

United States Bankruptcy Court
Northern District of California

In re:
SHELDON KEITH PERRY

Case No. 15-52595 MEH
Chapter 11

PROPOSED COMBINED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT
June 15, 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: **5.00%** of their allowed claims in **quarterly** payments over **five (5) years**. 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.

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.

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PART 1: TREATMENT OF SECURED CREDITORS

Class 1A:

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

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
1A	Internal Revenue Service (Claim 1)	All of debtor(s) right, title and interest to property 26 U.S.C. §6321	\$9,574.77	3.00%	\$126.52	5 years

Unless otherwise noted in this plan or the attached stipulations, Debtor will pay the entire amount contractually due with interest through **360** equal monthly payments, due the **first** day of the month, starting **the first full month following the effective date of the plan**, on the above secured claims. 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.

**Class 1B:
Debtor to Strip Off Lien.**

Class	Name of Creditor	Collateral	Amount Due
1B ¹	Dreambuilder Investments LLC	1500 Camino Monde San Jose, California (Second Deed of Trust)	\$200,000

Prior to confirmation, Debtor will obtain an order(s) or stipulation(s) fixing the secured amount of the 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. 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.**

¹ Order Valuing Lien of Dreambuilder Investments LLC appears as Docket #109 filed on April 20, 2016.

Class 1C:

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
1C	LEHMAN XS TRUST MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2007-20N, U.S. Bank National Association, as Trustee	1500 Camino Monde San Jose, California (First Deed of Trust)	\$11,832.39 ²	\$20,000	0.00%	\$334.00

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 **Sixty (60)** equal monthly payments, due the **First (1st)** day of the month, starting **on the first full month after the effective date of the plan** on the above secured claim. To the extent arrears are determined to be other than as shown above, appropriate adjustments will be made in the number of payments. Creditor in this class shall retain its 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.**

² See **Exhibit 5**: Regular Monthly Payment is comprised of:
Principal \$2892; Interest \$6782.01; Escrow (Taxes & Insurance) \$2157.98:
Total equals \$11,832.39.

PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS

Class 2(a). Small Claims.

Name of Creditor	Amount of Claim	Amount to be Paid
PYOD, LLC its successors and assigns as assignee of FNBM, LLC (Claim 3)	\$383.82	\$383.82
Good Samaritan Hospital (Claim 5)	\$460.28	\$460.28

This class includes any creditor whose allowed claim is **\$5,000** or less, and any creditor in Class 2(b) whose allowed claim is larger than **\$5,000** but agrees to reduce its claim to **\$5,000**. Each creditor will receive on the Effective Date of the Plan a single payment equal to lesser of **100%** of its allowed claim or **\$5,000.00**.

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). General Unsecured Claims.

Name of Creditor	Amount of Claim	Disputed Y/N	Amount to be Paid	Quarterly Payment
Internal Revenue Service (Claim 1)	\$113,447.05	N	\$5,672.35	\$283.62
Dreambuilder LLC Investments (Per Class 1B)	\$200,000.00	N	\$10,000.00	\$500.00
Franchise Tax Board (Claim 2)	\$7,202.74	N	\$360.00	\$18.01

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 **Five (5.00%)** percent of their allowed claim in **20** equal **Quarterly** installments, due on the **15th** day of the **quarter**, starting **the first full quarter following the effective date of 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.

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
Lee & Li, Attorneys at Law	\$10,000

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, starting **on the first full month after the effective date of the plan** or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount	Payment Amount	Number of Payments
NONE			

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 **quarterly**, due on the **15th** day of the **quarter**, starting **July 2016**. 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 (Claim 1)	\$158,605.24	3.00%	\$10,556.57	16
Franchise Tax Board (Claim 2)	\$24,631.09	3.00%	\$1,639.42	16

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 **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
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:

Sheldon Keith Perry
1500 Camino Monde
San Jose, CA 95125

(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 15, 2016**

/s/ Sheldon Keith Perry

Debtor

Debtor

/s/ Michael D. Lee

Attorney for Debtor

Attorney Certification

I, **Michael D. Lee**, 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.

1. Language on Page 3, regarding "Debtor to Adjust Terms and Pay Amount Due in Full Over Time" altered to state "starting on first full month after the effective date of the plan".
2. Language on Page 5, regarding "Debtor to Make Regular Payments and Pay Arrears Over Time" altered to state "starting on first full month after the effective date of the plan".
3. Language on Page 7, regarding Class 2(b), altered to state "starting on first full month after the effective date of the plan".

I declare that the foregoing is true and correct.
Executed this 15th day of June, 2016.

