

B1 (Official Form 1)(12/11)

**United States Bankruptcy Court
District of South Carolina**

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Grace Holdings, Inc.	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): AKA Hidden Creek Mobile Home Park	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. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) 57-1162873	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): 200 Bryson Road #2 Simpsonville, SC ZIP Code 29681	Street Address of Joint Debtor (No. and Street, City, and State): ZIP Code
County of Residence or of the Principal Place of Business: Greenville	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): 10 W. Darby Road Greenville, SC ZIP Code 29609	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):	

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	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
Chapter 15 Debtors Country of debtor's center of main interests: Each country in which a foreign proceeding by, regarding, or against debtor is pending:	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).	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 \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). 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).
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Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input 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.	THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors <input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000	
Estimated Assets <input checked="" type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion	
Estimated Liabilities <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input checked="" type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion	

<p>Voluntary Petition</p> <p><i>(This page must be completed and filed in every case)</i></p>	<p>Name of Debtor(s): Grace Holdings, Inc.</p>
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All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

Location Where Filed: - None -	Case Number:	Date Filed:
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Location Where Filed:	Case Number:	Date Filed:
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Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor: - None -	Case Number:	Date Filed:
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District:	Relationship:	Judge:
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<p style="text-align: center;">Exhibit A</p> <p>(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.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>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 delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p>
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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?

Yes, and Exhibit C is attached and made a part of this petition.

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.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

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)

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.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

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.

Certification by a Debtor Who Resides as a Tenant of Residential Property

(Check all applicable boxes)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

(Name of landlord that obtained judgment)

(Address of landlord)

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

Debtor has included in 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.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

Voluntary Petition

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

Name of Debtor(s):
Grace Holdings, Inc.

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 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 Attorney*

X /s/ Robert H. Cooper
Signature of Attorney for Debtor(s)

Robert H. Cooper #5670
Printed Name of Attorney for Debtor(s)

The Cooper Law Firm
Firm Name

3523 Pelham Rd., Suite B
Greenville,, SC 29615

Address

thecooperlawfirm@thecooperlawfirm.com
864-271-9911 Fax: 864-232-5236

Telephone Number

May 27, 2012
Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

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 19 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

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.

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

X /s/ Weldon E. Holtzclaw, Jr.
Signature of Authorized Individual

Weldon E. Holtzclaw, Jr.
Printed Name of Authorized Individual

President
Title of Authorized Individual

May 27, 2012
Date

Date

**United States Bankruptcy Court
District of South Carolina**

In re Grace Holdings, Inc.

Debtor(s)

Case No.
Chapter

11

STATEMENT REGARDING AUTHORITY TO SIGN AND FILE PETITION

I, **Weldon E. Holtzclaw, Jr.**, declare under penalty of perjury that I am the **President** of **Grace Holdings, Inc.**, and that the following is a true and correct copy of the resolutions adopted by the Board of Directors of said corporation at a special meeting duly called and held on the 27th day of May, 2012.

"Whereas, it is in the best interest of this corporation to file a voluntary petition in the United States Bankruptcy Court pursuant to Chapter 11 of Title 11 of the United States Code;

Be It Therefore Resolved, that **Weldon E. Holtzclaw, Jr.**, **President** of this Corporation, is authorized and directed to execute and deliver all documents necessary to perfect the filing of a chapter 11 voluntary bankruptcy case on behalf of the corporation; and

Be It Further Resolved, that **Weldon E. Holtzclaw, Jr.**, **President** of this Corporation is authorized and directed to appear in all bankruptcy proceedings on behalf of the corporation, and to otherwise do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the corporation in connection with such bankruptcy case, and

Be It Further Resolved, that **Weldon E. Holtzclaw, Jr.**, **President** of this Corporation is authorized and directed to employ **Robert H. Cooper**, attorney and the law firm of **The Cooper Law Firm** to represent the corporation in such bankruptcy case."

Date May 27, 2012

Signed  /s/ Weldon E. Holtzclaw, Jr.
Weldon E. Holtzclaw, Jr.

Resolution of Board of Directors
of
Grace Holdings, Inc.

