

United States Bankruptcy Court EASTERN DISTRICT OF NEW YORK				Voluntary Petition																																																			
Name of Debtor (if individual, enter Last, First, Middle): PERALTA REALTY CORPORATION			Name of Joint Debtor (Spouse) (Last, First, Middle):																																																				
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):			All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):																																																				
Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all): 11-3422429			Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all):																																																				
Street Address of Debtor (No. and Street, City, and State): 2935 ATLANTIC AVENUE BROOKLYN, NEW YORK ZIP CODE 11207			Street Address of Joint Debtor (No. and Street, City, and State): ZIP CODE																																																				
County of Residence or of the Principal Place of Business: BROOKLYN			County of Residence or of the Principal Place of Business:																																																				
Mailing Address of Debtor (if different from street address): ZIP CODE			Mailing Address of Joint Debtor (if different from street address): ZIP CODE																																																				
Location of Principal Assets of Business Debtor (if different from street address above): ZIP CODE																																																							
Type of Debtor (Form of Organization) (Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)		Nature of Business (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other Tax-Exempt Entity (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).		Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box.) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.																																																			
Filing Fee (Check one box.) <input checked="" type="checkbox"/> Full Filing Fee attached. <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.			Chapter 11 Debtors Check one box: <input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2 million. Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).																																																				
Statistical/Administrative Information <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="10">Estimated Number of Creditors</th> </tr> <tr> <th>1-49</th> <th>50-99</th> <th>100-199</th> <th>200-999</th> <th>1,000-5,000</th> <th>5,001-10,000</th> <th>10,001-25,000</th> <th>25,001-50,000</th> <th>50,001-100,000</th> <th>Over 100,000</th> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="5">Estimated Assets</th> </tr> <tr> <td><input type="checkbox"/> \$0 to \$10,000</td> <td><input type="checkbox"/> \$10,000 to \$100,000</td> <td><input checked="" type="checkbox"/> \$100,000 to \$1 million</td> <td><input type="checkbox"/> \$1 million to \$100 million</td> <td><input type="checkbox"/> More than \$100 million</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="5">Estimated Liabilities</th> </tr> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,000 to \$100,000</td> <td><input checked="" type="checkbox"/> \$100,000 to \$1 million</td> <td><input type="checkbox"/> \$1 million to \$100 million</td> <td><input type="checkbox"/> More than \$100 million</td> </tr> </table>					Estimated Number of Creditors										1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	Over 100,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Estimated Assets					<input type="checkbox"/> \$0 to \$10,000	<input type="checkbox"/> \$10,000 to \$100,000	<input checked="" type="checkbox"/> \$100,000 to \$1 million	<input type="checkbox"/> \$1 million to \$100 million	<input type="checkbox"/> More than \$100 million	Estimated Liabilities					<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,000 to \$100,000	<input checked="" type="checkbox"/> \$100,000 to \$1 million	<input type="checkbox"/> \$1 million to \$100 million	<input type="checkbox"/> More than \$100 million	THIS SPACE IS FOR COURT USE ONLY
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Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		Name of Debtor(s): PERALTA REALTY CORPORATION	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)			
Location Where Filed:	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)			
Name of Debtor:	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.			
<input checked="" type="checkbox"/> No.			
Exhibit D			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box.)			
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Statement by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes.)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			
<div style="text-align: right;">_____</div> (Name of landlord that obtained judgment)			
<div style="text-align: right;">_____</div> (Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			

Voluntary Petition

(This page must be completed and filed in every case.)

Name of Debtor(s):

PERALTA REALTY CORPORATION

Signatures**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X

Signature of Debtor

X

Signature of Joint Debtor

Telephone Number (if not represented by attorney)

Date

Signature of Attorney

X

Signature of Attorney for Debtor(s)

NICOLAS VELEZ

Printed Name of Attorney for Debtor(s)

BUFETE JURIDICO, P.C.