/s/ Michael D. Lee
Attorney for Debtor(s)

Exhibit 1 - Events That Led To Bankruptcy

The circumstances that precipitated the filing of this bankruptcy case where a combination of temporary decline in self-employment earnings related to the decline of the Northern California real estate market. These circumstances were temporal and Debtor's financial condition has improved.

Debtor and Debtor's non-filing Spouse own and operate the business Invest InDeed, Inc. - formerly operated as Excel Financial. The business operation is a real estate lending company that originates loans secured by real estate. The business also services select groups of these loans. Debtor's business and thus his ability to generate income is directly related to the overall health and stability of the general United States real estate economy.

During the US Financial Crisis and Recession, Debtor's business suffered dramatic decline as the business model was founded on real estate lending - an industry devastated by the crisis. As a result of the crisis and downturn, fewer loans were originated and fewer loans were serviced, thus a decline in Debtor's income resulted. The decline in income caused Debtor to become delinquent on Debtor's First and Second Deed of Trust on his primary residence. Debtor also became delinquent on Federal Income Tax payments.

Recently the Northern California real estate market has improved and as a result Debtor's business has also improved dramatically enabling reasonably high income. Debtor believes this income can be used to resolve Debtor's financial problems that are confined to (1) the primary residence, (2) federal and state income taxes, (3) various general unsecured creditors. Debtor believes that he will be able to propose a feasible and code compliant chapter 11 plan of reorganization.

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

Real Property #1: 1500 Camino Monde, San Jose, CA 95125

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
\$2,200,000	1 st \$2,325,000	\$132,000	\$0.00	\$0.00	\$0.00
	2 nd \$200,000				
	3 rd				

Personal Property:

Description	Liquidation Value	Secured Claim	Amt of Exemption	Net Proceeds
Cash	\$5,000	\$0.00	\$5,000	\$0.00
Automobile #1 ³	\$4,937	\$0.00	\$0.00	\$4,937
Automobile #2 ⁴	\$6,562	\$0.00	\$0.00	\$6,562
Automobile #3 ⁵	\$1,500	\$0.00	\$0.00	\$1,500
Automobile #4 ⁶	\$36,932	\$28,382.00	\$8,550	\$0.00
Automobile #5 ⁷	\$5,054	\$0.00	\$0.00	\$5,054
Household Furnishings ⁸	\$13,000	\$0.00	\$13,000	\$0.00
Jewelry	\$5,000	\$0.00	\$5,000	\$0.00
Equipment	NONE	NONE	NONE	NONE
Stocks / Investments ⁹	\$128.55	\$0.00	\$0.00	\$128.55
Other Personal Property ¹⁰	\$15,000	\$0.00	\$15,000	\$0.00
TOTAL				\$18,181.55

Net Proceeds of Real Property and Personal Property	\$18,181.55
Recovery from Preferences / Fraudulent Conveyances [ADD]	\$0.00
Chapter 7 Administrative Claims [SUBTRACT]	\$0.00

³ 2001 GMC Yukon LX Denali

⁴ 2006 BMW x5

⁵ 1986 BMW 535i

⁶ 2012 BMW 750li

⁷ 2006 Mercedes CLK 500

⁸ Schedule B Items: #4, 5, 6, 8.

⁹ Schedule B Item: #13 - GE Stock 5 Shares

¹⁰ Schedule B Item: #14 - Invest InDeed, Inc.

Chapter 11 Administrative Claims	[SUBTRACT]	\$10,000
Priority Claims	[SUBTRACT]	\$87,742.79
Chapter 7 Trustee Fees ¹¹	[SUBTRACT]	\$2,568.16
Chapter 7 Trustee's Professionals	[SUBTRACT]	\$0.00
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS		\$0.00

Estimated Amount of Unsecured Claims	\$87,443
Percent Distribution to Unsecured Creditors Under Proposed Plan	5.00%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	0.00%

¹¹ Trustees Fees: 25% of first \$5,000; 10% of next \$45,000.

Exhibit 3 - Monthly Income and Expenses

Income	Amount
Gross Employment Income	\$0.00
Gross Business Income	\$16,000
Contribution from Non-Filing Spouse	\$16,000
A. Total Monthly Income	\$32,000

Expenses	Amount
Includes Plan Payments on Secured Claims for Residence and Car	
Payroll Taxes and Related Withholdings	\$6,500
Retirement Contributions (401k, IRA, PSP)	\$0.00
Shelter Expenses - Mortgage ¹² , Taxes ¹³ , Insurance ¹⁴ (Total Arrearages on Principal Residence are \$20,000 est.)	\$11,832.39
Shelter Expenses - Maintenance, Utilities, Cable/Internet, Pool & Gardening.	\$2,160
Household Expenses (food)	\$1,500
Transportation Expenses (car payments, insurance, fuel)	\$1,185
Personal Expenses (e.g. recreation, clothing, laundry, medical)	\$1,600
Alimony / Child Support	\$0.00
Insurance (Life, Health, Dental)	\$1,780
B. Total Monthly Expenses	\$26,557.00

