

CSD 1152 [7/30/14]  
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UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF CALIFORNIA  
 325 West "F" Street, San Diego, California 92101-6991

In Re  Doris Waller  Debtor,	Bankruptcy No. 15-03748-CL11
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**PROPOSED INDIVIDUAL CHAPTER 11 COMBINED PLAN OF REORGANIZATION  
 AND  
 DISCLOSURE STATEMENT ~~[June 14, 2016]~~ [December 18, 2015]**

**INTRODUCTION**

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

Section 1 contains the treatment of administrative claims. Section 2 contains the treatment of priority claims. Section 3 contains the treatment of creditors with secured claims: 100% of their allowed claims plus a variable interest rate with a maximum 6.5% interest on all except the arrearage; per stipulation between debtor and Wells Fargo Bank, debtor shall pay 0 % interest on the arrearage; The monthly arrearage payment is \$3420.06.-The regular loan service payment to be paid in addition to the monthly arrearage payment is \$9,759.14 per month. The amount of arrearage being treated in the Plan is \$205,203.88.

Section 4 contains the treatment of general unsecured creditors: 100% of their allowed claims plus 3% interest in MONTHLY payments over 5 YEARS.

The creditors are divided into classes (as shown in the table below.) There is only one secured creditor. Secured creditor is safe In Class 1 and discussed in Section 3. Each secured creditor has its own subclass. Unsecured creditors are in Class 2 and discussed in Section 4.

Class	Name of Creditor
1A	Wells Fargo Bank
2	General Unsecured Claims

Class	Name of Creditor

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Most creditors (those in impaired classes) are entitled to vote on confirmation of the Plan. Completed ballots must be received by Debtor's counsel by July 15, 2016, and objections to [plan/disclosure statement, and any oppositions to motions confirmation](#) must be filed and served, no later than July 15, 2016. Reply by Debtor to any oppositions/objections due on July 22, 2016. Ballots and Summary of balloting (CSD 1151) due on July 22, 2016. ~~January 8, 2016.~~ The Bankruptcy Court will hold a hearing on confirmation of the Plan ~~on August 5, 2016, May 26, January 15, 2016~~ at 2:30 p.m. 10:30 a.m. in Department 5 of the United States Bankruptcy Court for the Southern District of California. If there is any modification to the Plan, the Bankruptcy Court will determine whether it is a material modification and whether a further hearing, re-voting, or change of any deadline is required. 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, the events that led to the filing of the bankruptcy petition, a description of significant events that have occurred during this bankruptcy and a summary of this Chapter 11 Plan. Exhibit 2 contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation. Exhibit 3 contains a summary of Debtor's post-petition Operating Reports. Exhibit 4 shows Debtor's projected post-confirmation monthly income and expenses. Exhibit 5 describes how much Debtor is required to pay on the Effective Date of the Plan. Exhibit 7: the list of unsecured creditors with amounts to be paid to each unsecured creditor.

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. The Plan payments shall begin on the Effective Date as defined in Section 8(a). 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 Sections 6 and 7 of the Plan.

**SECTION 1: TREATMENT OF ADMINISTRATIVE CLAIMS**

1(a) Professional Fees.

The following professionals have agreed to accept payment over time as follows. Payments will be made *MONTHLY*, due on the 1<sup>st</sup> day of the *MONTH*, starting ~~September~~ January 2016 or upon approval by the Bankruptcy Court, whichever is later.

Name and Role of Professional	Estimated Amount	Payment Amount	Number of Payments
Sallie A. Blackman, Attorney for Debtor and Debtor-in-Possession	<del>\$0</del> <u>\$6500</u>	<del>\$0</del> <u>\$500-per month</u>	<u>0+3</u>
<u>Professional waives payment.</u>			

Estate professionals are not entitled to vote on confirmation of the Plan.

1(c) Other Administrative Claims.

Debtor will pay other allowed claims entitled to priority under 11 U.S.C. § 503(b) in full on the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which must be paid when normally due and payable (these creditors are not listed below). Creditors holding administrative claims not listed in the table below must file an administrative claim within 30 days of notice of the Effective Date.

Administrative claimants are not entitled to vote on confirmation of the Plan.

Name of Administrative Creditor	Estimated Amount of Claim
U.S. Trustee	<u>To be paid according to statutory requirements</u> <u>\$625 per-month</u>

1(d) United States Trustee Fees.

