Resurgent Capital Services PO Box 10587 Greenville, SC 29603-0587  (Claim 6-1)	\$17,750.09	N	\$1,775.01	\$29.58
LVNV Funding, LLC c/o Resurgent Capital Services PO Box 10587 Greenville, SC 29603-0587  (Claim 7-1)	\$5,755.34	N	\$577.53	\$9.63
Persolve LLC dba Account Resolution Associates Attn: Michael H. Raichelson (Orig. C. Wells Fargo) 9301 Corbin Avenue Suite 1600 Northridge, CA 91324  Account X 7179	\$13,905.00	N	\$1,390.8	\$23.18
Persolve, LLC 9301 Winnetka Ave., Ste B Chatsworth, CA 91311  (Claim 12-1)	\$10,007.00	N	\$1,000.20	\$16.67
PNC Bank, N.A.	\$61,129.00	N	\$6,112.90	\$101.80
Pro Solutions PO Box 311 Pittsburg, CA 94565	\$7,370.59	N	\$737.06	\$12.28
			<b>Monthly Total</b>	<b>\$466.97</b>

Allowed claims of general unsecured creditors (including allowed claims of creditors whose executory contracts or unexpired leases are being rejected under this Plan) shall be paid as follows:



**Percent Plan.** Creditors will receive **10** percent of their allowed claim in 60 equal monthly payments, due on the 1<sup>st</sup> day of the month beginning on the month after the Effective Date.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **This class is impaired and is entitled to vote on confirmation of the Plan.** Debtor has indicated above whether a particular claim is disputed.

**PART 3: TREATMENT OF PRIORITY AND ADMINISTRATIVE CLAIMS**

(a) Professional Fees.

Debtor will pay the following professional fees in full on the Effective Date, or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount
Matthew Metzger, Esq., Belvedere Legal, PC Chapter 11 counsel	\$45,000.00
Christine Sampson, bookkeeper	\$2,000.00

Professionals may not take collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Estate professionals are not entitled to vote on confirmation of the Plan.**

(b) Other Administrative Claims. Debtor will pay other allowed claims entitled to priority under section 503(b) in full on the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which shall be paid when normally due and payable (these creditors are not listed below). All fees payable to the United States Trustee as of confirmation will be paid on the Effective Date; post-confirmation fees to the United States Trustee will be paid when due.

Administrative Creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Administrative claimants are not entitled to vote on confirmation of the Plan.**

(c) Tax Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(8) in full over time with interest (at the non-bankruptcy statutory interest rate) in equal amortizing payments in accordance with section 511 of the

Bankruptcy Code. Payments will be made [monthly/quarterly], due on the [number] day of the [month/quarter], starting [month & year]. To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.

Priority tax creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Priority tax claimants are not entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim	Statutory Interest Rate	Payment Amount	Number of Payments

(d) Other Priority Claims - Tenant Security Deposits

**1 Third Street, San Rafael, CA 94901**

Name of Tenant	Deposit Amount
Dr. Scott Sinclair	\$1,000.00
Brendan O'Rourke	\$700.00

**1 Third Street, San Rafael, CA 94901 - Dock**

Name of Tenant	Deposit Amount

**200 East Street, Penngrove, CA 94951**

Name of Tenant	Deposit Amount
Mary and Roxanne Urry	\$1,800.00

Debtor will retain deposits until tenants vacate. Upon a vacancy, Debtor will return deposits to tenant(s).

**PART 4: EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

(a) Executory Contracts/Unexpired Leases Assumed. Debtor assumes the following executory contracts and/or unexpired leases upon confirmation of this Plan and will perform all pre-confirmation and post-confirmation obligations thereunder. Post-confirmation obligations will be paid as they come due. Pre-confirmation arrears-not applicable. Debtor is listing here lease contracts with tenants.