Firm Name

2010 WILLIAMSBRIDGE ROAD

Address

BRONX NEW YORK 10461

718-518-7380

Telephone Number

4/24/07

Date

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X

Signature of Authorized Individual

ALBERTO PERALTA

Printed Name of Authorized Individual

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Title of Authorized Individual

4/24/07

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X

(Signature of Foreign Representative)

(Printed Name of Foreign Representative)

Date

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X

Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

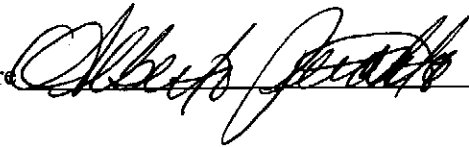
A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, [the president *or* other officer *or* an authorized agent of the corporation] [*or* a member *or* an authorized agent of the partnership] named as the debtor in this case, declare under penalty of perjury that I have read the foregoing [list *or* schedule *or* amendment *or* other document (describe)] and that it is true and correct to the best of my information and belief.

Date April 24, 2007

Signature

A handwritten signature in black ink, appearing to read "Alberto Peralta", written over a horizontal line.

Alberto Peralta, President

(Print Name and Title)

United States Bankruptcy Court

EASTERN District Of NEW YORK

In re PERALTA REALTY CORPORATION,
Debtor

Case No. _____

Chapter 11

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, indicate that by stating "a minor child" and do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
Name of creditor and complete mailing address including zip code	Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim (trade debt, bank loan, government contract, etc.)	Indicate if claim is contingent, unliquidated, disputed or subject to setoff	Amount of claim [if secured also state value of security]

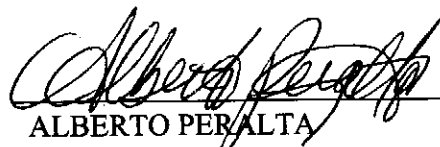
SEE ATTACHED LIST: THERE ARE THREE (3) SECURED CREDITORS AND ONE (1) UNSECURED CREDITOR.

Date: April 24, 2007


Debtor

[Declaration as in Form 2]

I, Alberto Peralta, the president and authorized agent of Peralta Realty Corporation, who is named as the debtor in this case, declare under penalty of perjury that I have read the foregoing Petition for Bankruptcy, attached list of secured creditors, and notice to employ and that it is true and correct to the best of my information and belief.


ALBERTO PERALTA
PRESIDENT
PERALTA REALTY CORPORATION

NICOLÁS VÉLEZ, ESQ.
Proposed Counsel for Debtor
PERALTA REALTY CORPORATION
2010 Williamsbridge Road
Bronx, New York 10461
Tel. 718-518-7380
Fax. 718-518-7374

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re

Chapter 11

PERALTA REALTY CORPORATION,

Case No. 07- _____()

Debtors.
-----X

**AFFIDAVIT OF ALBERTO PERALTA PURSUANT TO LOCAL
BANKRUPTCY RULE 1007-2 AND IN SUPPORT OF CHAPTER 11 PETITIONS**

STATE OF NEW YORK)
) ss.
COUNTY OF BRONX)

ALBERTO PERALTA, being duly sworn, deposes and says:

1. I am the president of Peralta Realty Corporation (the "Corporation"), as well as the secretary and treasurer and as such, am fully familiar with the business and financial affairs of the Debtors. I am authorized to submit this Affidavit pursuant to Local Bankruptcy Rule 1007-2 in support of the Debtors' petitions (collectively, the "Petitions") for relief under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") which are being simultaneously filed this date (the "Petition Date"). Unless otherwise stated, the facts set forth in this Affidavit are based upon my personal knowledge as an officer of the Debtors, my review of relevant documents, or my opinion based upon my knowledge and information concerning the Debtors' operations and financial affairs.

2. To the best of my knowledge, information and belief, no committee of creditors has been organized prior to the Petition Date.