Whereas, it is in the best interest of this corporation to file a voluntary petition in the the United States Bankruptcy Court pursuant to Chapter 11 of Title 11 of the United States Code;

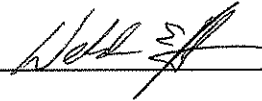
Be It Therefore Resolved, that **Weldon E. Holtzclaw, Jr., President** of this Corporation, is authorized and directed to execute and deliver all documents necessary to perfect the filing of a chapter 11 voluntary bankruptcy case on behalf of the corporation; and

Be It Further Resolved, that **Weldon E. Holtzclaw, Jr., President** of this Corporation is authorized and directed to appear in all bankruptcy proceedings on behalf of the corporation, and to otherwise do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the corporation in connection with such bankruptcy case, and

Be It Further Resolved, that **Weldon E. Holtzclaw, Jr., President** of this Corporation is authorized and directed to employ **Robert H. Cooper**, attorney and the law firm of **The Cooper Law Firm** to represent the corporation in such bankruptcy case.

Date May 27, 2012

Signed



Form **1120S**

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

See separate instructions.

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or tax year beginning **01-01, 2011**, ending **12-31, 2011**

A S election effective date 05-01-2003	TYPE OR PRINT	Name Grace Holdings Inc	D Employer identification number 57-1162873
B Business activity code number (see instructions) 531110		Number, street, and room or suite no. If a P.O. box, see instructions. 10 West Darby Road	E Date incorporated 04-07-2003
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code Greenville SC 29609	F Total assets (see instructions) \$ 963,042

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Merchant card and third-party payments. For 2011, enter -0-	1a	0	1e	336,994				
	b Gross receipts or sales not reported on line 1a (see instructions)	1b	336,994		2				
	c Total. Add lines 1a and 1b	1c	336,994			3	336,994		
	d Returns and allowances plus any other adjustments (see instructions)	1d					4		
	e Subtract line 1d from line 1c							5	
	2 Cost of goods sold (attach Form 1125-A)								6
3 Gross profit. Subtract line 2 from line 1e			7						
4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)				8					
5 Other income (loss) (see instructions - attach statement)					9				
6 Total income (loss). Add lines 3 through 5						10	336,994		
7 Compensation of officers							11		
8 Salaries and wages (less employment credits)								12	20,755
9 Repairs and maintenance			13						81,334
10 Bad debts				14					
11 Rents					15				43,044
12 Taxes and licenses		ATT STL				16			16,795
13 Interest							17		83,730
14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)								18	31,143
15 Depletion (Do not deduct oil and gas depletion.)			19						
16 Advertising				20					
17 Pension, profit-sharing, etc., plans					21				
18 Employee benefit programs						22a			
19 Other deductions (attach statement)		STM. 02					22b		49,563
20 Total deductions. Add lines 7 through 19								22c	326,364
21 Ordinary business income (loss). Subtract line 20 from line 6			22d						10,630
22a Excess net passive income or LIFO recapture tax (see instructions)				23a					
b Tax from Schedule D (Form 1120S)					23b				
c Add lines 22a and 22b (see instructions for additional taxes)						23c			
23a 2011 estimated tax payments and 2010 overpayment credited to 2011							23d		
b Tax deposited with Form 7004								24	
c Credit for federal tax paid on fuels (attach Form 4136)			25						
d Add lines 23a through 23c				26					
24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>					27				
25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed						Refunded			
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid							Refunded		
27 Enter amount from line 26 Credited to 2012 estimated tax									

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Weldon E Holtzclaw Jr **05-02-2012** **President**
Signature of officer Date Title

Paid Preparer Use Only

Print/Type preparer's name Dan T Jones III	Preparer's signature Dan T Jones III	Date 05-02-2012	Check <input type="checkbox"/> if self-employed <input type="checkbox"/> PTIN P00163997
Firm's name Dan T Jones III CPA PA	Firm's EIN 57-0953273	Phone no. (864) 270-2864	
Firm's address 904 East Washington Street Greenville, SC 29601			

Schedule B Other Information (see instructions)		Yes	No
1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____		
2	See the instructions and enter the: a Business activity ▶ <u>Management</u> b Product or service ▶ <u>Real Estate</u>		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a qualified subchapter S subsidiary election made?		X
4	Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
5	Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
6	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$ _____		
7	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____		
8	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1		X
9	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
10a	Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?		X
b	If "Yes," did the corporation file or will it file all required Forms 1099?		