Name of Counter-Party	Description of Contract/Lease	Monthly Rent
Scott Sinclair	Unexpired Lease (rental agreement)	\$750.00
Brendan O'Rourke	Unexpired Lease (rental agreement)	\$900.00
Audree Richards	Unexpired Lease (rental agreement)	\$950.00
Vacant-to be rented	Unexpired Lease (rental agreement)	\$875.00
Vacant-to be rented	Unexpired Lease (rental agreement) (dock #1)	\$500.00
Vacant-to be rented	Unexpired Lease (rental agreement) (dock #2)	\$500.00
Vacant-to be rented	Unexpired Lease (rental agreement) (dock #3)	\$500.00
Vacant-to be rented	Unexpired Lease (rental agreement) (dock #4)	\$500.00
	Total:	\$5,485.00

**200 East Street, Penngrove, CA**

Name of Counter-Party	Description of Contract/Lease	Monthly Rent
Mary and Roxanne Urry	Unexpired Lease (rental agreement)	\$1,800.00

**1282 Fowler Creek Road, Sonoma, CA**

Name of Counter-Party	Description of Contract/Lease	Monthly Rent
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David Taylor	Unexpired Lease (rental agreement)	\$3,975.00
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(b) Executory Contracts/Unexpired Leases Rejected. Debtor rejects the following executory contracts and/or unexpired leases and surrenders any interest in the affected property, and allows the affected creditor to obtain possession and dispose of its property, without further order of the court. Claims arising from rejection of executory contracts have been included in Class 2 (general unsecured claims).

Name of Counter-Party	Description of Contract/Lease

(c) Executory contracts and unexpired leases not specifically assumed or rejected above will be deemed rejected.

**PART 5: DISCHARGE AND OTHER EFFECTS OF CONFIRMATION**

(a) Discharge. Debtor shall not receive a discharge of debts until Debtor makes all payments due under the Plan or the court grants a hardship discharge.

(b) Vesting of Property. On the Effective Date, all property of the estate and interests of the Debtor will vest in the reorganized Debtor pursuant to § 1141(b) of the Bankruptcy Code free and clear of all claims and interests except as provided in this Plan, subject to revesting upon conversion to Chapter 7 as provided in Part 6(f) below.

(c) Plan Creates New Obligations. Except as provided in Part 6(d) and (e), the obligations to creditors that Debtor undertakes in the confirmed Plan replace those obligations to creditors that existed prior to the Effective Date of the Plan. Debtor's obligations under the confirmed Plan constitute binding contractual promises that, if not satisfied through performance of the Plan, create a basis for an action for breach of contract under California law. To the extent a creditor retains a lien under the Plan, that creditor retains all rights provided by such lien under applicable non-Bankruptcy law.

**PART 6: REMEDIES IF DEBTOR DEFAULTS IN PERFORMING THE PLAN**

(a) Creditor Action Restrained. The confirmed Plan is binding on every creditor whose claims are provided for in the Plan. Therefore, even though the automatic stay terminates on the Effective Date with respect to secured claims, no creditor may take any action to enforce either the pre-confirmation

obligation or the obligation due under the Plan, so long as Debtor is not in material default under the Plan, except as provided in Part 6(e) below.

(b) Obligations to Each Class Separate. Debtor's obligations under the Plan are separate with respect to each class of creditors. Default in performance of an obligation due to members of one class shall not by itself constitute a default with respect to members of other classes. For purposes of this Part 6, the holders of all administrative claims shall be considered to be a single class, the holders of all priority claims shall be considered to be a single class, and each non-debtor party to an assumed executory contract or lease shall be considered to be a separate class.

(c) Material Default Defined. If Debtor fails to make any payment, or to perform any other obligation required under the Plan, for more than 10 days after the time specified in the Plan for such payment or other performance, any member of a class affected by the default may serve upon Debtor and Debtor's attorney (if any) a written notice of Debtor's default. If Debtor fails within 30 days after the date of service of the notice of default either: (i) to cure the default; (ii) to obtain from the court an extension of time to cure the default; or (iii) to obtain from the court a determination that no default occurred, then Debtor is in Material Default under the Plan to all the members of the affected class.

(d) Remedies Upon Material Default. Upon Material Default, any member of a class affected by the default: (i) may file and serve a motion to dismiss the case or to convert the case to Chapter 7; or (ii) without further order of the court has relief from stay to the extent necessary, and may pursue its lawful remedies to enforce and collect Debtor's pre-confirmation obligations.

(e) Claims not Affected by Plan. Upon confirmation of the Plan, and subject to Part 5(c), any creditor whose claims are left unimpaired under the Plan may, notwithstanding paragraphs (a), (b), (c), and (d) above, immediately exercise all of its contractual, legal, and equitable rights, except rights based on default of the type that need not be cured under section 1124(2) (A) and (D).

(f) Effect of Conversion to Chapter 7. If the case is at any time converted to one under Chapter 7, property of the Debtor shall vest in the Chapter 7 bankruptcy estate to the same extent

provided for in section 348(f) of the Bankruptcy Code upon the conversion of a case from Chapter 13 to Chapter 7.