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.

**SECTION 2: TREATMENT OF PRIORITY CLAIMS**

2(a) Tax Claims.

The Debtor will pay claims entitled to priority under § 507(a)(8) in full over time at the non-bankruptcy statutory interest rate in equal amortized payments in accordance with § 511. Payments will be made quarterly, due on the first day of the quarter, starting on the first such date after the Effective Date and ending on the last such date that is no more than 5 years after the entry of the order for relief. Payment of priority tax claims in full within 5 years of the petition date and on terms not less favorable than those accorded the most favored non-priority creditor is required by § 1129(a)(9)(C). IF THE ABSOLUTE PRIORITY RULE APPLIES AND CLASS [GENERAL UNSECURED CLAIMS] VOTES TO REJECT THE PLAN, ADD THE FOLLOWING: "Accordingly, if Class [GENERAL UNSECURED CLAIMS] votes to reject the Plan and is paid in full over time, tax priority claimants will receive an interest rate of [NUMBER]% and maturity on [DATE]. This treatment is at least as favorable as that received by Class [GENERAL UNSECURED CLAIMS]."

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
None				

**SECTION 3: TREATMENT OF SECURED CLAIMS**

3(a) 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	Wells Fargo Bank	6127 Beaumont Avenue La Jolla, CA.	<del>\$9,759.14</del> \$160	<del>\$205,203.88</del> \$170,712	<del>0%</del> 5%	<del>\$3,420.06</del> \$2900

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Debtor will pay the entire amount contractually due by making all post-confirmation regular monthly payments, and by paying all pre-confirmation arrears (including attorney's fees and late charges) with interest in 60 equal monthly payments, due the 20<sup>th</sup> day of the month, starting ~~September~~ January 2016 on the above secured claims. To the extent arrears are determined to be other than as shown above, appropriate adjustments will be made in the number of payments. The account will remain escrowed for property taxes

and insurance as may be required by the creditor. 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 Section 7(c)). **These secured claims are impaired and entitled to vote on confirmation of the Plan.**

The Property Will Not Be Surrendered

The property located at 6127 Beaumont Avenue La Jolla, CA, is not being surrendered by the debtor. The debtor-in-possession intends to retain the property and pay both the arrearages with 0% interest and the current mortgage payments plus interest to Wells Fargo in equal monthly installments over a 5 year period.

**SECTION 4: TREATMENT OF GENERAL UNSECURED CLAIMS**

4(b) Class 2 General Unsecured Claims.

This class includes all known non-priority unsecured creditors, including deficiency claims, and rejection claims, whether scheduled or based on proofs of claim on file excluding those in Class 2A. 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) must be paid as follows:

**Percent Plan.** Creditors will receive 100% of their allowed claim plus 3% interest in 60 equal *MONTHLY* installments, due on the 20<sup>th</sup> day of the *MONTH*, starting September January 2016. Attached, as Exhibit 74, is a list of the unsecured creditors with proposed amounts to be paid to each unsecured creditor each month for 60 months.

**This class is impaired and is entitled to vote on confirmation of the Plan.** Debtor has indicated in Section 8(b), below, whether a particular claim is disputed.

**SECTION 5: TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**SECTION 6: DISCHARGE AND OTHER EFFECTS OF CONFIRMATION**

6(a) Discharge.

Debtor shall not receive a discharge of debts until Debtor makes all payments due under the Plan or the Bankruptcy Court grants a hardship discharge.

6(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 Section 7(e) below.

6(c) Plan Creates New Obligations.

Except as provided in Sections 6(d) and 7(d), 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.

6(d) Claims Not Affected by Plan.

Upon confirmation of the Plan, and subject to Section 6(c), any creditor whose claims are left unimpaired under the Plan may, notwithstanding Sections 7(a), 7(b), 7(c), and 7(d) below, immediately exercise all of its contractual, legal, and equitable rights, except rights based on default of the type that need not be cured under 11 U.S.C. §§ 1124(2)(A) and (D).

**SECTION 7: REMEDIES IF DEBTOR DEFAULTS IN PERFORMING THE PLAN**

7(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 Section 6(d) above.

7(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 Section 7, 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.

7(c) Material Default Defined.

