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8 **UNITED STATES BANKRUPTCY COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA – OAKLAND DIVISION**

10 In re:

11 TAOW LLC,

12 Debtor.

13 No. 18–40158
14 Chapter 11

15 **DEBTOR’S DISCLOSURE STATEMENT**

16 **I. INTRODUCTION**

17 **A. Purpose of this Document**

18 This Disclosure Statement contains information about the Chapter 11 bankruptcy case
19 of TAOW LLC ("Debtor") and describes the Debtor's Plan of Reorganization ("Plan"). A copy
20 of the Plan is attached to this Disclosure Statement as Exhibit A.

21 *Your rights may be affected by the Plan. You should read the Plan and this Disclosure*
22 *Statement carefully and discuss them with an attorney.*

23 This Disclosure Statement describes the financial condition of the Debtor, significant
24 events during the bankruptcy case, and when and how much creditors will be paid if the
25 Bankruptcy Court confirms the Plan. It also describes which creditors can vote to accept or
26 reject the Plan, and the factors the Bankruptcy Court considers in deciding whether to confirm
the Plan.

27 This Disclosure Statement also discusses why the Debtor believes that it can make the
28 payments required by the Plan, and whether the Plan pays creditors at least as much as they
would receive if the Debtor had filed for relief under Chapter 7 of the Bankruptcy Code.

1 The Plan designates seven (7) classes of claims and specifies which classes are impaired
2 by the Plan and which classes are not impaired. The Plan provides the means for its
3 implementation by vesting the assets of the estate in the Debtor upon confirmation and providing
4 for the payment of claims as provided in the Plan. The manner, amount, and timing of
5 distributions to each creditor is determined by the provisions of the Plan. The provisions of the
6 confirmed Plan bind the Debtor, and the creditors of the Debtor, whether they have accepted the
7 Plan and whether they are impaired by the Plan.

8 Distributions under the Plan are in exchange for, and in complete satisfaction of,
9 existing claims and will discharge and release all such claims and liens as against the Debtor,
10 except as otherwise provided in the Plan. After confirmation, all holders of impaired claims and
11 interests shall be precluded from asserting any claim against the Debtor or its property based on
12 any transaction or other activity of any kind that occurred prior to commencement of the case,
13 except as otherwise provided for under this Plan.

14 **B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

15 The Court will hold a hearing to determine whether the Plan meets the requirements
16 for confirmation. The date and time of the confirmation hearing is in the Notice of the hearing.

17 If you may vote to accept or reject the plan, please indicate your acceptance or
18 rejection of the Plan on the enclosed ballot and return the ballot to counsel for the Debtor,
19 Lawrence L. Szabo, 3608 Grand Ave., Oakland, CA 94610.

20 Your ballot must be received by [insert date]. Untimely-received ballots will not be
21 included in the tally of ballots.

22 Objections to this Disclosure Statement or to the confirmation of the Plan must be filed
23 and served upon Debtor's counsel by [insert date].

24 If you want additional information about the Plan, contact Lawrence L. Szabo, 3608
25 Grand Ave., Oakland, CA 94610, 510-834-4893, szabo@sbcglobal.net.

26 **C. Representations in the Disclosure Statement**

27 Debtor has made reasonable efforts to insure the information in this Disclosure
28 Statement is accurate, complete and free from error; however, Debtor cannot guarantee that
the information in this Disclosure Statement is without error. All estimates and analysis
regarding Debtor's assets, claims against Debtor, property values, and pending or anticipated
litigation, are Debtor's best estimates.

The Court may conditionally find this Disclosure Statement to contain adequate
information to enable parties affected by the Plan to make an informed judgment about the Plan.
The Court has not yet determined whether the Plan meets the legal requirements for
confirmation. The Court's conditional approval of this Disclosure Statement is not an
endorsement of the Plan by the Court, or a recommendation it be accepted. The Court's
conditional approval of this Disclosure Statement is subject to final approval at the hearing on
confirmation of the Plan.

1 **II. BACKGROUND**

2 **A. Description and History of the Debtor**

3 TAOW LLC is a California limited liability company organized by Rene G. Boisvert
4 ("Boisvert") in January of 2010. Boisvert is Debtor's sole member and manager.

