

United States Bankruptcy Court
Northern District of California

In re:
JUN KWOCK TOM and
WAI KUEN TOM

Case No. 14-30862 HLB 11

Chapter 11

_____/

PROPOSED COMBINED CONSENSUAL¹ PLAN OF REORGANIZATION
AND [APPROVED] [TENTATIVELY APPROVED] DISCLOSURE STATEMENT
(June 30, 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: 100% of their allowed claims) in monthly payments over 120 months, payable at the federal judgment interest rate. 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 [date]. The court will hold a hearing on confirmation of the Plan on [date] at [time].

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 back 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

¹ The Debtors file the instant Plan with the consent of Robert Wagner, Trustee ("Wagner"), and Jessica Lan, June Jennings, David Iott, Debra Iott, and Mayank Kumar (collectively, the "TIC Creditors")

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. Exhibit 6 provides a feasibility analysis of the contemplated conversion into tenancy-in-common ("TIC") units of the real property commonly known as 115-117 Sanchez Street San Francisco, CA 94114 (the "Sanchez Property"). Exhibit 7 provides a detailed feasibility analysis of the distribution of plan payments from reserve cash accounts available on the Effective Date.

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	Description of Collateral
1(a)(1)	Red Tower Capital	1819 7th Avenue Oakland, CA 94606

Post-petition, the Debtors successfully refinanced the real property commonly known as 1819 7th Avenue Oakland, CA 94606, paying in full 1) secured senior lienholder; 2) secured junior lienholder East West Bank; and 3) utility liens. See DOC Nos 161, 162, and 173. The Debtors are current with post-refinancing obligations to Red Tower Capital.

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.**

Property to be Sold.

115-117 Sanchez Street San Francisco, CA 94114

Class	Name of Creditor	Collateral	Value of Collateral	Monthly Payment
1(c)(1)	Robert Wagner, Trustee P.O. Box 362 Mill Valley, CA 94942 ("Wagner")	115-117 Sanchez Street San Francisco, CA 94114 4/19/2013 First Deed of Trust Cross- collateralized with 3241-3249 25th Street San Francisco, CA 94132	\$5,400,000.00	\$12,000.00
1(c)(2)	City and County of San Francisco 1390 Market Street Suite 210 San Francisco, CA 94102	115-117 Sanchez Street San Francisco, CA 94114 12/21/2012 Account No.X3925 Total outstanding balance: \$221.10	\$5,400,000.00	One payment of est. \$221.10

Post-confirmation, once property re-vests in the Debtors, the Debtors may sell the real property commonly known as 115-117 Sanchez Street San Francisco, CA 94114 (the "Sanchez Property") and/or individual TIC units that extend therefrom directly, without a motion for approval of such sale. A direct sale by the Debtors outside of Bankruptcy court will maximize liquidation value as potential purchasers will be able to obtain financing more easily. Debtors agree to provide lienholders and the TIC Creditors reasonable notice of seven (7) days prior to the sale of each and any individual TIC Unit. The Order confirming Plan

shall serve as authority for the Debtors to re-submit the TIC conversion process and liquidate the subsequent individual TIC units, for the benefit of creditors.

There exist four (4) critical stages to the successful liquidation of the Sanchez Property: 1) approval from the California Bureau of Real Estate ("BRE") in the form of a Public Report authorizing subdivision into tenancy-in-common ("TIC") units; and 2) improvement of common areas; 3) liquidation of the first three (3) units; and 4) renovation and liquidation of the remaining four (4) units. The Debtors explain each hereinbelow.

1) Public Report for TIC Subdivision

Total Time Needed: 4 months

A "Public Report" has the functional effect of an Order from the BRE, authorizing the subdivision of the property into TIC units. The Debtors will submit a new public report application within two (2) weeks of the Effective Date. Although the BRE works at its own pace, it is the professional opinion of Tim Brown, the estate's broker, that no more than 4 months will be needed from submission to Public Report approval.

2) Improvement of Common Area Improvements Prior to Liquidation to Enhance Liquidation Value

Estimated Cost: Not to exceed \$50,000.00

Estimated (Concurrent) Time Required: 2-4 months.

Said work includes but is not limited to repainting the building and providing general cosmetic improvements to enhance anticipated liquidation value.

3) Liquidation of Three (3) Vacant Units for Estimated \$1.8 million

Estimated (Concurrent) Time Needed: 2-4 months after issuance of Public Report

The Sanchez Property presently had nine (9) units; following conversion to a TIC, there will be seven (7) individual TIC units. Of said seven (7) units, three (3) units are presently vacant and capable of immediate liquidation - following issuance of the Public Report - at an estimated combined price of \$1.8 million. After a public report issues,

an additional 2-4 months will be needed for listing, marketing, and a 30 day close. Thus, the first 3 units should be liquidated within 8 months of the Effective Date.

The present value of the Class 1(c) (1) claim is approximately \$2.4 million. Thus, liquidation of the first three (3) units will substantially pay-down, but not pay, off Wagner's claim.

The Estate's Broker, Tim Brown of Brown and Co. Real Estate (Doc # 86), will release back to the Debtors the first \$50,000.00 of commission from the Sanchez Property, to assist with overall plan feasibility and any additional renovation costs of the remaining Sanchez Units, on the condition that Mr. Brown will receive the remaining \$50,000 out of the sale of final Sanchez units (post-renovation). At an anticipated liquidation price of the \$1.8 million for the first 3 units, the five (5) percent commission (\$90,000) would be split evenly between Tim Brown and the buyers' broker(s). Mr. Brown will receive any and all commission fees advanced out of the sale of the remaining Sanchez units.