Schedule K Shareholders' Pro Rata Share Items		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	10,630
2	Net rental real estate income (loss) (attach Form 8825)	2	
I n c o m e	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
4	Interest income	4	
(L o s s)	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
6	Royalties	6	
7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b Collectibles (28%) gain (loss)	8b	
	c Unrecaptured section 1250 gain (attach statement)	8c	
9	Net section 1231 gain (loss) (attach Form 4797)	9	
10	Other income (loss) (see instructions) . . . Type ▶ _____	10	

		Shareholders' Pro Rata Share Items (continued)	Total amount	
Deductions	11	Section 179 deduction (attach Form 4562)	11	2,281
	12a	Contributions	12a	
	b	Investment interest expense	12b	
	c	Section 59(e)(2) expenditures (1) Type ▶ _____ (2) Amount ▶ _____	12c(2)	
	d	Other deductions (see instructions) Type ▶ _____	12d	
Credits	13a	Low-income housing credit (section 42(j)(5))	13a	
	b	Low-income housing credit (other)	13b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d	Other rental real estate credits (see instructions) Type ▶ _____	13d	
	e	Other rental credits (see instructions) Type ▶ _____	13e	
	f	Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g	Other credits (see instructions) Type ▶ _____	13g	
Foreign Transactions	14a	Name of country or U.S. possession ▶ _____		
	b	Gross income from all sources	14b	
	c	Gross income sourced at shareholder level	14c	
		Foreign gross income sourced at corporate level		
	d	Passive category	14d	
	e	General category	14e	
	f	Other (attach statement)	14f	
		Deductions allocated and apportioned at shareholder level		
	g	Interest expense	14g	
	h	Other	14h	
		Deductions allocated and apportioned at corporate level to foreign source income		
	i	Passive category	14i	
	j	General category	14j	
	k	Other (attach statement)	14k	
	Other information			
	l	Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m	Reduction in taxes available for credit (attach statement)	14m	
	n	Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a	(144)
	b	Adjusted gain or loss	15b	
	c	Depletion (other than oil and gas)	15c	
	d	Oil, gas, and geothermal properties-gross income	15d	
	e	Oil, gas, and geothermal properties-deductions	15e	
	f	Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a	
	b	Other tax-exempt income	16b	
	c	Nondeductible expenses	16c	
	d	Distributions (attach statement if required) (see instructions)	16d	
	e	Repayment of loans from shareholders	16e	
Other Information	17a	Investment income	17a	
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement)		
Reconciliation	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	8,349

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		1,782		8,983
2 a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10 a	Buildings and other depreciable assets	589,385		713,279	
b	Less accumulated depreciation	(191,200)	398,185	(224,511)	488,768
11 a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		465,291		465,291
13 a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach statement)				
15	Total assets		865,258		963,042
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year		16,174		
18	Other current liabilities (attach statement)	STM 22	134,771		187,125
19	Loans from shareholders		29,928		40,186
20	Mortgages, notes, bonds payable in 1 year or more		824,404		867,404
21	Other liabilities (attach statement)				
22	Capital stock				
23	Additional paid-in capital		49,999		49,999
24	Retained earnings		(190,018)		(181,672)
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		865,258		963,042

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return		Note. Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more-see instructions	
1	Net income (loss) per books	8,349	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		
a	Depreciation \$		
b	Travel and entertainment \$		
4	Add lines 1 through 3	8,349	
5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):		
a	Tax-exempt interest \$		
6	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):		
a	Depreciation \$		
7	Add lines 5 and 6		
8	Income (loss) (Schedule K, line 18)		
	Line 4 less line 7		8,349

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)			
	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	(190,018)	
2	Ordinary income from page 1, line 21	10,630	
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions STM 30	(2,284)	
6	Combine lines 1 through 5	(181,672)	

Form **1125-A**

Cost of Goods Sold

OMB No. 1545-2225

(December 2011)
Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.**

Name Grace Holdings Inc	Employer identification number 57-1162873
-----------------------------------	---

1 Inventory at beginning of year	1
2 Purchases	2
3 Cost of labor	3
4 Additional section 263A costs (attach schedule)	4
5 Other costs (attach schedule)	5
6 Total. Add lines 1 through 5	6
7 Inventory at end of year	7
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)	8

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶ _____

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

United States Bankruptcy Court
District of South Carolina

In re Grace Holdings, Inc. Debtor(s) Case No. Chapter 11

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

Table with 2 columns: Description and Amount. Rows include: For legal services, I have agreed to accept (\$25,000.00), Prior to the filing of this statement I have received (\$10,000.00), Balance Due (\$15,000.00).

2. \$ 1,046.00 of the filing fee has been paid.

3. The source of the compensation paid to me was:
[] Debtor [] Other (specify):

4. The source of compensation to be paid to me is:
[] Debtor [] Other (specify):

5. [] I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

[] I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

6. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
d. [Other provisions as needed]

Negotiations with secured creditors to reduce to market value; exemption planning; preparation and filing of reaffirmation agreements and applications as needed; preparation and filing of motions pursuant to 11 USC 522(f)(2)(A) for avoidance of liens on household goods.