5 In 1984, Boisvert purchased the single-family, 2–bedroom, 1400 sq. ft. residence
6 known as 610 Boulevard Way, Oakland California. Boisvert has resided in the property and
7 used it as his business office continually ever since. Boisvert transferred 610 Boulevard Way to
8 the Boisvert Trust in September 2004. Boisvert was self-employed as a licensed California real
9 estate broker engaged in arranging real estate loans, representing parties in real estate sale
10 transactions, and providing consulting services to real estate developers and investors. Around
11 2004, Boisvert also began the business of identifying and procuring land in Oakland, California
12 to develop into residential properties. Boisvert typically forms a single-member limited liability
13 company which, by itself, or with other investors, develop residential properties.

14 In February 2008, Donald M. De Gutz, purchaser of a home developed by Boisvert, filed
15 a complaint for breach of contract against Boisvert and entities owned and controlled by
16 Boisvert in Alameda County Superior Court. In September of 2009, the Alameda County
17 Superior Court awarded De Gutz a judgment against Boisvert and entities controlled by
18 Boisvert for \$161,732.56, and in February of 2010, the Court awarded De Gutz \$50,000 in
19 attorney’s fees (together, "the Judgment"). De Gutz filed an abstract of the Judgment in the
20 Official Records of Alameda County on September 30, 2009.

21 On December 9, 2009, the Boisvert Trust executed and delivered a deed of trust for 610
22 Boulevard Way to 800 Center LLC, an entity controlled by Boisvert. The Deed of Trust states
23 it is granted to secure payment of a \$240,000 promissory note.

24 De Gutz assigned the Judgment to Lars Lohan in September 2011. On September 14,
25 2012, the Superior Court granted Lohan “charging orders” against 800 Center LLC and TAOW
26 LLC whereby Boisvert's membership interests in the entities were charged with the unpaid
27 balance of the Judgment. The charging orders require the entities to give Lohan, instead of
28 Boisvert, any distributions they may make to Boisvert on account of his membership interests.

The Boisvert Trust transferred 610 Boulevard Way to TAOW LLC by a deed filed in the
Official Records of Alameda County on April 12, 2012. TAOW LLC entered into a lease
agreement with Boisvert for 610 Boulevard Way dated June 10, 2012 whereby Boisvert agrees
to pay the mortgage debt, insurance and taxes for the property. TAOW LLC also agreed to a 25-
year lease for the separate studio-office space on the property with "Taking it to the Streets", a
non-profit charity Boisvert organized, for rent of \$1 per year.

On January 21, 2014 the Superior Court entered an order declaring that 800 Center
LLC’s interest in the Deed of Trust became a distributive interest to Boisvert subject to Lohan’s
charging order lien. The Superior Court apparently reasoned that 800 Center LLC had
dissolved, and it therefore had to make a distribution of its assets, including its Deed of Trust
for 610 Boulevard Way, to Boisvert. The Superior Court assigned to Lohan the beneficial

1 interest of the Deed of Trust, and the note it described. The Superior Court also ruled that Lohan
2 "may make demand to Boisvert for payment in full on the face value of the Deed of Trust in the
3 amount of \$240,000 forthwith" and that "[if] Boisvert fails to satisfy the indebtedness under the
4 Deed of Trust within 60 days of the date of this order, Lohan may apply to this court for
5 authorization to exercise further rights as an assignee under the law, including the power of sale
6 under the Deed of Trust ...".

7 On August 17, 2017, the Superior Court granted charging orders against Boisvert's
8 membership interests in KASO LLC, MG2 LLC, and MGJV LLC. On the same day, the
9 Superior Court also granted Lohan's request for an order authorizing Lohan to exercise the
10 power of sale under the Deed of Trust. Boisvert filed a notice of appeal of the court's order on
11 August 31, 2018, which is pending. Lohan recorded a notice of a sale pursuant to the Deed of
12 Trust, to be held on January 19, 2018. Debtor filed for relief under Chapter 11 on January 18,
13 2018.

14 **B. Avoidable Transfers and Other Litigation**

15 Bankruptcy law allows a bankruptcy estate to avoid certain transfers of a debtor's
16 property that occurred before the bankruptcy case is filed. To the best of Debtor's knowledge,
17 Debtor made no avoidable preferential payments to a creditor before filing its case.
18 Bankruptcy law also allows a bankruptcy estate to avoid transfers made by a debtor with the
19 intent to hinder, delay or defraud creditors, or transfers for which the debtor received a less
20 than a reasonably equivalent value. Debtor did not make such transfers. Debtor therefore does
21 not intend to pursue preference, fraudulent conveyance, or other avoidance actions. The Plan
22 gives the Debtor the right to pursue such actions if the Debtor discovers grounds for such
23 actions. Debtor was not involved in any litigation when it filed for bankruptcy relief, and it
24 does not believe that it has any cause of action or claims against any other party. The Plan
25 gives the Debtor the right to prosecute any other legal claim or actions.