C. Disposable Income (Line A - Line B)	\$5,443.00
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Plan Payments	Amount
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	\$0.00
Priority Claims ¹⁵	\$4,065.33
General Unsecured Creditors ¹⁶	\$801.63
Secured Tax Payments	\$126.52
Secured Arrears Payments - Class 1C	\$334.00

¹² See Exhibit 5: Principal \$2892; Interest \$6782.01

¹³ See Exhibit 5: Taxes included in Escrow.

¹⁴ See Exhibit 5: Insurance included in Escrow

¹⁵ Quarterly Payments of \$10,556.57 IRS and \$1,639.42 FTB - Total \$12,195.99. Monthly Payments approximate \$4,065.33.

¹⁶ Quarterly Payments of \$783.62 thus Monthly Payments approximate \$261.21.

D. Total Plan Payments	\$5,327.48
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E. Plan Feasibility (Line C - Line D) (Not feasible if less than zero)	\$115.13
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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		\$5,000
Payments on Effective Date		
Unclassified Claims	\$0.00	
Administrative Expense Claims	\$0.00	
Priority Claims	\$0.00	
Small Claims (Class 2(a))	\$844.10	
U.S. Trustee Fees	\$650.00	
B. Total Payments on Effective Date		\$1494.10
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)		\$3,505.90

Exhibit 5 - Nationstar Payment Letter



8950 Cypress Waters Blvd.
Coppell, TX 75019

March 4, 2016

SHELDON PERRY
1500 CAMINO MONDE
SAN JOSE, CA 95125

Loan Number: [REDACTED] 3333
Changes to Your Mortgage Interest Rate and Payments on 05/01/2016

Under the terms of your Adjustable Rate Mortgage (ARM), your current interest rate has been **3.250%**. That rate ends on **42461**, so on that date your interest rate changes. After that, your interest rate and monthly payment change every **6** months for the life of your loan.

	Current Rate and Monthly Payment	New Rate and Monthly Payment
Interest Rate	3.250%	3.625%
Principal	\$0.00	\$2892.00
Interest	\$6079.61	\$6782.01
Escrow	\$2157.98	\$2157.98
TOTAL MONTHLY PAYMENT	\$8237.59	\$11832.39 due 5/1/2016

Interest Rate: We calculated your interest rate by taking a published "index rate" and adding a certain number of percentage points, called the "margin". Under your loan agreement, your index rate is the **AVERAGE OF THE LONDON INTERBANK OFFERED RATES FOR SIX-MONTH US DOLLAR DENOMINATED DEPOSITS** and your margin is **2.75%**. The **AVERAGE OF THE LONDON INTERBANK OFFERED RATES FOR SIX-MONTH US DOLLAR DENOMINATED DEPOSITS** is published **DAILY IN THE PRINT EDITION OF THE WALL STREET JOURNAL**.

Rate Limits: Your rate cannot go higher than **15.25%** or lower than **2.75%** over the life of the loan. Your rate on the first change cannot be increased by more than **6%** or decreased by more than **6%**. On all subsequent changes, your rate will not increase by more than **2%** or decrease by more than **2%**.

New Interest Rate and Monthly Payment: The table above shows your new interest rate and new monthly payment. These amounts are based on the **AVERAGE OF THE LONDON INTERBANK OFFERED RATES FOR SIX-MONTH US DOLLAR DENOMINATED DEPOSITS** index, your margin of **2.75%**, your loan balance of **2245079.23**, and your remaining loan term of **258**.

Interest-Only Payments: Your new payment will not cover any principal. Therefore, making this payment will not reduce your loan balance. In order to fully pay off your loan by the end of the loan term at the new interest rate, you would have to pay **\$14699.42** per month.

Prepayment Penalty: Nationstar Mortgage LLC will not assess a prepayment penalty at any time in the event you would like to pay part or all of your mortgage balance.

If you should have any questions regarding this notification, please contact our Customer Service Department at 1-888-480-2432 Monday through Thursday between 8 a.m. and 8 p.m. (CST), Friday, between 8 a.m. and 5 p.m. (CST) or Saturday between 8 a.m. and 2 p.m. (CST) or visit us on the web at www.MyNationstarMtg.com.

This is an attempt to collect a debt, and any information obtained will be used for that purpose. However, if this debt is involved with bankruptcy or has been discharged in a bankruptcy proceeding, this communication is not an attempt to collect a debt against you and any information obtained or given will be for informational purposes only.