I. The nature of the debtors' business

3. Peralta Realty Corporation is an S-Corporation, incorporated on or about January 1, 2003, pursuant to the Business Corporation Laws of the State of New York. It received S-Corporation election on or about November 1, 2004. The main office is located at 2935 Atlantic Avenue, Brooklyn, New York 11207. The total assets of the Corporation are about Six Hundred Thousand Dollars (\$600,000). The total liabilities of the Corporation are approximately Seven Hundred Thousand Dollars (\$700,000).

II. Capital Structure – Secured Creditors

4. **Rossrock:** On or about June 21, 2004, a mortgage in the amount of \$360,000 was executed with Flushing Savings Bank on Peralta Realty Corporation, located at 2935 Atlantic Avenue, Brooklyn, New York 11207, Block 3953 Lot 52. The note was duly recorded on July 27, 2004 in the Office of the Register, County of Kings, CRFN 2004000462264. The above Note and Mortgage was assigned to Rossrock Fund II LP by instrument dated September 22, 2006, which assignment has not yet been recorded. The claimed amount due and owing by Rossrock, including late penalties and interest, is Four Hundred Fifty Thousand Dollars. They have initiated a foreclosure action in the Supreme Court of the State of New York, County of Kings. The foreclosure hearing is scheduled for May 11, 2007 at 9:30 am in Part 16.

5. David A. Cantor and Barry Levites: In an effort to pay some debts, and to pay the landlord back rent in the amount of Thirty Thousand Dollars (\$30,000.00) a second mortgage in the amount of \$110,000 was taken with David A. Cantor and Barry Levites on Peralta Realty Corporation, located at 2935 Atlantic Avenue, Brooklyn, New York 11207, Block 3953 Lot 52. This note has become due and owing, and the claimed amount by Cantor/Levites is approximately Two Hundred Thousand Dollars. They have initiated a foreclosure action in the Supreme Court of the State of New York, County of Kings. The foreclosure hearing is scheduled for June 12, 2007 at 9:30 am in Part 18.

6. Home Heating Oil: This company, with an address of PO Box 70458, Brooklyn New York 11207, claims an amount due of approximately Seven Thousand Two Hundred Forty Three Dollars (\$7,243.00). Despite never having provided any proof to the Corporation of this debt, they have been named in the Rossrock action in United States Supreme Court, Kings County. Assuming any late fees and interest, the estimated amount due is Eight Thousand Dollars (\$8,000.00)

III. Capital Structure – Significant Unsecured Creditors

7. D’Nosotros Food Corporation: This company rents a space at 2937 Atlantic Avenue, Brooklyn New York 11207, from Peralta Realty Corporation, and operates Continental Restaurant, an eating establishment serving lunch and dinner seven days a week. The monthly rent is Three Thousand Five Hundred Dollars (\$3,500.00). D’Nosotros has failed to pay rental income to Peralta Realty Corporation since January, 2002. There is no security agreement or UCC-1 on file for this debt. The total amount due and owing is approximately One Hundred Eighty Two Thousand Dollars (\$182,000.00).

IV. Events Leading to Commencement of the Chapter 11 Case

8. Peralta Realty Corporation has unfortunately fallen on hard times over the last few years. The rental income for the property at 2935 Atlantic Avenue has not been sufficient to consistently pay both the primary and secondary mortgages. In addition, one of the businesses that Peralta Realty Corporation has expected rental income from is D’Nosotros Food Corporation. D’Nosotros Food Corporation, located at 2937 Atlantic Avenue, Brooklyn New York 11207, has not paid their monthly rent of Three Thousand Five Hundred Dollars since 2002. They owe Peralta Realty Corporation approximately One Hundred Eighty Two Thousand Dollars (\$182,000). The loss of this income has forced Peralta Realty Corporation into the filing of this Chapter 11 Bankruptcy.