26 **C. Claims Objections**

27 The Plan preserves the right of parties to object to claims. If someone objects to your
28 claim the court may temporarily allow your claim for voting purposes, but the Plan will pay
your claim only if the court allows your claim for all purposes. The procedures for resolving
disputed claims are in Paragraph 7.1 of the Plan. Debtor is not aware of grounds to object to an
allowed claim and does not expect to object to any allowed claims. The bar date for filing
claims by non-governmental units is May 29, 2018.

29 **III. SUMMARY OF THE PLAN OF REORGANIZATION**

30 Section II of the Plan places the holders of claims against the Debtor and its property the
31 holders of interests in the Debtor in various classes and describes the treatment each class will
32 receive under the Plan. Section III of the Plan states which classes of claims or interests are
33 "unimpaired" under the Plan. If a Plan does not alter the legal, equitable and contractual rights
34 of the holder of a claim or interest, such claim or interest is "unimpaired". Only a class of
35 claims or interests impaired by the Plan may "vote" on the Plan, i.e., accept or reject the Plan.

1 **A. Unclassified Claims**

2 The Code does not require a Plan to classify certain types of claims. The Code requires
3 the full payment of such claim and deems such claims "unimpaired". Holders of unclassified,
4 unimpaired claims may not vote on the Plan; however, they may object to confirmation if their
5 treatment under the Plan does not comply with Bankruptcy Code requirements. Unclassified
6 claims include:

7 **1. Administrative Expenses.** Administrative expenses are the costs and
8 expenses of administering a Debtor's chapter 11 case, including the Debtor's attorney's fees, as
9 allowed under § 507(a)(2) of the Code. The Code requires Debtor to pay all allowed
10 administrative expenses on the effective date of the Plan unless a claimant agrees to a different
11 treatment. Such costs and expenses include post-petition expenses arising in the ordinary
12 course of business, professional fees and fees due the Office of the U.S. Trustee. The Plan
13 requires Debtor to pay the allowed administrative cost of Debtor's attorney fees, estimated at
14 \$30,000, by December 31, 2018. The Plan also requires Debtor to pay fees due the Office of
15 the U.S. Trustee on the effective date of the Plan, which, most likely, will be the minimum
16 quarterly fee of \$325.00.

17 **2. Priority Tax Claims.** Priority tax claims are unsecured income,
18 employment, and other taxes entitled to priority payment under § 507(a)(8) of the Code.
19 Unless the holder of a § 507(a)(8) priority tax claim agrees otherwise, § 1129 (a) (9) (C) of the
20 Code requires a plan to pay such claim in full, with interest, in equal regular installments over
21 a period not exceeding 5 years from filing the Chapter 11 case. The State of California,
22 Franchise Tax Board (FTB) has filed a \$4,260.29 priority claim against the Debtor. The Plan
23 requires Debtor to pay the allowed amount of the FTB's priority tax claim, plus interest at 4%
24 *per annum*, in equal installments on December 31, 2018, December 31, 2019, and December
25 21, 2020.

26 **B. Designated Classes of Claims and Equity Interests**

27 **1. Classes of Secured Claims – Classes 1 through 6.** Section II of the Plan
28 designates six classes of claims secured by interests in the Debtor's real property: Classes 1, 2,
3, 4, 5, and 6. The Plan does not alter the legal, equitable and contractual rights of the holders
of Classes 1, 2 and 3 claims. The holders of Classes 1, 2 and 3 claims may not accept or reject
the Plan.

2. Class of Non-priority Unsecured Claims – Class 7. Section II of the Plan
designates "Class 7" as allowed claims not secured by property of the estate and that have no
priority for payment under § 507(a) of the Code. The State of California, Franchise Tax Board
has filed a proof of a \$5,352.29 non-priority unsecured claim against the Debtor. The Plan
requires the Debtor to pay "Class 7" claims the allowed amount of their claims, plus interest at
2.32% per annum (the legal rate for federal court judgments) in equal installments on December 31,
2018, December 31, 2019, and December 21, 2020. Because the estate of the Debtor may be
solvent, Class 7 claimholders may accept or reject the Plan.

