

United States Bankruptcy Court
Northern District of California

In re:

Case No. 15-42744 RLE
Chapter 11

John J. Harrington
Kathleen M. Harrington
Debtors/

[PROPOSED] COMBINED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT
October 24, 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: **Would be paid 100% of their allowed claims.** 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 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

Individual Chapter 11
Combined Plan & Disclosure Statement
July 30, 2012

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(Version: 7/30/12)

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 - NONE

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
1A	Chase Mtg	1 st TD on Residence - 9653 Alcosta Blvd., San Ramon, CA 94583	\$2,457.00	\$5577.55 **Per blurred POC #11	2.941%	Arrears to be paid in full on confirmation
1B	Seterus Inc.	1ST TD on Rental Property - 5520 Sahara Dr, Carnelian Bay, CA 96140	\$1,034.86	\$3,282.86 per Stip. See Attached Exhibit #6	7.5%	Post Petition Arrears to be in full on Effective Date

1C	Bank of America	2nd TD on Rental Property - 5520 Sahara Dr, Carnelian Bay, CA 96140	\$796.98	\$31,223.93 Per POC #9-1	4.441%	Arrears to be paid in full on confirmation
1D	Nevada County Tax Collector	23826 Fagerlie Road, Auburn CA 95602	0.00	Property Taxes Owed \$14,067.34 Per POC	18.00%	To be paid in full on confirmation per stip. See Exhibit #7
1E	Donald R. White Alameda County Tax Collector	2386 Davis St. San Leandro CA 94577	N/A	Property Taxes Owed \$61,502.25 See line items Final Escrow statement	NK	Paid through Escrow See Final Statement Attached
1F	Internal Revenue Service	Unencumbered Real and Personal Property per POC	N/A	\$272,259.25 Per POC# 3-3 and IRS demand	4%	Paid through Escrow See Final Statement Attached

Debtor will pay the entire amount contractually due by making all post-confirmation regular monthly payments, and by paying all pre-confirmation arrears in full on confirmation. To the extent arrears are determined to be other than as shown above, appropriate adjustments will be made in the amount 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 Strip Lien to Value of Collateral and Pay Over Time. - NONE

Debtor to Strip Off Lien - NONE

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 - NONE

These secured claims are impaired and are entitled to vote

on confirmation of the Plan.

Property to be Sold.

2386 Davis St. San Leandro CA 94577

Class	Name of Creditor	Collateral	Value of Collateral	Monthly Payment
1E	IRS. Property is unencumbered by Mortgage	2386 Davis St. San Leandro CA 94577	750,000.00 per sale agreement and court order approving sale attached Exhibit #8	None

Debtor will sell the above collateral by November 2016, paying secured creditors from the proceeds of the sale. Debtor has filed a motion for approval of such sale on 28 days notice to lien holders. Court has signed an order approving the sale Dkt#90. 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.

The Property is unencumbered by a mortgage and the debtor does not make any monthly payments,

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.**

PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS

Class 2. [Other] General Unsecured Claims.

Class 2 General Unsecured Claims.

Name	Disputed	Schedule F	POC filed Amount	Allowed Amount	Amount to be paid	POC #
American Infosource	0	0.00	663.07	663.07	663.07	#7
Atlas Acquisitions	0	0.00	383.95	383.95	383.95	#1
Bk Of Amer	0	0.00		0.00	0.00	
Capital One	0	866.00	866.24	866.24	866.24	#2
Capital One Bank	0	0.00	434.30	434.30	434.30	#4

Capital One Bank	0	0.00	0.00	0.00	0.00	#6 see Note 1 below
Cb/Drssbrn	0	0.00		0.00	0.00	
Cb/Wmnwthn	0	0.00		0.00	0.00	
Cba	0	346.00		346.00	346.00	
Cbna	0	Unk		0.00	0.00	
Chase Card	0	10,432.00		10,432.00	10,432.00	
Chase Mtg	0	24,139.00		0.00	24,139.00	
Ford Cred	0	0.00		0.00	0.00	
Ford Cred	0	0.00		0.00	0.00	
Franchise Tax Board	0	0.00	4,017.44	4,017.44	4,017.44	#5
IRS - Unsecured*	0	0.00	23,892.33	25,150.76	25,150.76	#3-3
Jpm Chase	0	0.00		0.00	0.00	
Kohls/Capone	0	0.00		0.00	0.00	
Kohls/Capone	0	434.00		434.00	434.00	
Mcydsnb	0	0.00		0.00	0.00	
Pac Ntl Bank	0	0.00		0.00	0.00	
Receivables	0	663.00		663.00	663.00	
Performance						
SBOE	0	0.00		263.63	263.63	#8
Syncb/Amazon	0	0.00		0.00	0.00	
Syncb/Jcp	0	0.00		0.00	0.00	
Syncb/Mervyns	0	0.00		0.00	0.00	
Wfhm	0	0.00		0.00	0.00	
				67,793.39	67,793.39	