(g) Retention of Jurisdiction. The bankruptcy court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in Material Default of any Plan obligation; (ii) whether the time for performing any Plan obligation should be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date or specifically contemplated in this Plan to be filed in this court (see Part 7(f)); (iv) whether the case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises of controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

#### **PART 7: GENERAL PROVISIONS**

(a) Effective Date of Plan. The Effective Date of the Plan is the fifteenth day following the date of the entry of the order of confirmation, if no notice of appeal from that order has been filed. If a notice of appeal has been filed, Debtor may waive the finality requirement and put the Plan into effect, unless the order confirming the Plan has been stayed. If a stay of the confirmation order has been issued, the Effective Date will be the first day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

(b) Disputed Claim Reserve. Debtor will create a reserve for disputed claims. Each time Debtor makes a distribution to the holders of allowed claims, Debtor will place into a reserve the amount that would have been distributed to the holders of disputed claims if such claims had been allowed in the full amount claimed. If a disputed claim becomes an allowed claim, Debtor shall immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the plan calculated using the amount of the allowed claim. Any funds no longer needed in reserve shall be returned to Debtor.

(c) Cramdown. Pursuant to section 1129(b) of the Bankruptcy Code, Debtor reserves the right to seek confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors.

(d) Severability. If any provision in the Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other

provision of the Plan.

(e) Governing Law. Except to the extent a federal rule of decision or procedure applies, the laws of the State of California govern the Plan.

(f) Lawsuits.

Debtor believes that causes of action for fraudulent transfers, voidable preferences, or other claims for relief exist against the following parties:

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
Uy and Henriouille, Esq. via State Bar Complaint	N	Former attorneys sanctioned by State Bar. Debtor filed State Bar Complaint but intends to also file a Request for Reimbursement with California State Bar Client Security Fund for recovery due to lawyer's dishonest conduct. Recovery uncertain at best with anticipated wait of approx.. two (2) years from Effective Date. State Bar notes "The fund may reimburse fees you paid the lawyer, but only in very limited cases. Fees are not reimbursable simply because you are dissatisfied with the services, or because the work was not completed." <sup>1</sup>	\$60,000.00	

<sup>1</sup> See <http://www.calbar.ca.gov/Attorneys/LawyerRegulation/ClientSecurityFund.aspx> (last accessed October 14, 2016)

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
Damian Mantle, Mary Mantle	N	Pre-petition judgment in 2011 against Damien Mantle for \$21,000.00 but not against co-signor, Mary Mantle.	\$21,000	Y

As listed in the tables hereinabove, the Debtor anticipates significant uncertainties related to the collectability of the above claims, which uncertainties justify discounting the Accounts Receivable section of Exhibit 2, Liquidation Analysis, to fifty percent (50%) of the above values for the following reasons. Regarding the claim against Uy and Henriouille, Esq., the Debtor never filed a malpractice complaint and the State Bar Client Security Fund is a last resort with an uncertain outcome. Regarding Damian Mantle (pre-petition judgment debtor) and Mary Mantle (co-signor), judgment is against the Damian Mantle only and the not the co-signor. Debtor needs to file a motion to amend judgment to add co-signor and pursue collection efforts against both parties with uncertain recovery and the related legal costs associated with collection.

(g) Notices. Any notice to the Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

Debtor:	With a copy (not constituting notice) to:
George Henry Richards 6840 Sir Francis Drake Blvd, Forest Knolls, CA 94933	Belvedere Legal, PC Matthew D. Metzger 1777 Borel Place, Suite 314 San Mateo, CA 94402

(h) Post-Confirmation United States Trustee Fees. Following confirmation, Debtor shall continue to pay quarterly fees to the United States Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor is required to make these payments, Debtor shall file with the court quarterly reports in the form specified by the United States Trustee for that purpose.



(i) Deadline for § 1111(b) Election. Creditors with an allowed secured claim can make a timely election under section 1111(b) no later than 14 days before the first date set for the hearing on confirmation of the Plan.