1 **3. Class of Equity Interests – Class 8.** Equity interest holders are entities
2 which hold an interest in the Debtor's property after payment of all claims against the Debtor
3 and its property. Section II of the Plan designates "Class 8" as the equity interest of Rene G.
4 Boisvert, the sole member of the Debtor, in property of the Debtor's estate. The Plan leaves
5 Boisvert's legal, equitable and contractual rights in the Debtor unaltered. Boisvert may not
6 accept or reject the Plan.

7 **C. Implementation of the Plan**

8 Paragraph 6.1 of the Plan states that all property of the bankruptcy estate shall revert in
9 the Debtor upon confirmation of the Plan. The Debtor will retain its interests in the real
10 property known as 610 Boulevard Way, Oakland California, and its interest in its consulting
11 contracts with MGJV LLC and KASO LLC. The primary source of money to be distributed
12 under the Plan is Debtor's contracts with MGJV and KASO. The secondary source is a
13 prospective loan secured by 610 Boulevard Way.

14 In April 2015 Debtor contracted with MGJV LLC to provide real estate consulting
15 services for developing up to five single-family homes at the intersection of 11th Street and
16 Mandela Parkway in Oakland, California. Debtor's contract with MGJV LLC requires MGJV to
17 pay Debtor \$110,000 upon the sale of the first of the final two homes of the project, and
18 \$60,000 upon the sale of the final home.

19 In August 2015 Debtor contracted with KASO LLC to provide consulting services for
20 developing a single-family home at 2903 Magnolia Street, Oakland, California. In February
21 2016 Debtor contracted with KASO LLC to provide consulting services for developing a single-
22 family home at 1486–34th Street, Oakland, California. Debtor's contracts with KASO LLC
23 require KASO LLC to pay Debtor \$85,000 and \$87,500, respectively.

24 Rene G. Boisvert, the sole and managing member of the Debtor, is the sole and
25 managing member of MG2 LLC. MG2 LLC is the managing member of, and holds a 65%
26 membership interest, in MGJV LLC. Majua & Noyon LLC is the other member of MGJV.
27 Boisvert has no interest in Majua & Noyon LLC. MGJV LLC was formed in January of 2015
28 as a joint venture to develop land at the intersection 11th Street and Mandela Parkway in West
Oakland. Majua and Noyon LLC contributed the land to the joint venture. The parties agreed
to a value of \$200,000 for the contributed land. The joint venture agreement provides that
Majua & Noyon LLC shall be reimbursed for its \$200,000 land contribution by receiving
\$40,000 from the sale of each house ($\$40,000 \times 5 = \$200,000$).

 MGJV LLC has successfully developed the 11th Street land into five, 1550 sq. ft. single-
family residences: 1408, 1410, 1412, 1414 and 1416–11th Street. MGJV LLC sold 1408–11th
Street for \$820,00 in February 2017; 1410–11th Street for \$839,000 in March 2017; and 1412–
11th Street for \$826,000 in March of 2017. However, MGJV LLC did not reimburse Majua &
Noyon LLC for its \$200,000 land contribution from these sales because the proceeds of the
sales were used to pay the construction costs of 1414 and 1416–11th Street. 1414 and 1416–11th
Street are constructed and await final permit approval and certificates of occupancy.

1 MGJV LLC expects to sell 1416 –11th Street for \$830,000 by December 31, 2018.
2 Debtor will receive **\$115,000** for its real estate consulting services from the proceeds of the sale,
3 and Majua & Noyon LLC will receive the three \$40,000 payments due from the prior three
4 sales, plus \$40,000 for the present sale. MGJV believes that the net sale proceeds will be as
5 follows:

6	Anticipated sale price:	\$830,000.00
7	Deed of trust, Construction loan	400,000.00
8	Majua & Noyon LLC (4 x \$40,000)	160,000.00
9	Broker/Closing costs, 6%	50,000.00
10	TAOW LLC consulting services	<u>115,000.00</u>
11	Anticipated net proceeds:	\$105,000.00
12	65% interest of MG2 LLC	\$68,250.00
13	35% interest of Majua & Noyon LLC	\$36,575.00

14 KASO LLC expects to complete and sell 2903 Magnolia Street for \$700,000.00 by
15 December 31, 2019. Debtor will receive \$85,000 for its real estate consulting services from the
16 sale proceeds. KASO LLC believes that the net sale proceeds will be as follows:

17	Anticipated sale price:	\$700,000.00
18	Deed of trust, Construction loan	400,000.00
19	Deeds of trust, land purchase	50,000.00
20	Deed of trust, land purchase	40,000.00
21	Broker/Closing costs, 6%:	42,000.00
22	TAOW LLC consulting services	<u>85,000.00</u>
23	Anticipated net proceeds to KASO LLC:	\$83,000.00