4) Renovation of Remaining TIC Units

Estimated (Concurrent) Time Needed: 8 weeks per unit (4 units total)

In order to ensure top liquidation value, each of the remaining 4 units will require approximately \$65,000.00 to \$75,000.00 of renovation work prior to each unit's liquidation.

Of said units, two (2) units are vacant, and two (2) units are presently occupied. Renovation work is reasonably anticipated at eight (8) weeks per unit. The Debtors can complete work simultaneously on multiple units.

Thus, the Debtors will commence renovation work on the 2 vacant units, immediately after the Debtors obtain funding to do said renovation work. As indicated in section 3, *supra*, the Debtors reasonably anticipate that Wagner will agree to partial release of the liquidation proceeds from the initial three (3) units.

The final two (2) units will require both renovation work and tenant buy-out arrangements. The Estate and its broker will ensure to include said fact as a necessary disclosure when selling the other pre-vacated units as TIC units. Pre-petition,

already negotiated buy-outs on every other unit, except for said 2 units.

Regarding Class (1)(c)(1) ("Robert Wagner, Trustee"),

Debtor and Wagner have entered into a Settlement Agreement to resolve all claims against one another, which was filed on June ____, 2016 in the United States Bankruptcy Court as Docket No. ____, (the "Wagner Settlement Agreement") and is hereby incorporated by reference and included as part of the Plan. To the extent that any provision of the Plan is inconsistent with or contrary to any provision of the Wagner Settlement Agreement, the terms of the Wagner Settlement Agreement shall govern, supersede, and replace any inconsistent or contrary provision set forth in the Plan.

Regarding Class (1) (c) (2) (City and County of San Francisco), the Debtor will pay said claim - reasonably estimated at \$221.10 - on the Effective Date.

Unless the court orders otherwise, a lienholder whose lien is not in bona fide dispute may credit bid the amount of its lien at the sale. Any deficiency claim is a general unsecured claim treated in Part 2. A feasibility analysis of the TIC conversion process is provided in Exhibit 6.

Creditors in this class 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.**

PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS
Class 2(a). Small Claims.

Name of Creditor	Amount of Claim	Amount to be Paid
Chase Bank One Card Serv 2500 Westfield Drive Elgin, IL 60124 (Account X2971)	\$111.11	\$111.11
PG&E Law Department 77 Beale Street San Francisco, CA 94105 (Account X875-9)	\$447.17	\$447.17
	Subtotal	\$558.28

This class includes any creditor whose allowed claim is

\$1,000 or less, and any creditor in Class 2(b) whose allowed claim is larger than \$1,000 but agrees to reduce its claim to \$1,000. Each creditor will receive on the Effective Date of the Plan a single payment equal to 100% of its allowed claim, payable at the federal judgment interest rate of 0.33%, per 28 U.S.C. § 1961(a).

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
Barclays Bank Delaware 125 S West St Wilmington, DE 19801	\$2,116.00	N	\$2,151.60	\$17.93
BMW Bank of North America 2735 E Parleys Ways Ste Salt Lake City, UT 84109	\$15,154.00	N	\$15,408.00	\$128.40
Capital One Po Box 85520 Richmond, VA 23285	\$5,467	N	\$5,558.40	\$46.32
Cba Collection Bureau 25954 Eden Landing Rd Hayward, CA 94545	\$1,251.00	N	\$1,272.00	\$10.60
Cerastes, LLC c/o Weinstein, Rinson and Riley, PS 2001 Western Avenue, Ste. 400 Seattle, WA 98121	\$2,053.26	N	\$2,088.00	\$17.40
BANKRUPTCY SECTION MS A340 FRANCHISE TAX BOARD PO Box 2952 Sacramento CA 95812-2952	\$14,257.30	N	\$14,496.00	\$120.80
Citi Po Box 6241 Sioux Falls, SD 57117	\$2,095.00	N	\$2,130.00	\$17.75
East Bay Municipal Utility District County of Alameda P.O. Box 24055, MS 42 Oakland, CA 94623-1055	\$0.00	N	\$0.00	\$0.00

Nordstrom Fsb Po Box 6565 Englewood, CO 80155	\$1,724.00	N	\$1,753.00	\$14.61
PG&E Law Department 77 Beale Street San Francisco, CA 94105 (Account X165-8)	\$8,994.89	N	\$9,145.20	\$76.21
Soonja Lambert 8035 Mason Drive Rohnert Park, CA 94928	\$20,000.00	N	\$20,334.00	\$169.45
Tommy Lee 259 Broad Street San Francisco, CA 94112	\$0.00 ²	Y	\$0.00	\$0.00
Wfb Cd Svc Credit Bureau Dispute Resolution Des Moines, IA 50306	\$5,599.54	N	\$5,692.80	\$47.44
South of Market Child Care c/co Stephen A. Booska 250 Montgomery St., Ste 720 San Francisco, CA 94104	\$150,000.00 (less credits)	N	\$150,000.00	\$600.00
Fareed Traylor c/o Broderick H. Brown Broderick H. Brown Law Firm 2831 Telegraph Ave. Oakland, CA 94609	\$0.00	Y	\$0.00	\$0.00
Erik Maier 3241 25 th Street San Francisco, CA 94110	\$4,919.56	N	\$5,001.60	\$41.68
			Subtotal	\$2,621.86

Allowed claims of Class 2(b) general unsecured creditors [not treated as small claims] (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 **100** percent of their allowed claim in 120 equal monthly installments, due on the 1st day of the month that starts after the Effective Date, payable at the federal judgment interest rate of 0.33%, per 28 U.S.C. § 1961(a).