9. It should also be noted that the property that both Rossrock and Cantor/Levites are attempting to foreclose on contains an easement granted by 2935 Atlantic Avenue (the location of Peralta Realty Corporation) that was granted to 2937 Atlantic Avenue (the adjacent location) by Hawthorne Properties (who is the landlord of 2935 Atlantic Avenue) so that the restaurant located at 2937 Atlantic Avenue could use the space for additional seating and a dance floor. Foreclosing on 2935 Atlantic Avenue would have severely dire circumstances on 2937 Atlantic Avenue as well, as the two are intertwined. However, since a deal cannot be worked out, the only option available is to file for bankruptcy.

V. Additional Disclosures Required Under Local Rule 1007-2

10. Attached as Exhibit "1" hereto is a copy of the Certified Resolution for the Debtor authorizing the filing of the Petition.

11. Attached as Exhibit "2" hereto are the names and addresses of each of the Debtors' three largest secured creditors on a consolidated basis, the approximate amount of each claim and a brief description of the claim, subject to the Debtors' rights to dispute the actual validity of any liens and claims.

12. Attached as Exhibit "3" hereto is a list of the names, addresses and telephone numbers of the creditors, if any exist, holding the 10 largest unsecured claims against the Debtors on a consolidated basis, excluding insiders and related entities. This list contains, if available, the names of the persons familiar with each of the Debtors' accounts and the amount of each claim, and, if appropriate, an indication of whether such claim is contingent, unliquidated, disputed, or partially secured. This list is annexed to and made part of Bankruptcy Form B4.

13. Attached as Exhibit "4" hereto is a brief summary of the Debtors' consolidated assets and liabilities as of December 31, 2006.

14. Attached as Exhibit "5" hereto are the names of the individuals who comprise the existing senior management of each of the Debtors, their respective tenure with the Debtors, and a brief summary of their respective responsibilities and experience.

15. Attached as Exhibit "6" hereto is the estimated cash receipts, disbursements and net cash flow, if any exists at this time, for the Debtors for the 30 day period following the Petition Date. As of this time, no receipts, disbursements, and net cash flow are expected.

16. Attached as Exhibit "7" hereto is a list of actions or proceedings pending or threatened against the Debtors' property where a judgment against the Debtors or a seizure of their property may be imminent.

17. As of the date hereof, no property of the Debtors is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents or secured creditor or agent for any such person, except for the cash reserve escrow account held by the Bondholders in connection with the Indenture of Mortgage and Trust, described above.

18. The estimated amount of the gross payroll for employees (exclusive of the senior management listed on Exhibit "6") during the 30-day period following the filing of the Petitions

will be approximately \$0. Payroll for the senior management of the Debtors, listed on Exhibit "6" for the 30-day period following the Petition Date will be approximately \$0.

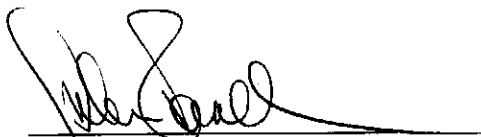
CONCLUSION

19. The Debtors will continue in possession of their assets and management of their properties in accordance with sections 1107(a) and 1108 of the Bankruptcy Code, and intend to propose a plan pursuant to Chapter 11 of the Bankruptcy Code.



Alberto Peralta
President
Peralta Realty Corporation

Sworn to before me this 24th day
of April, 2007 in Bronx, New York


Notary Public

JULIUS PANELL
Notary Public, State of New York
No. 02PA6150999
Qualified in Queens County
Commission Expires August 7, 2010

NICOLÁS VÉLEZ, ESQ.
Proposed Counsel for Debtor
PERALTA REALTY CORPORATION
2010 Williamsbridge Road
Bronx, New York 10461
Tel. 718-518-7380
Fax. 718-518-7374

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re

Chapter 11

PERALTA REALTY CORPORATION,

Case No. 07- _____ ()

Debtors.