24 KASO LLC expects to complete and sell 1486–34th Street for \$735,000.00 by December
25 31, 2020. Debtor will receive \$87,500 for its real estate consulting services from the sale
26 proceeds. KASO LLC believes that the net sale proceeds will as follows:

27	Anticipated sale price:	\$735,000.00
28	Deed of Trust, construction loan, anticipated	450,000.00
29	Deed of trust securing loan to acquire land	\$80,000.00
30	Broker/closing costs	44,000.00
31	TAOW consulting services	<u>87,500.00</u>
32	Anticipated net proceeds to KASO LLC:	\$73,500.00

33 The additional funds required to fund the Plan will be obtained by refinancing 610
34 Boulevard Way on or before December 31, 2021. Debtor valued 610 Boulevard Way at
35 \$883,703 in its schedules because the website "Realtor.com" estimated the value as such.
36 "Zillow.com" values the property at \$1,416,309. "Redfin" estimates the value at \$1,081,812.
37 Boisvert brokered home loans broker for over 10 years and believes that 610 Boulevard will
38 have sufficient equity in 2020 to support a refinancing which will net at least \$200,000.

D. Risk Factors

1
2 2903 Magnolia is partly constructed and construction of 1486–34th Street has not yet
3 begun. Unforeseen construction expenses may arise, and construction costs could escalate.
4 The housing market may change, which could result in the inability to sell the properties at their
5 projected prices. A reduction in home values could negatively affect the refinancing of 610
6 Boulevard Way.

7 **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

8 The bankruptcy court must find that the Plan must meet the requirements listed in §§
9 1129 (a) or (b) of the Code before it may be confirmed by the court. A Plan may be
10 confirmed if (i) it is accepted by each impaired class, or (ii) it is accepted by at least one
11 impaired class (exclusive of insiders) and the Court determines that the plan is “fair and
12 equitable” (as defined by 11 U.S.C. § 1129(b)) to rejecting classes of creditors. The issues
13 regarding the bankruptcy court's determination of whether a plan is "fair and equitable" are
14 complex. If the Debtor asks the bankruptcy court to confirm the Plan over a Class's rejection
15 of the Plan, consult an attorney for advice if you are a member of the rejecting Class.

16 Under section 1126 (c) of the Code, a class of claims has accepted a plan if such plan
17 has been accepted by creditors that hold at least two-thirds in amount and more than one-half
18 in number of the allowed claims of such class held by creditors that have voted.

19 There are other requirements for confirmation of a plan. You may wish to discuss with
20 your attorney whether the Plan meets all the requirements for confirmation.

21 **A. Who May Object to Confirmation of the Plan?**

22 Even if you are not entitled to "vote" on the Plan, you may object to the confirmation
23 of the Plan and to the adequacy of this disclosure statement. An objection to confirmation
24 must be filed, served on interested parties, and state the grounds for the objection. Even if
25 you are not entitled to "vote" on the Plan, you may object to the confirmation of the Plan and
26 to the adequacy of this disclosure statement.

27 **B. Who May Vote on the Plan?**

28 A creditor or equity interest holder may "vote", *i.e.*, accept or reject the Plan, if it
holds an "allowed" claim or equity interest, unless the creditor or interest holder is a member
of a class of claims or interests that is "unimpaired" by the Plan, or a member of a class that
receives no distribution under the plan. Classes 1, 2, 3 and 8 are unimpaired by the Plan.
The Plan impairs the claims of Classes 4, 5, 6 and 7.

1. What is an allowed claim or equity interest? All claims listed by a debtor
on the schedules it files with the court, except those scheduled as disputed, contingent or
unliquidated, are deemed allowed in the amount scheduled unless a creditor files a proof of
claim or a party objects to a claim. If a creditor or interest holder files a proof of claim or
equity interest, the claim is deemed allowed as stated on the claim unless somebody files an
objection to the allowance of the claim. Debtor scheduled the claim of Lars Lohan as a
\$401,000, disputed claim. No party has objected to the allowance of a claim. The court

1 established May 29, 2018 as the "deadline" for filing a proof of claim, except for "a
2 government unit", which must "filed before 180 days after the date relief was entered."