The Debtors will pay Class 2(b) claims in full pursuant to the above 120 month schedule, or from the liquidation proceeds from the sale of the Sanchez units- whichever occurs sooner.

As discussed hereinabove, the Debtor retain exclusive

² The claim of Tommy Lee was originally listed at \$130,000.00; however, Mr. Lee waived said claim against the estate. See Doc Nos 71, 72.

discretion - contingent upon the express, written consent of secured lienholder Richard Wagner, Trustee- as to whether and to what extent to allocate the proceeds from the sale of individual Sanchez units towards Plan obligations or renovation costs necessary to liquidate the remaining Sanchez units. After all Sanchez units have liquidated, the Debtors will pay Class 2(b) claims from said proceeds. In the interim, beginning on the first of the month that commences after the Effective Date, the Debtors will make money payments on Class 2(b) claims pursuant to the above 120 month schedule.

"South of Market Child Care" is a pre-petition creditor who did not receive notice of the case filing. Related information:

- San Francisco Superior Court Case No. CGC-08-475087
- As alleged, pre-petition, the Debtor procured money on behalf of a real estate developer. Mr. Tom's name was on the loan (and it was not for child support). Base loan was \$200,000 but in said state court case, the parties executed on or about August 18, 2012 a stipulated settlement agreement of \$150,000, payable at \$600 monthly, beginning October 18, 2017, and continuing until October 18, 2017 (a 15 year term), at the end of which term a \$42,000.00 balloon payment is due (the "SOMCC Executory Contract").
- Proposed resolution for inclusion in plan - Debtor agrees to assume SOMCC Executory Contract, with any and all arrearages added to the \$42,000.00 lump sum balloon payment due on October 18, 2027. Debtors assume the SOMCC Executory Contract; \$600 monthly payments will (re)commence on the 1st of the month that begins after the Effective Date. Per the following analysis, arrearages are estimated at \$16,800. Thus, the estimated lump sum balloon payment due on October 18, 2027 is \$56,800.00.
- Beginning October 18, 2012, the Debtor made approximately 18 payments at \$600 each, or \$10,800. Payments are reasonably estimated to resume August 1, 2016, i.e. the first of the month that follows the Effective Date, which Effective Date is reasonably estimated at July 15, 2016, due to the fact that confirmation hearing is reasonably scheduled to occur on or around June 30, 2016.
- Per the SOMCC Executory Contract, between October 2012 and August 2016 (46 months), the Debtor should have made 46 payments of \$600, or \$27,600. Thus, arrears are reasonably estimated at \$27,600 - \$10,800, or \$16,800.
- Debtors and SOMCC agree to work reasonably to fix the precise amount of arrears in order to determine the additional amount to add to the balloon payment due on August 18, 2027

"Fareed Taylor" is a pre-petition creditor who did not receive notice of the initial case filing. Related information:

- Alameda County Superior Court Case No. RG15759746
- Mr. Taylor was a tenant who filed a claim for breach of the warranty of habitability and statutory damages related to alleged mold and water exposure, according to proof, against all prior owners of the real property commonly known as 1921 26th Ave., Oakland, CA, including but not limited to the Debtors.
- Named Defendants are: 1) 1921 26th Avenue Property, LLC; 2) Kit Crane; 3) Crane Management; 4) 1921 26th Avenue LLC; 5) Jun K. Tom; 6) Wan K. Tom; and 7) Does 1-30. Pre-petition, Mr. sold the unit to second party sold later sold the building again to a third party.
- The Debtors dispute any and all liability related to Alameda County Superior Court Case No. RG15759746
- Mr. Taylor's claim against the estate is presently illiquid and shall be determined by Alameda County Superior Court.
- Alameda County Superior Court shall retain jurisdiction over Mr. Taylor's claim against the estate.
- Debtors reserve all rights to defend any potential liability alleged under Alameda County Superior Court Case No. RG15759746; the extent of any potential liability shall be adjudicated by the Alameda County Superior Court.

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.

Class 2(c). [Insider] General Unsecured Claims.

"Sophia Hom" is the aunt of the Debtor, Mr. Tom. Sophia Hom is also gifting to the estate \$30,000 by the Effective Date. Due to said insider status, Sophia Hom shall not receive any payments until all priority and general unsecured creditors have been paid in full.

Name of Creditor	Amount of Claim	Disputed Y/N	Amount to be Paid	Monthly Payment
Sophia Hom 208-10 Alpine Street Los Angeles, CA 90012	\$155,000.00	N	\$157,592.40	\$0.00

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)). **This class is impaired and is entitled to vote on confirmation of the Plan.** Debtor has indicated above whether a particular claim is disputed.

Class 2(d). 25th Street Tenancy in Common Creditor Claims.

Name of Creditor	Amount of Claim	Disputed Y/N	Amount to be Paid	Monthly Payment
Jessica Lan 3241 25TH ST San Francisco CA 94110 (Claim 12-1)	\$250,000.00	N	<u>See</u> Settlement Agreement	<u>See</u> Settlement Agreement
Mayank Kumar 3243 25TH ST San Francisco CA 94110 (Claim 14-1)	\$250,000.00	N	<u>See</u> Settlement Agreement	<u>See</u> Settlement Agreement
June Jennings 3245 25TH ST San Francisco CA 94110 (Claim 13-1)	\$250,000.00	N	<u>See</u> Settlement Agreement	<u>See</u> Settlement Agreement
David Lott 3247 25TH ST San Francisco CA 94110 (Claim 10-1)	\$250,000.00	N	<u>See</u> Settlement Agreement	<u>See</u> Settlement Agreement
Debra Lott 3247 25TH ST San Francisco CA 94110 (Claim 11-1)	\$250,000.00	N	<u>See</u> Settlement Agreement	<u>See</u> Settlement Agreement

The Class 2 (d) creditors are Jessica Lan, June Jennings, David Iott, Debra Iott, and Mayank Kumar (collectively, the "TIC Creditors"), whom, together with the Debtors' fifteen percent (15% interest), collectively own a fee simple interest in mixed-use real property commonly known as 3241-3249 25th Street, San Francisco, California (the "25th Street Property").