7. By agreement with the debtor(s), the above-disclosed fee does not include the following service:

Representation of the debtors in any dischargeability actions, judicial lien avoidances, relief from stay actions or any other adversary proceeding.

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

Dated: May 27, 2012

/s/ Robert H. Cooper
Robert H. Cooper
The Cooper Law Firm
3523 Pelham Rd., Suite B
Greenville, SC 29615
864-271-9911 Fax: 864-232-5236
thecooperlawfirm@thecooperlawfirm.com

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court
District of South Carolina**

In re Grace Holdings, Inc.

Debtor(s)

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, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
Weldon Eugene Holtzclaw, Sr. 30 West Darby Road Greenville, SC 29609	Weldon Eugene Holtzclaw, Sr. 30 West Darby Road Greenville, SC 29609			158,000.00
Weldon Eugene Holtzclaw, Jr. 10 West Darby Road Greenville, SC 29609	Weldon Eugene Holtzclaw, Jr. 10 West Darby Road Greenville, SC 29609			150,000.00
Arnold Ramsey 149 North Spring Street Spartanburg, SC 29306	Arnold Ramsey 149 North Spring Street Spartanburg, SC 29306			43,500.00
W.H. Watson, LLC 10 North Watson Road Taylors, SC 29687	W.H. Watson, LLC 10 North Watson Road Taylors, SC 29687			17,400.00
Caliber Engineering PO Box 27171 Greenville, SC 29616	Caliber Engineering PO Box 27171 Greenville, SC 29616			4,993.00
Pride Title Notes LLC Attn: Mandy Creasman PO Box 2335 Easley, SC 29641	Pride Title Notes LLC Attn: Mandy Creasman PO Box 2335 Easley, SC 29641			4,450.00

B4 (Official Form 4) (12/07) - Cont.

In re Grace Holdings, Inc.

Case No. _____

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

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

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

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date May 27, 2012

Signature /s/ Weldon E. Holtzclaw, Jr.
Weldon E. Holtzclaw, Jr.
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 and 3571.

LOCAL OFFICIAL FORM 1007-1(b) TO SC LBR 1007-1

United States Bankruptcy Court
District of South Carolina

In re Grace Holdings, Inc. Debtor(s) Case No. _____ Chapter 11

CERTIFICATION VERIFYING CREDITOR MATRIX

The above named debtor, or attorney for the debtor if applicable, hereby certifies pursuant to South Carolina Local Bankruptcy Rule 1007-1 that the master mailing list of creditors submitted either on computer diskette, electronically filed via CM/ECF, or conventionally filed in a typed hard copy scannable format which has been compared to, and contains identical information to, the debtor's schedules, statements and lists which are being filed at this time or as they currently exist in draft form.

Master mailing list of creditors submitted via:

- (a) _____ computer diskette
- (b) _____ scannable hard copy
(number of sheets submitted _____)
- (c) electronic version filed via CM/ECF

Date: May 27, 2012

/s/ Weldon E. Holtzclaw, Jr.
Weldon E. Holtzclaw, Jr./President
Signer/Title

Date: May 27, 2012

/s/ Robert H. Cooper
Signature of Attorney
Robert H. Cooper
The Cooper Law Firm
3523 Pelham Rd., Suite B
Greenville,, SC 29615
864-271-9911 Fax: 864-232-5236
Typed/Printed Name/Address/Telephone

#5670
District Court I.D. Number

Arnold Ramsey
149 North Spring Street
Spartanburg SC 29306

Caliber Engineering
PO Box 27171
Greenville SC 29616

Cornerstone National Bank
c/o Smith Moore Leatherwood, LLP
Attn.: F. Marion Hughes
300 East McBee Ave, Ste 500
Greenville SC 29601

Cornerstone National Bank
PO Box 428
Easley SC 29641

Greenville County Tax Collector
301 University Ridge
Suite 700
Greenville SC 29601

Internal Revenue Service
Centralized Insolvency Operation
PO Box 7346
Philadelphia PA 19101-7346

IRS MDP 39
1835 Assembly ST RM 469
Columbia SC 29201

Pride Title Notes LLC
Attn: Mandy Creasman
PO Box 2335
Easley SC 29641

Robin Holtzclaw
PO Box 3746
Greenville SC 29608

SC Dept of Rev. & Tax
PO Box 12265
Columbia SC 29211

W.H. Watson, LLC
10 North Watson Road
Taylors SC 29687

Weldon Eugene Holtzclaw, Jr.
10 West Darby Road
Greenville SC 29609

Weldon Eugene Holtzclaw, Sr.
30 West Darby Road
Greenville SC 29609