Note 1: Claim #6 is a duplicate of Claim #4 Creditor has been contacted and requested to withdraw the duplicate claim. An objection will be filed unless withdrawn and duplicate claim will not be paid.

*** IRS Unsecured Claim is a Priority Non-Dischargeable Claim, which will increase by the addition of interest to \$25,150.76 which includes the interest on penalties from petition date to Effective Date. (IRS was requested and has provided the interest on the Priority Tax Claim and the Priority Non-Dischargeable Claim, by Debtor's Counsel- See IRS Letter attached).**

[All known non-priority unsecured creditors, including deficiency claims, and rejection claims, whether scheduled or based on proofs of claim on file excluding those listed in Class 2(a), must be listed in the above table.]

[All known non-priority unsecured creditors, including deficiency claims, and rejection claims, whether scheduled or based on proofs of claim on file excluding those listed in Class 2(a), must be listed in the above table.]

Allowed claims of 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 ONE (1) installments, due 30 days from the Effective Date or close of escrow, whichever comes first.

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 of Claim
NONE	

The following professionals have agreed to accept payment over time as follows: Mufthiha Sabaratnam, Counsel for Debtor, will wait till all Plan payments are made and case is closed to receive payments, when funds are available.

Name and Role of Professional	Estimated Amount
Mufthiha Sabaratnam Esq Attorney for Debtor	\$TBD

Payments will be made [monthly/ quarterly], due on the [number] day of the [month/quarter], starting [month & year] or upon approval by the court, whichever is later.

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
NONE	

(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
IRS	\$69,499.31	4%	\$72,786.91*	1
FTB	\$863.18	3%	\$863.18	1
SBOE	\$364.97	3%	\$364.97	1

*Per IRS letter dated 10/3/2016

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 will be paid [select one] [in full on the Effective Date] in [number] equal [monthly/quarterly] installments beginning on the first day of [month & year].

Name of Counter-Party	Description of Contract/Lease	Estimated Total Cure Amount	Installment Amount	Number of Installments
NONE				

(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
NONE	

(c) Executory contracts and unexpired leases not specifically assumed or rejected above will be deemed [select one] [assumed/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 [select one] [returned to Debtor] [distributed pro-rata among allowed claims in this class].

(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
None				

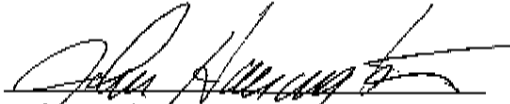
(g) Notices. Any notice to the Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

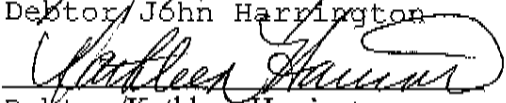
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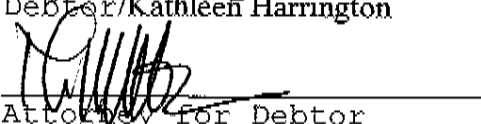
(h) Post-Confirmation United States Trustee Fees. Following confirmation, Debtor shall continue to pay quarterly fees to the United States Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor is required to make these payments, Debtor shall file with the court 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: 10/24/2016.


Debtor/John Harrington


Debtor/Kathleen Harrington


Attorney for Debtor
Mufthiha Sabaratnam

Attorney Certification

I, Mufthiha Sabaratnam, 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.

Non-Applicable Paragraphs in Part 1 were deleted.

On Page 6: Note 1: Claim #6 is a duplicate of Claim #4 Creditor has been contacted and requested to withdraw the duplicate claim. An objection will be filed unless withdrawn and duplicate claim will not be paid.

*** IRS Unsecured Claim is a Priority Non-Dischargeable Claim, which will increase by the addition of interest to \$25,150.76 which includes the interest on penalties from petition date to Effective Date. (IRS was requested and has provided the interest on the Priority Tax Claim and the Priority Non-Dischargeable Claim, by Debtor’s Counsel- See IRS Letter attached).**

EXHIBIT 4- Added a table.