If Debtor fails to make any payment, or to perform any other obligation required under the Plan, for more than 14 days after the time specified in the Plan for such payment or other performance, any member of a class affected by the default, party-in-interest, or United States Trustee may file and serve upon Debtor and Debtor's attorney (if any) a written notice of Debtor's default and request for entry of an order declaring default. If Debtor fails within 14 days after the date of service of the notice of default either: (i) to cure the default; (ii) to file and serve a motion for an extension of time to cure the default; or (iii) to file and serve a motion for a determination that no default occurred, then Debtor is in Material Default under the Plan to all the members of the affected class. If Debtor is in Material Default under the Plan, the complaining creditor may then submit its order declaring Material Default. The provisions of this paragraph do not preclude the United States Trustee from otherwise seeking an order to dismiss or convert the case for cause.

7(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 Bankruptcy Court, and may pursue its lawful remedies to enforce and collect Debtor's obligations under the Plan.

7(e) 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 11 U.S.C. § 348(f) upon the conversion of a case from Chapter 13 to Chapter 7.

7(f) Retention of Jurisdiction.

The Bankruptcy Court retains 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 or modified; (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 Section 8(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. Proc. 9019; (vii) compensation of professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

**SECTION 8: GENERAL PROVISIONS**

8(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 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.

8(b) Disputed Claim Reserve.

Debtor disputes the following claims:

Class	Name of Creditor	Amount According to Creditor	Amount According to Debtor
	None		

Debtor must create a reserve for disputed claims in the amount of the claim unless the claim is estimated for distribution in a different amount under 11 U.S.C. § 502(c). 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. Debtor must file objections to disputed claims no later than 180 days after entry of the confirmation order. If a disputed claim becomes an allowed claim, Debtor must 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 must be: Not applicable because there are no disputed claims.  
~~{SELECT ONE: (returned to Debtor)(distributed pro-rata among allowed claims in this class)}.~~

8(c) Cramdown.

Pursuant to 11 U.S.C. § 1129(b), Debtor reserves the right to seek confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors. ~~The Debtor's ability to "cramdown" this Plan over the objections of creditors may be affected, in part, by how the Bankruptcy Court has ruled on the applicability of the "Absolute Priority Rule" in this case.~~ The Absolute Priority Rule provides, in essence, that junior claimants, including the Debtor, are barred from taking anything under the Plan unless senior claimants are paid in full. Currently, ~~the law as to whether the~~ Absolute Priority Rule applies to individual Chapter 11 debtors, ~~is in a state of flux.~~ In the present case, the Debtor does not retain non-exempt property. The Debtor does retain property and proposes to pay senior claimants in full, 100% of creditors' claims.

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8(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.

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8(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.

8(f) Lawsuits and Other Claims for Relief.

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

Party	Insider Y/N	Creditor Y/N	Nature of Claim
None			

Without limiting the foregoing, Debtor retains all causes of action that they have against any party, whether arising pre- or post-petition, and all such causes of action vests in the reorganized Debtor on the Effective Date. The nondisclosure of unknown causes of action is not a settlement, compromise, waiver or release of such cause of action, and does not judicially estop the Debtor from asserting any such cause of action as a claim or defense. Confirmation of the Plan does not constitute a settlement, compromise, waiver, or release of any cause of action unless the Plan or Confirmation Order specifically and unambiguously so provide.

8(g) Notices.

Any notice to the Debtor must 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:

Sallie A. Blackman  
Law Offices of Timothy A. Chandler  
110 West C Street Suite 1300  
San Diego, CA. 92101  
Attorney for Debtor and Debtor in Possession Waller

8(h) Post-Confirmation United States Trustee Fees.

Following confirmation, Debtor must 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 must file with the Bankruptcy Court quarterly reports in the form specified by the United States Trustee for that purpose.

Dated: ~~June 14, 2016~~ ~~December 18,~~  
~~2015~~



Debtor Doris Waller

/s/Sallie A. Blackman

Sallie A. Blackman  
Attorney for Debtor

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**Attorney Certification**

I, Sallie A. Blackman am legal counsel for the Debtor 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 Southern District of California, (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.

None.