Debtor and the TIC Creditors have entered into a Settlement Agreement to resolve all claims against one another, which was filed on June ____, 2016 in the United States Bankruptcy Court as Docket No. ____, (the "TIC Settlement Agreement") and is hereby incorporated by reference and included as part of the Plan. To the extent that any provision of the Plan is inconsistent with or contrary to any provision of the TIC Settlement Agreement, the terms of the TIC Settlement Agreement shall govern, supersede, and replace any inconsistent or

contrary provision set forth in the Plan.

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.

The following professionals have agreed to accept payment over time as follows. Payments will be made monthly due on the 1st day of the month that starts after the Effective Date, or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount	Monthly Payment Amount	Number of Payments
Current counsel: Belvedere Legal, PC Matthew D. Metzger, Esq. 1777 Borel Place, Suite 314 San Mateo, CA 94402	Est. \$60,000.00	\$1,666.67	Payable, following court approval, at at a monthly figure of \$1,666.67 and/or a mutually agreeable schedule to be arranged with the Debtors
Former counsel: MacDonald & Fernandez LLP 221 Sansome Street, Third Floor San Francisco, CA 94104-2323	\$37,549.19 (ECF/Docket No. 14)	\$2,086.07	18
Structural Engineer I.C.E Design	Est. \$10,000.00	Est. \$10,000.00	Payable in lump sum, following court approval, after sale of Sanchez units.
Estate Accountant: Coates, Cortese & Alvarado, LLP	Est. \$30,000.00	\$1,666.67	18 Payable, following court approval.
Total	\$117,549.19	\$5,419.41	

The foregoing professionals will be paid in full - subject to Court approval of the professional's fees - pursuant to the above schedule, or from the liquidation proceeds from the sale of the Sanchez units- whichever occurs sooner.

In the event of material default, the fees of the MacDonald & Fernandez LLP law firm and Coates, Cortese & Alvarado, LLP

only shall accumulate at rate of default interest of five (5) percent, beginning of the date of material default.

Regarding the fees of Belvedere Legal, PC, in the event that the above schedule is not feasible and/or additional fees accrue, the Debtors and Mr. Metzger agree to work out an arrangement for payment of said fees, following court approval of the professional's fees, at a payment schedule mutually agreeable to both parties.

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.**

Name of Administrative Creditor	Estimated Amount of Claim

(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 on the 1st day of the month, starting on the month that begins after the Effective Date. 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
Internal Revenue Service Insolvency Group 3 1301 Clay St, M/S 1400S Oakland, CA 94612	\$24,380.17 (Claim 5-1)	3.480%	\$714.17	36
BANKRUPTCY SECTION MS A340 FRANCHISE TAX BOARD PO Box 2952 Sacramento CA 95812-2952	\$57,029.21 (Claim 3-1)	3.480%	\$1,670.56	36

(b) Other Priority Claims - Security Deposits

115-117 Sanchez Street San Francisco, CA 94114

Name of Tenant	Unit	Deposit Amount
Jeffrey Sinclair	115 Unit # 1	\$1,500.00
Joey Callasco & Allister Fein	115 Unit # 2	\$2,400.00
Lisa E. Schelle	115 Unit B	\$1,580.00
Daniel Schneier & Rochelle Delavega	117 Unit	\$1,900.00

1819 7th Avenue Oakland, CA 94606

Name of Tenant	Unit	Deposit Amount
Jennifer Powell	Unit # 1	\$1,100.00
Vanessa Currie	Unit # 2	\$1,400.00
Karin Jerkins	Unit # 3	\$1,050
Adam Clayton	Unit # 4	\$1,450.00
Eola Smith	Unit # 5	\$900.00
David Bulnes	Unit # 7	\$1,450.00
Angela Green	Unit # 8	\$1,400.00
Camryn Crump & Cameron Phillips	Unit # 10	\$1,300.00
Erin Gordon	Unit # 11	\$1,450.00

Chemi Dolma	Unit # 14	\$900.00
SungJun Hwang & Ken Yasuda	Unit # 15	\$2,400.00
Teresa Duque	Unit # 17	\$1,050.00

For all priority security deposit creditors, the Debtors shall retain possession of each security deposit until such time as: 1) the tenant vacates the unit; 2) and/or the unit is sold. The Plan incorporates herein via reference each and every rental agreement regarding the specific terms that govern the return of security deposits.

PART 4: EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(a) Executory Contracts/Unexpired Leases Assumed. Debtors assume 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.

(i) TIC Creditor Contracts Expressly Assumed

The following contracts/executory contracts concern the TIC Creditors and the real property commonly known as 3241-3249 25th Street, San Francisco, California (the "25th Street Property").