I declare that the foregoing is true and correct. Executed this 22 day of October, 2016.

/s Mufthiha Sabaratnam
Attorney for Debtor(s)

Exhibit 1 - Events That Led To Bankruptcy

The bankruptcy case was filed on Debtors filed a Voluntary Petition under Chapter 13 on September 4, 2015. At the time of filing of the Petition, the approximate amount of **non-contingent unsecured debts and the secured debts**, was less than and within the statutory limit for Chapter 13. Debtors had listed, in their original schedules, the amounts owed as \$883,006.00 secured (Including \$250,000.00 to IRS), \$50,000.00 to FTB as Unsecured Priority, and \$36,880.00 general unsecured, totaling \$969,886.00, which was less than the limit for Chapter 13. The Internal Revenue Service (“IRS”) filed a proof of claim for the \$951,699.47 approximately on October 2, 2015. Of this claim, \$535,583.68 is secured, \$312,542.28 is Priority Unsecured and \$103,573.51 is General Unsecured. The unsecured priority portion of the IRS claim plus unsecured general portion of the IRS claim alone total \$416,115.79 making the unsecured debt higher than the limits set by 11 USC 109(e) for Chapter 13 cases, i.e., “of less than \$ 383,175”. This does not include the Unsecured Priority Claim of the Franchise Tax Board as listed in the Schedules in the amount of \$50,000 and general unsecured creditors in Schedule F in the amount of \$36,880.00.

The case was converted to a case under Chapter 11 on November 5, 2015.

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

Real Property #1: 9653 Alcosta Blvd., San Ramon, CA 94583

FMV per Trulia.com. Income tax is estimated capital gains

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
973,000.00	1 st 528,332.17 per POC	52,833.00	58,775.00	75,000.00	258,060.00
	2 nd				
	3 rd				

Real Property #2: 5520 Sahara Dr, Carnelian Bay, CA 96140

FMV per Trulia.com. Income tax is estimated capital gains

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
659,000.00	1 st 22,459.00 per POC	65,900.00	73,094.00	0	414,199.00
	2 nd 83,347.00 per POC				
	3 rd				

Real Property #3: 23826 Fagerlie Road, Auburn CA 95602 - Vacant Land

FMV of Unimproved vacant land estimated by debtor

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
200,000.00	1 st 14,068.00	20,000.00	27,000.00	0	128,932.00
	2 nd				
	3 rd				

Real Property #4: **2386 Davis St. San Leandro CA 94577**

FMV per Sale Agreement

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
750,000.00	1 st 49,506.00 Property taxes owed	75000.00	112,500.00	0	512,994.00
	2 nd				
	3 rd				

Personal Property:

Description	Liquidation Value	Secured Claim	Amt of Exemption	Net Proceeds
Cash + Bank accounts	4791.00	261,756.40 See Note below	0.00	0.00
Automobile 1994 Ford Mustang	5,000.00	261,756.40	0.00	0.00
Automobile 2005 Ford Expedition	2,000.00	261,756.40	2000.00	0.00
Automobile 2006 Ford F150	12,000.00	261,756.40	7,625.00	0.00
Automobile 1938 Ford Sedan Inoperable	0	261,756.40	0.00	0.00
Automobile 1987 Pontiac Inoperable	0	261,756.40	0.00	0.00
Automobile 1998 Peterbilt	20,000.00	261,756.40	0.00	0.00
Automobile 1997 Ford 250	1,000.00	261,756.40	0.00	0.00
1989 Mallard	5,000.00	261,756.40	0.00	0.00
2002 Trailer	4,000.00	261,756.40	0.00	0.00

Household Furnishings	4,000.00	261,756.40	4,000.00	0.00
Jewelry and Clothing	1,000.00	261,756.40	1,000.00	0.00
Equipment	600.00	261,756.40		0.00
B of A 401 K	80,000.00	261,756.40		0.00
Other Personal Property	300.00	261,756.40		0.00
TOTAL				0.00

Net Proceeds of Real Property and Personal Property		1,338,253.00
Recovery from Preferences / Fraudulent Conveyances	[ADD]	0.00
Chapter 7 Administrative Claims	[SUBTRACT]	0.00
Chapter 11 Administrative Claims	[SUBTRACT]	-70,000.00
Priority Claims	[SUBTRACT]	
Chapter 7 Trustee Fees	[SUBTRACT]	-72,145.00
Chapter 7 Trustee's Professionals	[SUBTRACT]	
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS		1,196,108.00