I declare, under the penalty of perjury, that the foregoing is true and correct. Executed this

14<sup>th</sup>

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18<sup>th</sup>

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day of June December, 20 1516

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/s/Sallie A. Blackman

Attorney for Debtor

**Exhibit 1 - Events that Led to Bankruptcy, Significant Events that Have Occurred During the Bankruptcy, and Summary of Plan.**

**Events that Led to Bankruptcy**

The event that led me to file for bankruptcy relief was the loss of my job. I am an engineer. During the severe drop in the U.S. economy, I lost my job and was unemployed for about 9 months. As a result of my unemployment, I fell behind on the mortgage on 6127 Beaumont Avenue, La Jolla, CA. 92037. The mortgage is held by Wells Fargo Bank, which is the only secured creditor that I owe. I also fell behind on my unsecured creditor obligations.

**Significant Event that Has Occurred During the Bankruptcy**

I filed for bankruptcy on June 2, 2015. The significant event that has occurred during the bankruptcy is that I secured a second job which nets approximately \$5,000 per month. I began working the second job, full time, on June 29, 2015.

**Summary of Plan**

The Plan is to pay the current mortgage and the arrears to Wells Fargo in 60 equal monthly payments for 5 years and to pay each unsecured creditor 100% of the amount due in 60 equal monthly payments for 5 years. I believe that I will be successful with this plan because of my current monthly income. The current mortgage on the property is ~~\$9,759.14~~ \$160 per month. The monthly payment on the current mortgage with interest totals \$9,759.14. The arrearage totals approximately ~~\$205,203.88~~ \$170,712.- 60 monthly payments of this arrearage will be approximately ~~\$3,420.06~~ \$2900 per month. I owe approximately \$18,947 in unsecured debt. I propose paying each unsecured creditor 100% of the debt plus 3% interest, a total of ~~\$19,514.40~~ \$18,947, over 5 years, which is ~~\$350~~ \$315.77 per month. In addition, the U.S. Trustee quarterly payments will be made. Currently, the quarterly payments are of \$650 \$625. The will be paid; the U.S. Trustee payment will therefore be ~~\$216.69~~ \$208.43 per month. If the quarterly payments due to the U.S. Trustee change during the Plan, I will make the payments on a monthly basis at the new payment rate(s) due to the U.S. Trustee. Regarding I will also pay the administrative claim of any court approved attorney's fees and costs for my attorney. My estimated attorney's fees will be ~~\$0~~ \$6500 on the Effective Date. I have not made any pre-petition payments to my attorney. My attorney has agreed to waive payment in the Plan, be paid \$500 per month for 13 months, if the court approves payment to my attorney. The monthly total of these payments is approximately ~~\$13,745.89~~ \$12,084.22.-.

I receive income in the amount of approximately \$17,000 per month. My net income from my first full-time job is approximately \$7000 per month. My net income from my second job is approximately \$5,000 per month. I receive rental income in the amount of \$5,000 per month. The \$17,000 in income will enable me to make the payments totaling ~~\$13,745.89~~ \$12,084.22- per month for 5 years. The \$13,745.89, which consists of: 1) the \$9,759.14 \$160 per month to Wells Fargo Bank; 2) the \$3,420.06 per month 2900 in arrears to Wells Fargo Bank; 3) the \$650 625 quarterly fees to the U.S. Trustee (~~\$216.69~~ 208.43- each month) or the amount due under any new fee required by the U.S. Trustee

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during the Plan, ~~\$350~~ ~~\$315-77~~ per month to the unsecured creditors, which includes 3% interest, and ~~\$0~~, if approved by the court,

~~\$500~~ per month to my attorney for attorney's fees and costs. The balance will be used for living expenses for me and my family and to maintain the property.

My wife will be assuming all of the rent so I will no longer be paying rent of \$1,500 per month. A declaration from my wife will be filed before the confirmation hearing, which confirms her willingness and her ability to provide the monthly rent payment.

**Exhibit 2 – Liquidation Analysis: What Creditors Would Receive If the Case Were Converted to a Chapter 7.**

Real Property #1: 6127 Beaumont Avenue La Jolla, CA 92037

Fair Market Value	Liens	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
<p>\$2,000,000.00 is the fair market value of the property; however, if the property is sold through a Chapter 7 liquidation, it is unlikely that the property will sell for full market value because real property sale prices are substantially lower than the full market value when the property is sold through Chapter 7 liquidation or any other type of perceived distress sale.</p>	<p>1st  <del>\$1,838,067.36</del>  <del>\$1,700,000.00</del></p>	<p><del>\$100,000</del>  <del>120,000</del>                      (This is based on 56% realtor fee; other costs may be incurred depending on whether work has to be done on the property to get it ready for sale)</p>		<p><del>\$75,000.00</del></p>	<p><del>\$0.00</del>                       If liquidated, do not believe the property will be sold for full market value. Believe the sale price will be, at most, less than the amount due to the secured creditor, less than \$1,700,000. Thus, there will be no proceeds from the sale of the property to disburse to unsecured creditors.</p>
	<p>2nd None</p>				
	<p>3rd None</p>				