Dated: October 14, 2016

/s/ George Henry Richards  
George Henry Richards  
Debtor

BELVEDERE LEGAL, PC

/s/ Matthew D. Metzger  
Matthew D. Metzger  
Attorney for Debtor

**Attorney Certification**

I, Matthew D. Metzger, am legal counsel for the Debtor(s) in the above-captioned case and hereby certify the following: (i) the foregoing plan is a true and correct copy of the Individual Chapter 11 Combined Plan and Disclosure Statement promulgated by the Northern District of California, San Francisco Division, on July 30, 2012 (the "Standard-Form Plan"); and (ii) except as specified below, there have been no alterations or modifications to any provision of the Standard-Form Plan.

The following provisions of the Standard-Form Plan have been altered or otherwise modified.

**PART I  
Creditors' Rights Remain Unchanged.**

Modified table  
Old

Class	Name of Creditor	Description of Collateral
1(a)(1)	Bank of New York Mellon c/o Select Portfolio Servicing, Inc. P.O. Box 65450 Salt Lake City, UT 84165-0450	200 East Street, Penngrove, CA 94951

New

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
1(a)(6)	Bank of New York Mellon c/o Select Portfolio Servicing, Inc. P.O. Box 65450 Salt Lake City, UT 84165-0450	200 East Street, Penngrove, CA 94951	Total Amount Due under original terms of the note and deed of trust unless altered by modification application in process with Creditor	Per original terms of the note and deed of trust unless altered by modification application in process with Creditor	\$3,332.20 (P&I \$2,853.45 + escrow \$478.75)	Per original terms of the note and deed of trust unless altered by modification application in process with Creditor

Changed title: ~~Debtor to Strip Lien to Value of Collateral and Pay Over Time~~ became **Debtor to Pay Over Modified Loan Over Time.**

Also Added Language (in underline)

Payments to claimants in these classes may continue past the date Debtor obtains a discharge. The claimants' rights against its collateral shall not be affected by the entry of discharge, but shall continue to be governed by the terms of this Plan. Here, where the Debtor is paying claims of Class 1(a)(3) and Class 1(a)(4) as fully secured claims pursuant to the section 1111(b) elections made, the Debtor may apply for a final decree before payments on said claims complete, upon a showing that the estate is "fully administered," per Federal Rule of Bankruptcy Procedure 3022 and related jurisprudence.

**PART 3**

Added:

(d) Other Priority Claims - Tenant Security Deposits

**PART 4**

**A. (Executory Contracts and Unexpired Leases)**

Replace table column format as follows:

Old

Name of Counter-Party	Description of Contract/Lease	Estimated Total Cure Amount	Installment Amount	Number of Installments

New

Name of Counter-Party	Description of Contract/Lease	Monthly Rent

I declare that the foregoing is true and correct. Executed this 14th day of October, 2016.

BELVEDERE LEGAL, PC  
/s/ Matthew D. Metzger  
Matthew D. Metzger  
Attorney for Debtor

## **Exhibit 1 - Events That Led To Bankruptcy**

Following the Great Recession, the Debtor lost tenant income and was unable to timely make mortgage payment obligations. The Debtor sought protection under Chapter 11 to enjoin a pending foreclosure sale on the real property commonly known as 1 Third Street, San Rafael, CA, 94901 (the "Third Street" property). The Debtor sought to use chapter 11 to reorganize by 1) renovating structures; 2) increasing tenant income; 3) renegotiating the payment timetables with the Debtor's secured lienholders; 4) repaying in full the Debtor's obligations to governmental taxing authorities; and 5) pledging all the Debtor's disposable income to general unsecured creditors for 60 months with as great a dividend as the Debtor could manage.

**Exhibit 2 - What Creditors Would Receive if the Case Were Converted to a Chapter 7**

Real Property #1: 1 Third Street, San Rafael, CA, 94901

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$715,000.00	1 <sup>st</sup> \$992,000				(0.00)
	2 <sup>nd</sup>				

Real Property #2: 200 East Street, Penngrove, CA 94951

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$435,000 <sup>2</sup>	1 <sup>st</sup> \$498,000				(0.00)
	2 <sup>nd</sup>				

Real Property #3: 1282 Fowler Creek, Sonoma, CA 95476

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$460,000 <sup>3</sup>	1 <sup>st</sup> \$1,141,397. 24				(0.00)
	2 <sup>nd</sup>				

Real Property #4: 6840 Sir Francis Drake Blvd, Forest Knolls, CA 94933

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$600,000 <sup>4</sup>	1 <sup>st</sup> \$651,000				(0.00)
	2 <sup>nd</sup>				

Real Property #5: Marin County Vacant Lot - APN 003-022-06

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$175,000	1 <sup>st</sup> 225,000				(0.00)
	2 <sup>nd</sup>				

<sup>2</sup> October 2015 broker's price opinion: \$435,000. Property needs at least \$25,000 of deferred maintenance}.