-----X

**AFFIDAVIT OF NICOLAS VELEZ PURSUANT TO FEDERAL BANKRUPTCY RULE
2016 (b) AND IN SUPPORT OF CHAPTER 11 PETITIONS**

STATE OF NEW YORK)
) ss.
COUNTY OF BRONX)

NICOLAS VELEZ, being duly sworn, deposes and says:

1. I am an attorney duly admitted to practice before this Court, and submit this affidavit in support of the application ("Application") of Peralta Realty Corporation, to approve the retention of my office as counsel for the debtor, and to provide disclosure under Rule 2016 (b) of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"). Unless otherwise stated in this affidavit, I have personal knowledge of the facts set forth herein.

2. I maintain an office at 2010 Williamsbridge Road, Bronx New York 10461. My practice is very diverse, including criminal and civil cases in both State and Federal Courts, Real Estate matters, Commercial Litigation, Estates, and Bankruptcy cases. I have been in practice for nearly thirty years.

3. To the best of my knowledge, information and belief, I do not have any connection with the debtors, creditors, or any other parties-in-interest in this matter, and as such, are a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code, as

modified by Section 1107(b) of the Bankruptcy Code.

4. I am not related to any United States Bankruptcy Judge in the Eastern District of New York or to any employee thereof.

5. I will periodically review my file during the pendency of this action to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, I will use every reasonable effort to identify any such further developments and will promptly file a supplemental affidavit as required by Bankruptcy Rule 2014(a).

6. Since my retention as counsel on this matter on or about November 12, 2006, and through April, 2007, my office has received approximately \$23,500.00, from Alberto Peralta against expenses incurred in the amount of \$24,497.26, on account of its fees, out of pocket expenses, and for payments made to one of the creditors (Cantor/Levites) in the amount of \$9,200.00. In addition, my office will be requesting a Twenty Thousand Dollar retainer from Peralta Realty Corporation, which will be first applied to any unpaid legal fees up to the Petition Date, with the balance being held in escrow until my office is paid for all its post-petition fees and expenses, as allowed by order of the Bankruptcy Court. My office is not a creditor of the debtors.

SERVICES TO BE RENDERED

7. The Debtor seeks court approval, pursuant to sections 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014(d), to employ and retain my office as its general bankruptcy counsel in connection with the Chapter 11 Case. Pursuant to section 328(a) of the Bankruptcy Code, the Debtor, as a debtor in possession, requests that the Court approve the retention of my office, under a general retainer, to perform services that will be necessary during the Chapter 11 Case in accordance with my normal hourly rates and policies in effect when I render the services or incur the expenses. Such services will include, but not be limited to:

- a. advising the Debtor regarding their powers and duties as a debtor in possession in the continued management and operation of its businesses and properties;
- b. attending meetings and negotiating with representatives of creditors and other parties-in-interest;

- c. taking necessary action to protect and preserve the Debtor's estates;
- d. preparing on the Debtors' behalf motions, applications, answers, orders, reports, and papers necessary to the resolution of the bankruptcy, including a plan of reorganization and all related documents;
- e. advising the Debtors in connection with any potential sale of assets;
- f. appearing before this Court and any appellate courts and protecting the interests of the Debtor before these Courts; and
- g. performing other necessary legal services and provide other necessary legal advice to the Debtor in connection with this Chapter 11 Case.

PROFESSIONAL COMPENSATION

8. The rates to be charged by my office for services to be rendered to the Debtor shall be the same rates charged to other clients, which are currently in the range of \$250 to \$350 per hour for counsel, \$125 to \$175 per hour for associates, and \$100 to \$115 for paraprofessionals. My office intends to apply for compensation for professional services rendered in connection with the Chapter 11 Case, subject to this Court's approval and in compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and the Local Bankruptcy Rules for the Eastern District of New York (the "Local Rules"), further Orders of this Court, and guidelines established by the United States Trustee on an hourly basis, plus reimbursement of actual and necessary expenses and other charges that my office incurs.

9. It is my policy to charge clients for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, photocopying, witness fees, travel expenses, certain necessary secretarial and other overtime expenses, filing and recordation fees, long distance telephone calls, postage, express mail and messenger charges, computerized legal research charges and other computer services, expenses for "working meals" and telecopier charges. My office will charge the Debtor for these expenses in a manner and at rates consistent with those it generally charges its other clients and in accordance with the Local Rules and United States Trustee guidelines.