**Exhibit 2 (continued) – Liquidation Analysis: What Creditors Would Receive if the Case Were Converted to a Chapter 7.**

Personal Property:

Description	Liquidation Value	Secured Claim	Amount of Exemption	Net Proceeds
Cash	0	None	0	0
Automobile #1	\$5000 ( <del>if \$4,000 of repair work is done; liquidation value is less if work not completed</del> );	None	<del>\$2300</del> 0	<del>\$2700</del> \$1000-\$5000 (the Land Rover needs \$4,000 of repair work. If the car is sold now, without the repair work, the sale price will drop to \$1,000)
401k/Moog Retirement Plan	\$30,000	None	\$30,000 0	0
Household Furnishings, appliances, wearing apparel, and other personal effects	\$10,000 (however the furniture, computers, bed, desk, and furnishings are used)	None	<del>\$10,000</del> 0	<del>0</del> \$10,000 (however, furniture, computers, bed, desk, furnishings are used)
Jewelry	0	None	0	0
Equipment/tools of the trade: computer equipment	0 Computers are old; fair market value is approximately \$1,000	None	<del>\$6075</del> 0	0
Stocks / Investments	0	None	0	0
Other Personal Property	\$5000 (clothing)	None	0	<del>\$1000 (used clothing)</del>
<b>TOTAL</b>	\$20,000			<del>\$2,700</del> \$12,000-20,000 (\$20,000 if full value)

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Summary:

Net Proceeds of Real Property and Personal Property	<del>\$2,700</del> 0
Recovery from Preferences / Fraudulent Conveyances	0

Chapter 7 Trustee Fees	[SUBTRACT]	<del>\$213.54 or amount due</del>  <del>Do not believe there will be any proceeds of the sale of the real property and the sale of the personal property of debtor to disburse. However, if the sale price of the real property exceeds the \$1,700,000 owed to the secured creditor, then there will be proceeds from the sale of the personal property which can be disbursed. If so, the maximum trustee commission will be: 25% of the first \$5,000 disbursed=\$2,500 10% of the next \$45,000=\$4,500;</del>
Chapter 7 Trustee's Professionals	[SUBTRACT]	If the trustee employs a realtor and escrow agent to complete the sale of 6127 Beaumont Avenue, The cost of the Trustee's Professionals will be approximately <del>\$100,000</del> \$120,000;
Other Chapter 7 Liabilities	[SUBTRACT]	0
Unpaid Chapter 11 Liabilities	[SUBTRACT]	0
<del>Secured Priority Claims</del>	[SUBTRACT]	<del>\$1,838,067.36</del> <del>1,700,000.00;</del>
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS		<del>\$0</del> <del>0;</del>

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Estimated Amount of Unsecured Claims	<del>\$19514.40</del> \$18,047
Percent Distribution to Unsecured Creditors Under Proposed Plan	100% <del>plus 3% interest</del>
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	<del>54.34%</del> 0%

**Exhibit 3 – Summary of Monthly Operating Reports (“MOR”).**

Month	MOR ECF#	Receipts	Distributions	Net
1 June 2015	<u>1</u>	\$13796.86	\$13796.86	\$2595.90
2 July 2015	<u>2</u>	\$17,784.38	\$7882.38	\$9902
3 August 2015	<u>3</u>	\$16520.80	\$14757.52	\$1,763.28
4 September 2015	<u>4</u>	\$20,225.58	\$12033.58	\$8192.00
5 October 2015	<u>5</u>	\$17,682.06	\$11,637.24	\$1050.82
<del>6 November 2015</del>	<del>6</del>	<del>\$17,195.02</del>	<del>\$11,658.17</del>	<del>\$5,536.85</del>
<del>7 December 2015</del>	<del>7</del>	<del>\$17,402.83</del>	<del>\$14,108</del>	<del>\$3,294.83</del>
<del>8 January 2016</del>	<del>8</del>	<del>\$16,583.16</del>	<del>\$19,697.87</del>	<del>-\$3109.71</del>
<del>9 February 2016</del>	<del>9</del>	<del>\$17,042.48</del>	<del>11,747.59</del>	<del>\$5294.89</del>
<del>10 March 2016</del>	<del>10</del>	<del>\$17,013.72</del>	<del>\$11,281.33</del>	<del>\$5,732.39</del>
<del>11 April 2016</del>	<del>11</del>	<del>\$17,142.48</del>	<del>\$12,957.07</del>	<del>\$4,185.41</del>
Average:		\$17,126.30 <del>\$14,442.70</del>	\$12,868.87 <del>\$12,021.51</del>	\$4,039.88 <del>\$4,695.40</del>