Name of Counter-Party	Description of Contract/Lease	Estimated Total Cure Amount	Installment Amount	Number of Installments
TIC Creditors	TIC Creditor Settlement Agreement, dated March 24, 2011	<u>See Settlement Agreement</u>	<u>See Settlement Agreement</u>	<u>See Settlement Agreement</u>
TIC Creditors	Tenancy In Common Agreement FOR 3241-3243-3245-324 7-3249 25th Street, dated September 26, 2006	<u>See Settlement Agreement</u>	<u>See Settlement Agreement</u>	<u>See Settlement Agreement</u>

(ii) South of Market Child Care Settlement Agreement Expressly Assumed

Name of Counter-Party	Description of Contract/Lease	Estimated Total Cure Amount	Installment Amount	Number of Installments
South of Market Child Care	Stipulated Settlement Agreement to San Francisco Superior Court Case No. CGC-08-475087	\$16,800.00	\$600	134 monthly installments plus balloon payment due October 18, 2017, estimated at \$42,000.00 plus \$16,800, or \$58,800.00

San Francisco Superior Court Case No. CGC-08-475087

- As alleged, pre-petition, the Debtor procured money on behalf of a real estate developer. Mr. Tom's name was on the loan (and it was not for child support). Base loan was \$200,000 but in said state court case, the parties executed on or about August 18, 2012 a stipulated settlement agreement of \$150,000, payable at \$600 monthly, beginning October 18, 2017, and continuing until October 18, 2017 (a 15 year term), at the end of which term a \$42,000.00 balloon payment is due (the "SOMCC Executory Contract").

- Proposed resolution for inclusion in plan - Debtor agrees to assume SOMCC Executory Contract, with any and all arrearages added to the \$42,000.00 lump sum balloon payment due on October 18, 2027. Debtors assume the SOMCC Executory Contract; \$600 monthly payments will (re)commence on the 1st of the month that begins after the Effective Date. Per the following analysis, arrearages are estimated at \$16,800. Thus, the estimated lump sum balloon payment due on October 18, 2027 is \$56,800.00.

- Beginning October 18, 2012, the Debtor made approximately 18 payments at \$600 each, or \$10,800. Payments are reasonably estimated to resume August 1, 2016, i.e. the first of the month that follows the Effective Date, which Effective Date is reasonably estimated at July 15, 2016, due to the fact that confirmation hearing is reasonably scheduled to occur on or around June 30, 2016.

- Per the SOMCC Executory Contract, between October 2012 and August 2016 (46 months), the Debtor should have made 46 payments of \$600, or \$27,600. Thus, arrears are reasonably estimated at \$27,600 - \$10,800, or \$16,800.

- Debtors and SOMCC agree to work reasonably to fix the precise amount of arrears in order to determine the additional amount to add to the balloon payment due on August 18, 2027

(iii) **Tenant Leases Assumed / Tenant Rent Roll**

The following list of the executory contracts that the Debtors will assume also serves contemporaneously as a rent roll, as follows:

115-117 Sanchez Street San Francisco, CA 94114

Name of Tenant	Unit	Description of Contract/Lease	Monthly Rent
Rochelle Delavega	117 Unit	Unexpired Lease (rental agreement)	\$886.44
Jeffrey Sinclair	115 Unit # 1	Unexpired Lease (rental agreement)	\$1,729.17
Joey Callasco & Allister Fein	115 Unit # 2	Unexpired Lease (rental agreement)	\$2,492.06
Lisa E. Schelle & Jesse Mallory	115 Unit B	Unexpired Lease (rental agreement)	\$1,584.00
Daniel Schneier	117 Unit	Unexpired Lease (rental agreement)	\$1,086.44
	Total		\$7,778.11

All tenants are in third-parties with no insider or other prior relationships with the Debtors, outside the landlord/tenant relationship.

1819 7th Avenue Oakland, CA 94606

Name of Tenant	Unit	Monthly Rent
Jennifer Powell	Unit # 1	\$1,150.00
Vanessa Currie	Unit # 2	\$1,650.00
Karin Jerkins	Unit # 3	\$800.00
Adam Clayton	Unit # 4	\$1,450.00
Eola Smith	Unit # 5	\$1,400.00
VACANCY	Unit # 6	\$0.00
David Bulnes	Unit # 7	\$1,450.00
Angela Green	Unit # 8	\$1,650.00

William Hall	Unit # 9	\$800.00
Camryn Crump & Cameron Phillips	Unit # 10	\$1,404.00
Erin Gordon	Unit #11	\$1,450.00
VACANCY	Unit #12	\$0.00
VACANCY	Unit # 13	\$0.00
Chemi Dolma	Unit #14	\$900.00
SungJun Hwang & Ken Yasuda	Unit #15	\$2,400.00
VACANCY	Unit # 16	\$0.00
Teresa Duque	Unit #17	\$1,600.00
		\$18,104.00

All tenants are in third-parties with no insider or other prior relationships with the Debtors, with the single exception of Teresa Duque in Unit # 17. Ms. Duque knew the Debtor (Mr. Tom) prior to moving into the 7th Street property, due to the fact that Ms. Duque's brother - Ing Duque (deceased) - was a laborer who trained under the Debtor (Mr. Tom) for many years. Ing Duque died in 2003. Ms. Duque moved into the 7th Street property also in 2003, around the same time that Ing Duque died, assuming the role of Property Manager on the 7th street property. Ms. Duque continue to serve as Property Manager on the 7th street property but presently receives no extra consideration in exchange for said service. Pre-petition and through July 2015 - petition date was June 6, 2014 - Ms. Duque received 50% discount in rent price, due to the fact that construction on Unit 17 was not complete. Beginning August 2014, as soon as Unit No. 17 was completed, Ms. Duque began paying market rate rent of \$1,600 and continued serving as property manager with no additional consideration.

The 7th Street Property presently has three (3) vacant units. Of said units, the Debtors reasonably anticipate completing renovation work and renting said units at \$1,650 each. The final vacant unit will be completed within 12 months. Present feasibility figures are based on the successful completion and renting of at least two (2) of the vacant units at or around the Effective Date.