<sup>3</sup> Property needs approximately \$120,000 of repairs. Assessor's value: \$580,000, less repairs - \$460,000. See also ECF/Docket No. 85 (fmv=\$460,000).

<sup>4</sup>Valuation based on Debtor's opinion. Property needs significant deferred maintenance, has inferior lot layout, and is located on a busy street.

Personal Property:

Description	Liquidation Value	Secured Claim	Amt of Exemption	Net Proceeds
Cash	\$70,532.30 <sup>5</sup>		\$26,925 CCP§703.140 (b) (5)	\$43,607.30
Automobile: 1999 Ford Ranger	\$550.00			\$550.00
Automobile: 1999 Isuzu Rodeo	\$1,500.00		\$1,500.00 CCP§703.140 (b) (2)	\$0.00
Automobiles(not running)	\$6,475.00			\$6,475.00
Household Furnishings	\$6,125.00		\$6,125.00 CCP§703.140 (b) (3)	\$0.00
Jewelry	\$400.00		\$400.00 CCP§703.140 (b) (4)	\$0.00
Equipment	\$600.00		\$600 CCP§703.140 (b) (6)	\$0.00
Stocks / Investments	\$1.00			\$1.00
Accounts Receivable	\$40,500.00 <sup>6</sup>			\$40,500.00
TOTAL				\$91,133.30
Net Proceeds of Real Property and Personal Property				\$91,133.30
Recovery from Preferences / Fraudulent Conveyances			[ADD]	\$0.00
Chapter 7 Administrative Claims			[SUBTRACT]	
Chapter 11 Administrative Claims			[SUBTRACT]	\$47,000.00
Priority Claims			[SUBTRACT]	\$0.00
Chapter 7 Trustee Fees			[SUBTRACT]	\$7,806.67
Chapter 7 Trustee's Professionals			[SUBTRACT]	\$20,000.00
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS				\$16,326.63
Estimated Amount of Unsecured Claims				\$290,780.43
Percent Distribution to Unsecured Creditors Under Proposed Plan				10%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis				0.06%

<sup>5</sup> Cash based on DIP account balances as of 10/14/2016 as follows:

Account	Balance as of 10/14/2016
General DIP Account (X5447)	\$7,759.09
Sir Francis Drake DIP Account (X5454)	\$1.00
Third Street DIP Account (X5413)	\$60,596.94
Penngrove DIP Account (X5421)	\$2,174.27
Fowler Creek DIP Account (X5439)	\$1
Total	\$70,532.30

<sup>6</sup> Account Receivable figure taken as 50% value of lawsuits listed in Part 7 (f) due to anticipated collection issues. See Plan, Part 7(f) for greater detail.  
Individual Chapter 11

Combined Plan & Disclosure Statement  
October 14, 2016

(Version: 7/30/12)

**Exhibit 3 - Monthly Income and Expenses**

<b>Income</b>	<b>Amount</b>
Gross Employment Income	n.a.
Gross Business Income - Union/Handyman Work (Display Installation, etc.) <sup>7</sup>	\$7,981.67
Rental Income (6840 Sir Francis Drake Blvd, Forest Knolls/home) <sup>8</sup>	\$450.00
Social Security	\$464.00
Positive Cash Flow on Investment Property (Exhibit 5, Line A)	\$65.25
<b>A. Total Monthly Income</b>	<b>\$8,960.92</b>
<b>Expenses</b>	<b>Amount</b>
Includes Plan Payments on Secured Claims for Residence and Car	
Payroll Taxes and Related Withholdings	\$1,259.09
Retirement Contributions (401k, IRA, PSP)	
Shelter Expenses (rent/mortgage, insurance, taxes, utilities) (Total Arrearages on Principal Residence are est. \$53,434.56) 6840 Sir Francis Drake Blvd, Forest Knolls, CA 94933	\$5,562.03
Household Expenses (food)	\$300.00
Transportation Expenses (car payments, insurance, fuel)	\$250.00
Personal Expenses (e.g. recreation, clothing, laundry, medical)	\$125.00
Alimony / Child Support -n.a.	
Other Expenses - Union Dues	\$55.00
Negative Cash Flow on Investment Property (Exhibit 5, Line B)	\$619.07
<b>B. Total Monthly Expenses</b>	<b>\$8,170.19</b>
<b>C. Disposable Income</b> (Line A - Line B)	<b>\$790.73</b>
<b>Plan Payments</b>	<b>Amount</b>
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	
Priority Claims	
General Unsecured Creditors	\$466.97
<b>D. Total Plan Payments</b>	<b>\$466.97</b>
<b>E. Plan Feasibility</b> (Line C - Line D) (Not feasible if less than zero)	<b>\$323.76</b>