3 If a claim or equity interest is not allowed because an objection has been filed, the
4 holder of the claim or equity interest cannot vote on the Plan unless the bankruptcy court,
5 after notice and hearing, either overrules the objection or temporarily allows the claim or
6 equity interest to accept or reject the Plan as provided by Rule 3018(a) of the Federal Rules
7 of Bankruptcy Procedure.

8 **2. Claims not entitled to vote.** The holders of these types of claims and equity
9 interests may not accept or reject the Plan:

- 10 (a) claims and equity interests disallowed by a court order, unless the claim or
11 interest is temporarily allowed for voting purposes;
- 12 (b) claims or equity interests of the members of an unimpaired class;
- 13 (c) holders of claims entitled to priority under sections 507 (a) (2) (administrative
14 expenses and certain statutory fees), 507(a)(3) (certain claims allowed in an
15 involuntary case, and 507(a)(8) (allowed unsecured claims of governmental
16 units for certain taxes) of the Bankruptcy Code;
- 17 (d) holders of claims or equity interests in classes that do not receive or retain any
18 value under the Plan; and
- 19 (e) administrative expense claims.

20 **3. Who can vote in more than one class?** A creditor who hold claims in
21 multiple classes may accept or reject a Plan in each capacity. Under section 506 of the Code
22 a claim secured by a lien on property in which the estate has an interest may be "bifurcated",
23 i.e., allowed partly as a secured claim and partly as an unsecured claim. Nobody has
24 requested that the bankruptcy court bifurcate a claim a claim secured by a lien on property.
25 To the best of Debtor's knowledge, none of Debtor's creditors hold a claim in multiple
26 classes.

27 **4. Solicitation of votes.** Nobody may solicit your vote to accept or reject any
28 plan during the bankruptcy case unless, at or before the time of the solicitation, you have been
provided with the plan or a summary of the plan and a written disclosure statement that has
been approved by the court as containing adequate information for you to make an informed
judgment about the plan. Then any person may solicit your vote for or against the Plan.

23 **C. Liquidation Analysis**

24 If a class of impaired claims rejects the Plan, the court cannot confirm the Plan unless
25 the Bankruptcy Court finds that the rejecting class will receive or retain property under the
26 Plan no less than if Debtor's bankruptcy estate were liquidated under chapter 7 of the
27 Bankruptcy Code. Debtor's Plan pays all impaired, allowed claims in full, plus interest. A
28 rejecting class of impaired claims will receive or retain property under the Plan no less than
if Debtor's bankruptcy estate were liquidated under chapter 7.

D. Feasibility

1 The Plan cannot be confirmed unless the court finds it feasible. A Plan is feasible if
2 confirmation of the Plan is not likely to be followed by Debtor's liquidation or need for
3 further financial reorganization. The Debtor believes the Plan is feasible because, both on
4 the Effective Date and during the Plan, the Debtor will have sufficient cash to make all
5 distributions. Projected revenues, expenses, borrowings and proposed payments to creditors
6 during the Plan's term are specified in Exhibit B to this Disclosure Statement.

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10 **V. EFFECT OF CONFIRMATION OF THE PLAN**

11 **A. Discharge.**

12 Paragraph 9.1 of the Plan provides that Debtor will be discharged from existing debts as
13 provided by 11 U.S.C. §524, to the extent such discharge is effective under 11 U.S.C. §1141.
14 Generally, this means that the discharge occurs when the Plan is confirmed.

15 **B. Default remedies.**

16 Paragraph 9.2 of the Plan establishes the remedies creditors have if Debtor defaults in
17 its Plan obligations.

18 **C. Modification of Plan**

19 The Debtor may request the Court's approval for a modification of the Plan before
20 confirmation of the Plan. However, the Court may require a new disclosure statement and re-
21 voting on the Plan if such modification effects non-consenting classes of claims.

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Dated: May 18, 2018

By: /s/ Rene G. Boisvert
Rene g. Boisvert, Managing Member

Dated: May 18, 2018

/s/ Lawrence L. Szabo
LAWRENCE L, SZABO, Attorney for Debtor

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7
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9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA – OAKLAND DIVISION**

11 In re:

12 TAOW LLC,

13 Debtor.

14 No. 18-40158
15 Chapter 11

16 **DEBTOR'S PLAN OF REORGANIZATION**
17 **Dated: May 18, 2018**

18 TAOW LLC, Debtor, submits the following Chapter 11 plan of reorganization under the
19 provisions of 11 U.S.C. § 1123:

20 **I. Definitions**

21 **1.1 "Plan"** means this Plan and any modifications of this Plan that become effective
22 under the Bankruptcy Code, Section 1127.