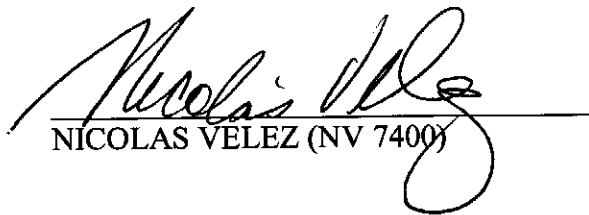
10. No promises have been received by me or my office nor by any employee thereof as to compensation in connection with the Chapter 11 Case other than in accordance with the

provisions of the Bankruptcy Code. My office has no agreement with any other entity to share with such entity any compensation received by me in connection with the Chapter 11 Case.

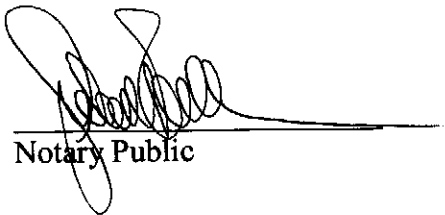
11. I further state pursuant to Bankruptcy Rule 2016(b) that it has not shared, nor agreed to share (a) any compensation it has received or may receive with another party or person, or (b) any compensation another person or party has received or may receive.

12. I am the person who will be primarily responsible for the representation of the Debtor in this Chapter 11 Case, and have read, and am generally familiar with: (a) the Bankruptcy Code, and the current amendments thereto, (b) the Federal Rules of Bankruptcy Procedure, and (c) the Local Rules of this Court.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.


NICOLAS VELEZ (NV 7400)

Sworn to before me this 7th day
of May, 2007 in Bronx, New York


Notary Public

JULIUS PANELL
Notary Public, State of New York
No. 02PA6180999
Qualified in Queens County
Commission Expires August 7, 2010

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

-----X
In Re:

PERALTA REALTY CORPORATION

Case No.

Chapter 11

Debtor(s)

-----X

VERIFICATION OF CREDITOR MATRIX/LIST OF CREDITORS

The undersigned debtor(s) or attorney for the debtor(s) hereby verifies that the creditor matrix/list of creditors submitted herein is true and correct to the best of his or her knowledge.

April 24, 2007

Dated:

Alberto Peralta, President

Debtor

Joint Debtor

Attorney for Debtor

David A. Cantor
19 West 44th Street
New York New York 10017

D Nosotros Food Corporation
2937 Atlantic Avenue
Brooklyn New York 11207

Home Heating Oil
PO Box 70458
Brooklyn New York 11207

Barry Levites
341 East 149th Street
Bronx New York 10451

Rossrock Funding II LLC
c/o Rossrock LLC
150 East 52nd Street 27th Floor
New York New York 10022

EXHIBIT 1

RESOLUTIONS OF THE BOARD OF DIRECTORS OF PERALTA REALTY CORPORATION

The undersigned hereby certifies that the following resolutions were adopted in accordance with the requirements of New York Business Corporations Law, at a meeting of the Board of Directors of Peralta Realty Corporation (the "Corporation") held on April 17, 2007, at which meeting a quorum was present.

RESOLVED, that in the judgment of the Board of Directors, it is in the best interests of this Corporation, its creditors, employees and other interested parties that the Corporation file a petition for relief under the provisions of chapter 11, title 11, United States Code (the "Bankruptcy Code") for the purpose of reorganizing the Corporation's financial affairs.

RESOLVED, that the Authorized Officer (defined below) be, and hereby is, authorized and directed on behalf of the Corporation to (i) execute and verify a petition to commence a proceeding under Chapter 11 of title 11 of the United States Code, and (ii) cause the same to be filed in any district at such time and venue as the officer executing said petition on behalf of this Corporation shall determine.