<sup>7</sup> Gross Business income taken as average of the recent three (3) month period in 2016 (June: \$9,236; July: \$5,267; August: \$8,942), which period represents the Debtor's best estimation of reasonably anticipated current monthly income. Debtor's income is subject to fluctuations based on union demand.

<sup>8</sup> Room presently vacant. Debtor will rent room at home at \$500/monthly. \$450 rental income figure = \$500 less 10% vacancy factor.

**Exhibit 4 - Effective Date Feasibility**

Can the Debtor Make the Effective Day Payments?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date		\$70,000.00
Payments on Effective Date		
Unclassified Claims		
Administrative Expense Claims	\$47,000.00	
Priority Claims	\$0.00	
Class 1(a)(9) Claim	\$4,500.00 <sup>9</sup>	
Small Claims (Class 2(a))	\$1,057.19	
U.S. Trustee Fees		
B. Total Payments on Effective Date		\$52,557.19
<b>C. Net Cash on Effective Date</b> (Line A - Line B) (Not feasible if less than zero)		\$17,442.81

<sup>9</sup> Per Marin County Assessor Recorder, as of 10/14/2016, actual amount due and owing to Class 1(a)(9) is \$3,999.08. Payment amount estimated conservatively at \$4,500.00 to account for any potential additional interest assessed by Marin County Assessor Recorder on Effective Date.

Individual Chapter 11

Combined Plan & Disclosure Statement

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**Exhibit 5 - Investment Property Analysis<sup>10</sup>**

**Properties with Positive Monthly Cash-Flow:**

Real Property #1 Income: 1 Third Street, San Rafael, CA, 94901

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
\$5,037.00 <sup>11</sup>	1 <sup>st</sup> \$4,779.00	\$208.33	Escrow.		\$49.67
	2 <sup>nd</sup>				
	3 <sup>rd</sup>				

Real Property #2 Income: 1282 Fowler Creek, Sonoma, CA 95476

Rental Income	Mortgage	Insurance	Property Taxes	Escrow	Net Income
\$3,975.00 <sup>12</sup>	1 <sup>st</sup> \$3,430.26	n.a.	n.a.	\$529.16 (taxes/ insurance)	\$15.58
	2 <sup>nd</sup>				

<b>A. Total Positive Cash Flow</b>	\$65.25
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**Properties with Negative Monthly Cash-Flow:**

Real Property #3 Income: Marin County Vacant Lot - APN 003-022-06

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
\$0.00	1 <sup>st</sup> \$50	\$150	\$469.07		(\$619.07)
<b>B. Total Negative Cash Flow</b>					(\$619.07)

<sup>10</sup> The real property commonly known as 200 East Street, Penngrove, CA 94951 (the "Penngrove Property") is not included in the Investment Property Analysis for the following reasons: 1) The claim (Claim 1(a)(1)) is unimpaired; 2) the Debtor's sister, Ms. Audree Richards, (not the Debtor is on the note); the 3) note terms will be modified, if at all, through a modification application that Ms. Audree Richards has pending with the holder of Claim 1(a)(1), SPS; 4) the Penngrove Property presently generates \$1,800 in monthly rental income from said property and Ms. Audree Richards reasonably anticipates additional rental income of \$130 from additional storage rental on property

<sup>11</sup> Rental income is predicated on property and docks fully rented, less discount of 8% for vacancy factor and general nature of month-to-month tenancies (\$5,475- \$438 (8% vacancy factor) = \$5,037.00

<sup>12</sup> Rental income figure predicated on *anticipated* rental income. Debtor has signed rental contract with contractor tenant (David Taylor) but per agreement, Mr. Taylor will not commence paying rent until Mr. Taylor has completed necessary construction work to complete property renovation. Debtor will pay from Debtor's portion of insurance check proceeds (\$32,210.00) and available cash reserves (\$17,442.81) until renovation work complete and actual rental payments begin = \$49,652.81 /\$3,949.42 = 12.5 months burn rate.