23 **1.2 "Effective Date of the Plan"** means eleven days day after entry of an order of
24 the United States Bankruptcy Court confirming the Plan.

25 **1.3 "Secured Claim"** means a claim against the Debtor to the extent of the value of
26 the claimholder's interest in property of the estate securing such claim, as determined by the
27 Bankruptcy Court under section 506 (a) of the Bankruptcy Code.

28 **1.4 "Real Property of the Estate"** means the real property partly in the City
Piedmont and partly in the City of Oakland, Alameda County, State of California, and described
as: Lot 4, Block D, Map of Piedmont Knoll, filed October 4, 1907, in Map Book 23, Page 36,

1 Alameda County Records, commonly known as 610 Boulevard Way, APN(s) 011-0860-033-00
2 and 011-0860-034-00.

3 **1.5 1416–11th Street** means the real property in the City of Oakland, Alameda
4 County, State of California, and described as: Lot 1, of Tract Map 7588, filed December 11,
5 2006, in Map Book 295, Page 25-26, inclusive, Alameda County Records APN: 004-0063-040.

6 **1.6 2903 Magnolia Street** means the real property commonly known as 2903
7 Magnolia Street in the City of Oakland, Alameda County, State of California, APN: 005-0458-
8 011.

9 **1.7 1486–34th Street** means the real property in the City of Oakland, County of
10 Alameda, State of California, described as follows: Subdivision I of Lot 1 in Block 799, "Map
11 of B Street Subdivision of the Watts Tract", Recorded June 30, 1876, Map Book 1, Page 91,
12 Alameda County Records APN: 007-0609-020.

13 **II. Designation of Classes of Claims and Interests**

14 **2.1 Class 1** – The allowed Secured Claim of the Alameda County Tax Collector,
15 secured by a lien against Real Property of the Estate

16 **2.2 Class 2** – The allowed Secured Claim of AEGIS Wholesale Corporation
17 (serviced by DiTech) secured by a lien against Real Property of the Estate.

18 **2.3 Class 3** – The allowed Secured Claim of Bank of the West, secured by a lien
19 against Real Property of the Estate

20 **2.4 Class 4** – The allowed Secured Claim of Donald M. De Gutz, assigned for
21 collection to Lars Lohan, secured by a lien against Real Property of the Estate.

22 **2.5 Class 5** – The allowed Secured Claim of George Dedekian, secured by a lien
23 against Real Property of the Estate, and assigned to Lars Lohan.

24 **2.6 Class 6** – The allowed Secured Claims of Midland Funding LLC, secured by a
25 lien against Real Property of the Estate.

26 **2.7 Class 7** – Allowed, Unsecured Claims not entitled to priority under 11 U.S.C.
27 §507.

28 **2.8 Class 8** – The equitable interest of Rene G. Boisvert in property of the
bankruptcy estate.

III. Specification of Classes of Claims or Interests Not Impaired under the Plan

1
2 **5.1 United States Trustee's Fees.** The debtor shall pay all fees due the U.S. Trustee
3 under 28 U.S.C. §1930 (a) (6) on the Effective Date of the Plan.

4 **5.2 Administrative Costs and Expenses of Preserving the Estate, including**
5 **Professional Fees.** Debtor shall pay the holders an administrative expense claims allowed
6 under 11 U.S.C. § 503 (b) the allowed amount of the such claims in U.S. Dollars (a) within 5
7 days of a transfer of MGJV LLC's interest in 1416–11th Street, or by December 31, 2018, or
8 within 5 days of the date on which the Bankruptcy Court allows such claim, whichever is later.

9 **5.3 Priority Tax Claims.** Debtor shall pay the holders of Unsecured Claims entitled
10 to priority under 11 U.S.C. §507(a)(8), the allowed amount of such claims in U.S. dollars, plus
11 interest at the rate of 3% per annum, in yearly installments commencing on December 31, 2018
12 ending on December 31, 2021.

13 **VI. Means for Plan's Implementation**

14 **6.1 Vesting of Property of the Estate.** Upon confirmation of the Plan shall vest all
15 property of the estate in the Debtor. Debtor shall implement the Plan by the distribution of
16 property of the estate, and the proceeds, produce, rents or profits of property of the estate, as
17 required by the Plan.