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**Exhibit 4 – Projected Post-Confirmation Monthly Income & Expenses.**

Income	Debtor	Spouse
1. Current monthly gross wages, salary, and commissions	\$18,948.59	0
2. Estimated monthly overtime	0	0
3. SUBTOTAL	\$18,948.59	0
4a. Payroll taxes and social security	\$4539.22	0
4b. Insurance	<del>\$260</del> <del>\$260.00-</del>	0
4c. Union dues	0	0
4d. Other (Specify): Pension Plan Contribution	\$1365.00	0
5. SUBTOTAL OF PAYROLL DEDUCTIONS	<del>\$6164.22-</del>	0
6. TOTAL NET MONTHLY TAKE HOME PAY	<del>\$12,784.37</del> <del>12,784.37-</del>	0
7. Regular income from operation of business or profession	0	0
8. Income from real property	<del>-\$5000</del> <del>4,339.67-</del>	0
9. Interest and dividends	0	0
10. Alimony, maintenance or support payments	0	0
11. Social security or government assistance (Specify):	0	0
12. Pension or retirement income	0	0
13. Other monthly income (Specify):	0	0

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Income	Debtor	Spouse
14. SUBTOTAL OF LINES 7 THROUGH 13	<del>-\$5000</del> <del>4,339.67</del>	0
15. TOTAL MONTHLY INCOME (Add line 6 and line 14)	<del>\$7784.37</del> <del>8,444.70</del>	0
A. TOTAL COMBINED MONTHLY INCOME	<del>\$7784.37</del> <del>8444.70</del>	

**Exhibit 4 ( continued) – Projected Post-Confirmation Monthly Income & Expenses.**

Expenses	Amount
1. Rent or home mortgage (include lot rented for mobile home)	<del>\$0\$1600</del> (debtor's portion of rent)
1a. Are real estate taxes included? Yes [ ] No [ <input checked="" type="checkbox"/> ]	None
1b. Is property insurance included? Yes [ ] No [ <input checked="" type="checkbox"/> ]	
2a. Utilities: Electricity and heating fuel	\$150.00 (debtor's share)
2b. Utilities: Water and sewer	\$50.00 (debtor's share)
2c. Utilities: Telephone	\$50.00 (debtor's share)
2d. Utilities: Other	0
3. Home maintenance (repairs and upkeep)	0
4. Food	<del>\$100 (debtor's share)</del> <del>\$300.00</del>

Expenses	Amount
5. Clothing	<del>\$25.00</del> <del>\$50.00</del>
6. Laundry and dry cleaning	\$50.00
7. Medical and dental expenses	\$50.00
8. Transportation	<del>\$200.00</del> <del>500.00 (gas-\$200.00)</del> <del>Car repair and maintenance-re</del> <del>Land Rover-</del> <del>\$300.00; this car repair expense is expected to last for 12 months, only).</del>
9. Recreation, clubs, entertainment, newspapers, magazine, etc.	\$50.00
10. Charitable contributions	0
11a. Insurance: Homeowner's or renter's	0
11b. Insurance: Life	<del>0</del> <del>0</del>
11c. Insurance: Health	<del>0</del> <del>0</del>
11d. Insurance: Auto	\$124.58
11e. Insurance: Other	0
12. Taxes: (not deducted from wages or included in home mortgage)	0
13a. Installment payments: Auto (Do not list payments included in Plan)	0
13b. Installment payments: Other (Do not list payments included in Plan)	0
14. Alimony, maintenance, and support paid to others	0
15. Payments for support of dependents not living at your home	0
16. Regular expenses from operation of business or profession	0
17. Other: <del>Miscellaneous expenses for grandson (\$140) and</del> arrears payments to Wells Fargo Bank <del>\$2900-</del>	<del>\$3,420.06</del> <del>3040-</del>
B. TOTAL MONTHLY EXPENSES	<del>\$4,269.64</del> <del>5,914.58-</del>