(b) 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 and fully performs all non-monetary obligations set forth in the TIC Settlement Agreement, 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
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Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
Fareed Traylor Alameda County Superior Court Case No. RG15759746	Y	Breach of warranty of habitability and statutory damages related to alleged mold and water exposure on real property commonly known as 1921 26th Ave., Oakland, CA,	Illiquid	Y (Defend any liability alleged in pending action)

(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:

Debtors:

With a copy (not constituting notice) to:

Jun Kwock Tom
Wai Kuen Tom
101C Hillcrest Blvd
Daly City, CA 94014

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: June 30, 2016

/s/ Jun Kwock Tom
Jun Kwock Tom
Debtor

/s/ Wai Kuen Tom
Wai Kuen Tom
Joint Debtor

BELVEDERE LEGAL, PC

/s/ Matthew D. Metzger
Matthew D. Metzger
Attorneys 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.

Class 1(c) Property to be sold - added that Debtors may sell TIC units directly, post-confirmation, without further order from the Court.

Class 2(c). [Insider] Potential General Unsecured Claims - added section

Class 2(d). 25th Street Tenancy in Common Creditor Claims - added section

PART 3: TREATMENT OF PRIORITY AND ADMINISTRATIVE CLAIMS

(d) Other Priority Claims - Security Deposits - added section

PART 4: EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(a) Executory Contracts/Unexpired Leases Assumed - modified language

Added Exhibits 6, 7

I declare that the foregoing is true and correct. Executed this 30th day of June, 2016.

BELVEDERE LEGAL, PC

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

Exhibit 1 - Events That Led To Bankruptcy

The Debtors sought chapter 11 bankruptcy protection to enjoin a pre-petition trustee sale by the senior lienholder on the real property commonly known as 1819 7th Avenue, Oakland, California (the "7th Avenue" Property) held by 1819 7th Avenue, LLC ("7th Avenue LLC"), set for 12:00 p.m. on June 6, 2014.

Prior thereto, on January 22, 2010, East West Bank (the original senior lienholder) recorded a notice of default and election to sell 7th Avenue. The Debtors had fallen behind on payments to East West Bank. The Debtors had fallen behind on payments to East West Bank as they were in the process of renovating the vacant units at the 7th Avenue Property. On July 2, 2010, East West Bank sold the loan to Stephen E. Trettin. Stephen E. Trettin agreed to forbearance from foreclosure while the Debtors continued to renovate the units, in exchange for consideration paid. On May 22, 2014, Stephen E. Trettin sold the loan to 7th Avenue LLC, upon which, 7th Ave. LLC immediately initiated the trustee sale.

During the same pre-petition period, the Debtors were preparing documents to support an application package to convert into a Tenancy-in-Common ("TIC") the real property commonly known as 115-117 Sanchez Street San Francisco, CA 94114 (the "Sanchez" Property). Said process was unfortunately stopped by the chapter 11 filing. As soon as the plan of reorganization is confirmed and title reverts in the name of the Debtors, the Debtors will resubmit the TIC subdivision project on the Sanchez property to the California Bureau of Real Estate ("BRE"). The Debtors reasonably anticipate approval of the (re) submission the TIC subdivision project for Public Report approval within four (4) months from submission.

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

Real Property #1: 1819 7th Avenue, Oakland, CA 94606

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$1,800,000	1 st \$1,390,000.00	\$90,000	\$75,000.00		\$245,000.00

Real Property #2: 115-117 Sanchez Street San Francisco, CA 94114

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax ³	Amt of Exemption	Net Proceeds
\$2,800,000 ⁴	1 st \$2,090,720	\$140,000	Not to exceed \$500,000		\$69,280.00

Real Property #3 3241-3249 25th Street, San Francisco, CA 94132
(15% tenancy-in-common interest of \$1,700,000 fair market value)

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$255,000	1 st 1,800,000.00 (cross-collateralized)	\$119,000	\$0.00	\$4,209.72	(\$0.00)

Personal Property:

	Liquidation Value	Secured Claim	Amt of Exemption	Net Proceeds
Cash	\$98,302.16 ⁵		\$26,925.00	\$71,377.16

³ Debtors represent that Debtors have capital loss carry-over in excess of \$1,000,000 from 2013 liquidation of real property commonly known as 1921 26th Avenue, Oakland, CA 94601. Said capital loss carry-over will serve as a substantial capital offset to potential gains taxes from the liquidation the real property commonly known as 115-117 Sanchez St., San Francisco, CA 94114.

⁴ The Plan is predicated on a stated intent to successfully renovate and liquidate the Sanchez Property as individual TIC units, for a combined value of est, \$5,400,000. In the event a conversion to chapter 7, it more likely that a Chapter 7 trustee would liquidate the Sanchez property "as is", such that the liquidation value would be approximately \$2,800,000.00, per Mr. Tim Brown, the estate's broker. Thus, for Chapter 7 liquidation analysis purposes, without the TIC conversion, the Sanchez property valuation drops significantly - from \$5,400,000.00 to approximately \$2,800,000.00.