18 **VII. Treatment of Disputed Claims.**

19 **7.1** If any party files a timely objection to the allowance of a claim or administrative
20 expense, and the allowed amount of the claim or expenses is not determined before the
21 Effective Date of the Plan, any distribution due under the Plan to the holder of such claim or
22 expense shall be deposited in Debtor's attorney's client trust account. The amount so deposited
23 shall be the amount set forth in the filed proof of such claim or the filed request for payment of
24 expense or, if proof of such claim has not been filed, the amount scheduled by the Debtor. The
25 accrued amount due under the Plan to the claimant shall be paid forthwith upon entry of an
26 order by the United States Bankruptcy Court determining the allowed amount of such claim or
27 expense.

28 **VIII. Miscellaneous**

8.1 Discharge and Termination of Automatic Stay. Confirmation of the Plan shall
operate as a discharge of the Debtor as provided by 11 U.S.C. §524, to the extent such discharge
is effective under the provisions of 11 U.S.C. §1141. The automatic stay created by 11 U.S.C.
§362 shall terminate on the Effective Date of the Plan.

8.2 Default Remedies. If Debtor fails defaults in the performance of obligation(s)

allowed in an involuntary case), and 507 (a) (8) (allowed unsecured claims of governmental units for certain taxes).
Accordingly, such claims are not classified by the Plan. To the best of Debtor's knowledge, there are no section
507(a)(3) claims against Debtor.

1 under the Plan, a member of a class affected by such default may serve upon Debtor and
2 Debtor's attorney a written notice specifying the term(s) of the Plan that Debtor failed to fulfill.
3 If within 30 days of service of such notice, Debtor does not either (i) cure the stated default; (ii)
4 obtain an extension of time from the court to cure the stated default; or (iii) obtain the court's
5 determination that the Debtor is not in default, a member of a class affected by the default (i)
6 may file and serve a motion to dismiss the case or to convert the case to Chapter 7; or (ii) may
7 pursue all remedies allowed by applicable law to enforce Debtor's obligations under the Plan.

8 **8.3 Management and Control of the Reorganized Debtor.** Debtor shall continue
9 to hold all its rights and powers as a limited liability company under California law after
10 confirmation of the Plan. The management and operations of the reorganized Debtor shall
11 remain under the control of Rene G. Boisvert, the manager of the Debtor.

12 **8.4 Post-Confirmation U. S. Trustee Fees.** Debtor shall timely pay all fees due
13 after the Effective Date of the Plan under 28 U.S.C. §1930 (a) (6) until Debtor's case is closed,
14 dismissed, or converted to another chapter of the Code. Debtor shall file, and serve on the U.S.
15 Trustee, post-confirmation status reports in a form designated by the U. S. Trustee on a
16 quarterly basis until a final decree is entered, the case is dismissed, or the case is converted to
17 another chapter.

18 **8.5 Enforcement of Debtor's Claims and Interests.** Debtor may enforce, settle or
19 adjust all claims or interests belonging to the Debtor or the Debtor's estate, including claims
20 arising under any provision of the Bankruptcy Code.

21 Dated: May 18, 2018

TAOW LLC

22 By: /s/ Renen G. Boisvert
23 Rene G. Boisvert, Managing Member

24 Dated: May 18, 2018

/s/ Lawrence L. Szabo
LAWRENCE L. SZABO
Attorney for Debtor

**EXHIBIT B TO DEBTOR'S DISCLOSURE STATEMENT:
CASH FLOW PROJECTIONS**

	EFFECTIVE DATE OF PLAN	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021
BANK BALANCE (start of period)	\$2,500.00	\$2,500	\$7,500	22,500	\$45,000
NET INCOME:					
Gross Income (annual)*		\$175,000	\$165,000	\$180,000	\$180,000
Minus Expenses (annual)		\$55,000	\$65,000	\$75,000	\$80,000
Net income (annual)		\$120,000	\$100,000	\$105,000	\$100,000
Minus plan payment		\$115,000	\$85,000	\$87,500	(from refinancing)**
= Ending \$ for period		\$5,000	\$15,000	\$22,450	\$100,000
Bank balance, end of period	\$2,500	\$7,500	\$22,500	\$45,000	\$145,000

* Annual gross income consists primarily of rent payments from Rene G. Boisvert of approximately \$4,200 per month, payments under existing contracts with MGJV LLC and KASO LLC for development services, and payments for other consulting services Debtor provides.

** Debtor expects to be able to obtain at least \$200,000 from a refinancing of 610 Boulevard Way to distribute to claims under the Plan. If more than \$200,000 is needed to fully fund the Plan, distribution will be made from Debtor's cash flow.