Estimated Amount of Unsecured Claims	42,395.96
Percent Distribution to Unsecured Creditors Under Proposed Plan	100%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	100%

NOTES

Secured claims above are total from IRS(POC#3-3)\$261,756.40
Cash is as of September 30, 2016 (from MOR)

Exhibit 3 - Monthly Income and Expenses

Income and Expenses are averaged over the past 3 months

Income	Amount
Gross Employment Income	7,715.00
Gross Business Income	3777.00
[OTHER INCOME - DESCRIBE]	
Positive Cash Flow on Investment Property (Exhibit 5, Line A)	0.00
A. Total Monthly Income	12492.00

Expenses	Amount
Includes Plan Payments on Secured Claims for Residence and Car	
Payroll Taxes and Related Withholdings	
Retirement Contributions (401k, IRA, PSP)	
Shelter Expenses (rent/mortgage, insurance, taxes, utilities) (Total Arrearages on Principal Residence are \$_____)	4216.00
Household Expenses (food & housekeeping)	1,443.00
Transportation Expenses (car payments, insurance, fuel)	1,852.00
Personal Expenses (e.g. recreation, clothing, laundry, medical)	
Alimony / Child Support	
Other Expenses - Business Expenses	2,750.00
Negative Cash Flow on Investment Property (Exhibit 5, Line B)	1,549.00
B. Total Monthly Expenses	11810.00

C. Disposable Income (Line A - Line B)	682.00
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Plan Payments	Amount
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	0.00
Priority Claims	0.00
General Unsecured Creditors	0.00
[OTHER PLAN PAYMENTS - DESCRIBE]	
D. Total Plan Payments	0.00

ALL CLAIMS WILL BE PAID IN FULL ON EFFECTIVE DATE

E. Plan Feasibility (Line C - Line D) (Not feasible if less than zero)	628.00
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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		389,312.88
Payments on Effective Date		
Secured Claims *	54152	
Administrative Expense Claims	TBD	
Priority Claims	74,016	
Unsecured Claims	67794	
U.S. Trustee Fees	4875.00	
B. Total Payments on Effective Date		320,835
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)		68478

*Not including Secured Claim of IRS which is paid through escrow according to Court Order on Motion for sale DKT #90.

PROCEEDS FROM SALE OF DAVIS PROPERTY

Sale Price	750,000.00
Liabilities Paid through Escrow	
IRS SECURED	272,259.25
Past Due Real Estate Taxes	51,656.00
Past Due Real Estate Taxes	6,779.32
Past Due Real Estate Taxes	3,066.03
FTB CA Withholding	24,975.00
Service Fee	45.00
Notary	40.00
County Transfer Tax Alameda	825.00
City Transfer Tax San Leandro	2,250.00
TOTAL PAID by Escrow	361,895.60
BALANCE	388,104.00
	1,209.00
FUNDS from Escrow	389,313.00

USING FUNDS FROM ESCROW:

PLAN PAYMENTS:

Secured		
1A	SECURED	5,577.55
1B	Secured	3,282.86
1C	Secured	31,223.93
1D	Secured	14,067.34
Total Secured		54,151.68
<u>Priority</u>		
IRS		72,786.91
FTB		864.00
SBE		365.00
Total Priority		74,015.91
Unsecured		67,794.00
Capital Gains Tax		120,000.00
UST Fees		4875
TOTAL		315,962.00
Balance		68,478

Exhibit 5 - Investment Property Analysis

Properties with Positive Monthly Cash-Flow:

Real Property #1 Income: [Insert Address]

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
	1 st				
	2 nd				
	3 rd				

Real Property #2 Income: [Insert Address]

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
	1 st				
	2 nd				
	3 rd				

A. Total Positive Cash Flow	
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Properties with Negative Monthly Cash-Flow:

Real Property #3 Income: 5520 Sahara Dr. Carnelian Bay, CA 98140

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
1,000.00	1 st 1,459.00	Payment includes Insurance and Taxes			(984.00)
	2 nd 525.00				
	3 rd				

Real Property #4 Income: 23826 Fagerlie Road, Auburn, CA 95602
Vacant Land

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
0.00	1 st 0.00		565.00		(565.00)
	2 nd				
	3 rd				

B. Total Negative Cash Flow	(1,549.00)
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