Individual Chapter 11

Combined Plan & Disclosure Statement

June 30, 2016

(Version: 7/30/12)

Automobile #1	\$5,000.00		\$5,000.00	\$0.00
Automobile #2	\$4,000.00		\$0.00	\$4,500.00
Automobile #3	\$1,500.00		\$0.00	\$1,500.00
Household Furnishings	\$300.00		\$300.00	\$0.00
Jewelry	\$2,200.00		\$1,525.00	\$675.00
Security Deposit	\$3,200.00		\$3,200.00	\$0.00
Stocks / Investments / Retirement	85837.96		\$85,837.96	\$0.00
A/R (back rent)	\$37,148.00		\$0.00	\$37,148.00
2013 tax refund	\$4,000.00		\$0.00	\$4,000.00
Equitable past interest in T&T Sash, LLC	\$0.00		\$0.00	\$0.00
TOTAL				\$119,200.16

Net Proceeds of Real Property and Personal Property	\$433,480.16
Recovery from Preferences / Fraudulent Conveyances [ADD]	
Chapter 7 Administrative Claims [SUBTRACT]	
Chapter 11 Administrative Claims [SUBTRACT]	\$97,549.19
Priority Claims [SUBTRACT]	\$81,409.38
Chapter 7 Trustee Fees [SUBTRACT]	\$28,250.00
Chapter 7 Trustee's Professionals [SUBTRACT]	\$25,000.00
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS	\$201,271.59
Estimated Amount of Unsecured Claims	\$948,903.39 ⁶
Percent Distribution to Unsecured Creditors Under Proposed Plan	100 %
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	21 %

⁵ Based on present DIP account balances as of 6/13/2016:

Account No.	Balance
X8783 (1919 7th Ave DIP)	\$63,933.35
X2841 (Sanchez DIP)	\$27,972.50
X4713 (General DIP)	\$6,396.29
Total	\$98,302.14

⁶ For liquidation analysis purposes, the aggregate claim of the TIC Creditors is valued at \$250,000, per the proof of claims filed, as opposed to the estimated \$75,000 cost of satisfying said claims through the permit remediation work contemplate by the Plan.

Individual Chapter 11

Combined Plan & Disclosure Statement

(Version: 7/30/12)

June 30, 2016

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Exhibit 3 - Monthly Income and Expenses

Income	Amount
Gross Employment Income	\$0.00
Social Security Income	\$2,480.00
Monthly Draw from \$112,000 Debtor-in-Possession Cash Reserve	\$12,000.00
Positive Cash Flow on Investment Property (Exhibit 5, Line A)	\$4,311.37
A. Total Monthly Income	\$18,791.37

Expenses	Amount
Includes Plan Payments on Secured Claims for Residence and Car	
Payroll Taxes and Related Withholdings	\$1,458.45
Retirement Contributions (401k, IRA, PSP)	\$0.00
Shelter Expenses (rent/mortgage, insurance, taxes, utilities) (Total Arrearages on Principal Residence are est. \$ -rental) Rental address - 101C Hillcrest Blvd, Daly City Ca 94014	\$1,176.35
Household Expenses (food)	\$600.00
Transportation Expenses (car payments, insurance, fuel)	\$250.00
Personal Expenses (e.g. recreation, clothing, laundry, medical)	\$49.00
Alimony / Child Support	n.a.
Charity	\$20.00
Insurance (Health, Vehicle)	\$202.87
Negative Cash Flow on Investment Property (Exhibit 5, Line B)	\$5,269.00
B. Total Monthly Expenses	\$9,025.67

C. Disposable Income (Line A - Line B)	\$9,765.70
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Plan Payments	Amount
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	\$5,419.41
Priority Claims	\$2,384.73
General Unsecured Creditors	\$1,308.59
D. Total Plan Payments	\$10,223.84

E. Plan Feasibility (Line C - Line D) (Not feasible if less than zero)	\$652.97
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Exhibit 4 - Effective Date Feasibility

Can the Debtor Make the Effective Day Payments?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date		\$188,000.00
Payments on Effective Date		
Secured Class 1 (c)(2) Claim	\$221.10	
Administrative Expense Claim (set aside)	\$0.00	
"Initial Conversion Payment" to TIC Creditors	\$75,000	
Priority Claims		
Small Claims (Class 2(a))	\$558.28	
U.S. Trustee Fees		
B. Total Payments on Effective Date		\$75,779.38
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)		\$112,220.62

The sources for projected total cash on the Effective Date is as follows:

Oakland DIP: (X8783)	\$62,000.00
Sanchez DIP (X2841):	\$32,000.00
Operating DIP (x4713):	\$9,000.00

Subtotal: **\$103,000.00**

Additional Funds Gifted to the Estate by the Confirmation Hearing	
Eugene Tom (Debtor's daughter):	\$55,000.00
Sophia Hom (Debtor's aunt):	\$30,000.00
Subtotal:	\$85,000.00

Eugenia Tom:

Eugenia Tom is the Debtor's daughter. Eugenia Tom will file a declaration in support of Plan confirmation with evidence of the source for the gifted funds.

Sophia Hom:

Sophia Hom is the Debtor's aunt. Sophia Hom also is a Class 2(c) (insider) creditor of the estate. Sophia Hom will file a declaration in support of Plan confirmation with evidence of the source for the gifted funds.

Total Anticipated Funds: \$188,000.00

Exhibit 5 - Investment Property Analysis

Properties with Positive Monthly Cash-Flow:

Real Property #1 Income: 1819 7th Avenue Oakland, CA 94606

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses (cleaning/ gas/water/ trash)	Net Income
\$21,404.00	1 st \$12,741.67	\$431.00	2,242.42	\$1,677.54	\$4,311.37

A. Total Positive Cash Flow	\$4,311.37
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Properties with Negative Monthly Cash-Flow:

Real Property #3 Income: 115-117 Sanchez Street San Francisco, CA 94114

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses (cleaning/ gas/water/ trash)	Net Income
\$7,778.11	1 st \$12,000.00	\$478.83	\$153.43	\$415.09	(\$5,269)

B. Total Negative Cash Flow	(\$5,269)
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Exhibit 6 - Feasibility Analysis of TIC Conversion and Liquidation of Sanchez Property

Initially, the Debtors intended to obtain BRE approval for the TIC Subdivision on the Sanchez property pre-confirmation. However, after further research and conversations with the estate's broker, Mr. Brown, the Debtors and their counsel concluded that it will be more practical to obtain approval from the BRE post-confirmation, for a multitude of reasons:

1) liquidation of the TIC units is the vehicle to provide for payment to creditors; 2) potential purchasers of the TIC units will be more able to obtain financing to purchase said units in the Sanchez property post-confirmation, once property reverts to the Debtors; 3) it is reasonably anticipated that the TIC units will net a higher liquidation value post-confirmation as opposed to with the notice and opportunity for overbid structure of a section 363 bankruptcy sale.