RESOLVED, that the Authorized Officer, be, and hereby is, authorized, directed and empowered to retain, under a general retainer, in the name of the Corporation (i) Nicolas Velez, Esq. of the Law Offices of Nicolas Velez as bankruptcy counsel to render legal services to and represent the Corporation in connection with the chapter 11 case of the Corporation and other related matters in connection therewith and, upon such terms and conditions as such Authorized Officers shall determine.

RESOLVED, that the Authorized Officer be, and hereby is, authorized and directed on behalf of the Corporation to execute, verify and file or cause to be filed all petitions, schedules, motions, lists, applications, pleadings and other papers and, in connection therewith, to employ and retain all assistance by legal counsel, accountants or other professionals and to take any and all action which they deem necessary or proper in connection with any proceeding under the Bankruptcy Code, with a view to the successful prosecution thereof.

RESOLVED, that the Authorized Officer be, and hereby is, authorized and directed on behalf of the Corporation to take any and all such further actions and to execute and deliver any and all such further instruments and documents and to pay all such expenses, that in his judgment shall be necessary or desirable to full carry out the intent and accomplish the purposes of the resolutions adopted herein.

RESOLVED, that all acts lawfully done or actions taken by any officer or officers of the Corporation in connection with the reorganization of the Corporation or any matter thereto, or by virtue of these resolutions are hereby in all respects ratified, confirmed and approved.

RESOLVED, that the following named officer of the Corporation (the "Authorized Officer"), is hereby authorized and directed, for and in the name of the Corporation, on such terms and conditions as the Authorized Officer may agree upon, to take any and all action, and to execute and deliver any and all documents necessary and proper to carry out the purpose and intent of these resolutions, including, without limitation, the execution of all documents herein referred to and execution of such other and further documents, applications and forms as shall be necessary and appropriate:

Name

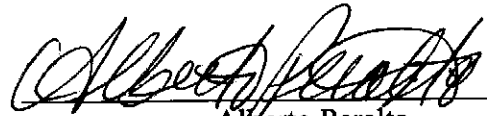
Alberto Peralta

Title

President

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of April, 2007.

DATED: April 17, 2007



Alberto Peralta
President
Peralta Realty Corporation

EXHIBIT 2

SCHEDULE OF THREE LARGEST SECURED CREDITORS ON A CONSOLIDATED BASIS

<u>NAME AND ADDRESS OF SECURED CREDITOR</u>	<u>CONTACT NAME AND TELEPHONE NUMBER</u>	<u>APPROXIMATE AMOUNT OF CLAIM</u>	<u>DESCRIPTION OF COLLATERAL</u>
<p>Rossrock Funding II LLC c/o Rossrock, LLC 150 East 52nd Street 27th Floor New York New York 10022</p> <p>As successor in interest to</p> <p>Flushing Savings Bank, FSB 144-51 Northern Boulevard Flushing New York 11354</p>	<p>c/o Alicia Stillman Cullen & Dykman 100 Quentin Roosevelt Boulevard Garden City, New York 11530-4850</p>	\$450,000.00	First Mortgage on property located at 2935 Atlantic Avenue, Brooklyn New York 11209.
<p>David A Cantor 19 West 44th Street New York New York 10017 and Barry Levites 341 East 149th Street Bronx New York 10451</p>	<p>c/o Patricia A. Friederich, Esq. Novick, Edelstein, Lubell, Reisman Wasserman & Leventhal, P.C. 733 Yonkers Avenue Yonkers New York 10704</p>	\$200,000.00	Second Mortgage on property located at 2935 Atlantic Avenue, Brooklyn New York 11209.
<p>Home Heating Oil</p> <p>PO Box 70458 Brooklyn New York 11207</p>	<p>2641 Atlantic Avenue Brooklyn New York 11207</p>	\$8,000.00	UCC-1 Filing on equipment and fixtures located at 2935 Atlantic Avenue, Brooklyn New York 11209.