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C. Disposable Income (Line A - Line B)	\$3,514.73 <del>\$2,530.12</del>
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**Exhibit 4 (continued) – Projected Post-Confirmation Monthly Income & Expenses.**

Plan Payments Plan Payments Not Included in Calculating Disposable Income	Amount
Administrative Claims	<del>\$0</del> \$500 Estimated if court approved
Priority Claims	0
General Unsecured Creditors	<del>\$350</del> \$316.77
OTHER PLAN PAYMENTS: U.S. Trustee	\$216.69 <del>\$208.44</del>
D. Total Plan Payments	\$566.69  1024.21 <del></del>

E. Plan Feasibility (Line C - Line D) (Not feasible if less than zero)	\$2,948.04 <del>\$1,505.91</del>
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**Exhibit 5 - Effective Date Feasibility.**

Can the Debtor Make the Effective Date Payments?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date	-	\$17,000
Payments Required on Effective Date	-	-
Administrative Expense Claims	<del>\$0.</del> <u>\$500</u> (attorney's fees if court approved)	-
Priority Claims	<del>\$9,759.14</del> <del>8460.00</del>	-
Unsecured Claims	<del>\$350</del> <u>\$315.77</u>	-
U.S. Trustee Fees	<del>\$216.69</del> <del>\$208.44</del>	-
Other	<u>Mortgage Arrears:</u> <u>\$3,420.06</u> <del>\$2900.</del> <u>Monthly Property Maintenance:</u> <u>arrears: \$160</u> <u>\$1,179.67</u> <del>costs</del> <del>of property</del> <u>Monthly Expenses:</u> <u>\$849.58</u>	-
B. Total Payments on Effective Date	-	<del>\$14,755.47</del> <del>\$13,263.88</del>
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)	-	<del>\$2,244.53</del> <del>\$3,736.12</del>

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**Exhibit 6 - Investment Property Analysis.**

**Properties with Positive Monthly Cash Flow:**

Real Property #1 Income: 6127 Beaumont Avenue La Jolla CA 92037

Rental Income <sup>1</sup>	Mortgage	Insurance	Property Taxes	Other Expenses <sup>2</sup>	Net Income
5000 Re: vacancy; over the next 60 months; the property will not be vacant because this rental is in high demand due to its location; debtor receives offers to rent the property almost monthly. Receive multiple offers to rent the property as each rental term ends; rents with an option to renew each year, and option is exercised by renter at each opportunity	<del>\$9759.14</del> <del>\$8160</del> 1st Wells Fargo Bank	Included in the mortgage \$288 State Farm -Insurance	Included in mortgage	<del>\$160.00</del> <del>\$891.67</del>  ( <del>\$30.00</del> <del>\$66.67</del> -tree removal <del>\$100</del> -Regular maintenance from wear and tear <del>\$100</del> -Plumbing maintenance <del>\$100</del> -Repair subzero refrigerator <del>\$80</del> <del>\$125</del> -Lawn care <del>\$50</del> <del>\$100</del> -Pool care <del>\$300</del> -utilities)	<del>-\$4,919.14</del> 4,339.67
	2nd None				
	3rd None				

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<sup>1</sup> Adjusted for projected vacancy rate.

<sup>2</sup> "Other Expenses" may include maintenance, HOA dues, property management fees, and legal costs.



**Exhibit 7 to Individual Chapter 11 Combined Plan of Reorganization and Disclosure Statement dated June 14, 2016**

List of Unsecured Creditors with Proposed Amounts to be paid to each Unsecured Creditor.

<u>Unsecured Creditors</u>	<u>Proposed Amounts to be Paid</u>
Cach, LLC	\$10,104.36 (\$9,810.06 + 3% interest of \$294.30) @ \$168 per month for 60 months
CVI Loan GT Trust I	\$3,511.11(\$3,408.85 + 3% interest of \$102.26) @ \$58.51 per month for 60 months
Fair Collections	\$5,899.93(\$5,728.09 + 3% interest of \$171.84) @ \$98.33 per month for 60 months

**Total amount proposed to be paid to unsecured creditors: \$19,514.40**

**Total amount of monthly payments to be paid to unsecured creditors each month for 60 months: \$350**