Most importantly, the estate's broker, Mr. Brown, has confirmed that peculiar procedural and administrative hurdle within the BRE approval process is such that it will be far quicker to re-submit the TIC application to the BRE post-confirmation in the name of the Debtors directly that continue with the current application that had to be submitted in the name of the bankruptcy estate. Per BRE rules, the present-application pending with the BRE was submitted to the BRE in the name of "Bankruptcy Estate of Jun Kwok Tom and Wai Kuen Tom". However, post-confirmation, once property reverted to the Toms directly, the Toms as individuals would not be able to liquidate TIC units that had been approved by the BRE as TIC units owned by the "Bankruptcy Estate of Jun Kwok Tom and Wai Kuen Tom", as the name of ownership of the seller of the TIC units would have changed. Accordingly, the Debtors have concluded, after much work, that the most practical solution is to resubmit a new application post-confirmation in the name of the Toms directly, with all the public reports and related data that the Debtors and the Debtors' broker have already prepared submitted as part of the application presently pending before the BRE.

Thus, the plan provides that immediately following confirmation, the Debtors would (re) submit the TIC application to the BRE with all the public reports that already have submitted; the only difference is that the new application will be in the name of the Toms directly. When the BRE approves said application, the Toms will then be able to liquidate the individual TIC units post-confirmation for the benefit of the estate and its creditors, as the BRE will have approved the TIC project with the Toms identified as the seller.

The estate's broker reasonably estimates a wait time of four

(4) months from submission to the BRE's issuance of a public report approving the TIC Project. Said figure is a conservative figure based on present BRE processing times; however, the Broker cannot begin the name-change on the application until the Debtors' plan of reorganization is confirmed and the property re-vests in the name of the Debtors.

Upon receipt of the public report, the Debtors reasonably anticipate an additional five (5) months to liquidate the TIC units at the expected prices outlined in the attached table. Note that this pricing and timeline represent our opinion based on current market conditions and may vary depending on the actual market conditions at the time the units are listed for sale.

As of May 5, 2016, said pricing estimate is as follows:

Unit	Br/bath	Level	Sq. ft.	\$/sq ft.	Price	Notes
115 #1	4/2	1	1,207	787	\$950,000	
115 #2	2/1	2	693	1,010	\$700,000	
115 #3	2/1	2	749	1,001	\$750,000	
115 #4	2/1	3	693	1,046	\$725,000	
115 #5	2/1	3	749	1,001	\$750,000	
117	4/2	2	1,342	745	\$1,000,000	
115A	1/1	1	418	1,256	\$525,000	Cottage
					\$5,400,000	

It shall be noted that said TIC conversion project also carries risk, including but not limited to:

- 1) The BRE's approval issuance of a Public Report approving the TIC project
- 2) The willingness of senior lienholder Mr. Robert Wagner to agree to lend - post-confirmation - additional sums to finance construction and/or final BRE costs before the units can liquidate at the above estimated price points. See Wagner Settlement Agreement for further details.
- 3) The Debtors reasonably estimate that four (4) units need renovation costs prior to liquidation at a price of \$65,000 to \$75,000 per unit.
- 4) Senior lienholder Mr. Robert Wagner has not made any commitment to lend any additional sums.

Exhibit 7 - Feasibility Analysis of Plan Payments from Available Cash Accounts

On the Effective Date, after making payments expressly set-aside for payment on the Effective Date, the Debtors will have estimate an cash balance in reserve accounts totaling approximately \$112,220.62

The plan requires a draw of \$12,000/monthly from said reserve accounts to fund. Thus, the Debtors have reserve accounts sufficient to make 9.33 months of plan payments.

However, the plan also contemplates that the Debtors will need no more than 8 months from the Effective Date to begin liquidation of the first three (3) units on the Sanchez property as TIC units for the projected gross price of \$1.8 million.

Additionally, to enhance the feasibility of the Plan, after condition precedent of liquidating the first three (3) units is satisfied, the feasibility of the Plan shall be further enhanced as follows:

The Estate's Broker, Tim Brown of Brown and Co. Real Estate (Doc # 86), will release back to the Debtors the first \$50,000.00 of commission from the Sanchez Property unit sales, to assist with overall plan feasibility and any additional renovation costs of the remaining Sanchez Units, on the condition that Mr. Brown will receive the same \$50,000 out of the sale of final Sanchez units (post-renovation). 2) Secured lienholder Richard Wagner, Trustee has authorized the Debtors to make an interest only payment on the remaining principal balance owed until all remaining units on the Sanchez property are liquidated. An interest only payment of an estimated 11% interest on a remaining principle balance owed of approximately \$275,000 yields an approximate payment figure of \$3,800.00, which payment is far lower than the \$12,000 payment identified in the Plan, reducing the monthly burn rate by approximately \$8,000. See Wagner Settlement Agreement for further details.