EXHIBIT 3

SCHEDULE OF TEN LARGEST UNSECURED CREDITORS ON A CONSOLIDATED BASIS

#	<u>Name Of Creditor</u>	<u>Address/Contact</u>	<u>Nature Of Claim</u>	<u>Approximate Amount Of Claim</u>	<u>Contact Party/Telephone Fax</u>
1	D'Nosotros Food Corporation	2937 Atlantic Avenue Brooklyn New York 11207	Rental Income	\$182,000.00	The Corporation 2937 Atlantic Avenue Brooklyn New York 11207

This Schedule of the 30 largest unsecured creditors does not include unliquidated, disputed and contingent claims that are the subject of litigation.

The information contained herein shall not constitute an admission by the Debtors

The Debtors reserve all rights to challenge the priority, value, amount or status of any claim.

EXHIBIT 4



Downtown Business Services

Adds up to client satisfaction

Alberto Peralta
2935 Atlantic Ave
Brooklyn NY 11207

Personal Financial Statement as of December 31, 2006

ASSETS

Cash on Hands and in Bank	\$ 5,549
Personal Furnishings: Effects & Jewelry	45,076
Residential Real Estate	1,060,800
Investment: Restaurant Business	500,000
Automobile: Crysler Town & Country 2006	<u>35,000</u>
TOTAL ASSETS	<u>\$ 1,646,425</u>

LIABILITIES & NET WORTH

Long Term Mortgage Payable: Real Estate Property	464,000
Credit Cards	35,000
Net Worth	<u>1,147,425</u>
TOTAL LIABILITIES & NET WORTH	<u>\$ 1,646,425</u>

EXHIBIT 5

LIST OF INDIVIDUALS WHO COMPRISE THE SENIOR MANAGEMENT OF THE DEBTOR

President, Vice President: Alberto Peralta

Mr. Alberto Peralta has been the President and Vice President of Peralta Realty Corporation since its inception in 2003. Since Peralta Realty Corporation is an S-Corporation, Mr. Peralta occupies both the President and Vice President titles. Mr. Peralta is also responsible for the financial dealings of Peralta Realty Corporation.

EXHIBIT 6

**ESTIMATED CASH RECEIPTS, DISBURSEMENTS AND NET
CASH FLOW FOR THE 30 DAY PERIOD FOLLOWING THE
FILING**

None expected at this time.

EXHIBIT 7

LIST OF ACTIONS OR PROCEEDINGS PENDING AGAINST THE DEBTORS PROPERTY

There are currently two court cases, which are both foreclosures that are pending against the Debtor's Property. They are:

Rossrock: On or about June 21, 2004, a mortgage in the amount of \$360,000 was executed with Flushing Savings Bank on Peralta Realty Corporation, located at 2935 Atlantic Avenue, Brooklyn, New York 11207, Block 3953 Lot 52. The note was duly recorded on July 27, 2004 in the Office of the Register, County of Kings, CRFN 2004000462264. The above Note and Mortgage was assigned to Rossrock Fund II LP by instrument dated September 22, 2006, which assignment has not yet been recorded. The claimed amount due and owing by Rossrock, including late penalties and interest, is Four Hundred Fifty Thousand Dollars. They have initiated a foreclosure action in the Supreme Court of the State of New York, County of Kings. The foreclosure hearing is scheduled for May 11, 2007 at 9:30 am in Part 16.

David A. Cantor and Barry Levites: In an effort to pay some debts, and to pay the landlord back rent in the amount of Thirty Thousand Dollars (\$30,000.00) a second mortgage in the amount of \$110,000 was taken with David A. Cantor and Barry Levites on Peralta Realty Corporation, located at 2935 Atlantic Avenue, Brooklyn, New York 11207, Block 3953 Lot 52. This note has become due and owing, and the claimed amount by Cantor/Levites is approximately Two Hundred Thousand Dollars. They have initiated a foreclosure action in the Supreme Court of the State of New York, County of Kings. The foreclosure hearing is scheduled for June 12, 2007 at 9:30 am in Part 18.