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10
 11 UNITED STATES BANKRUPTCY COURT
 12
 13 IN AND FOR THE DISTRICT OF ARIZONA
 14

15 In Re:)	In Proceedings Under Chapter 11
16)	
17 CARL BRAUNAGEL,)	Case No. 2-09-bk-22874-RTB
18 ,)	
19)	DEBTOR'S DISCLOSURE STATEMENT
20 Debtor)	
21 _____))	

22 I. Introduction.....2
 23 II. Plan of Reorganization.....3
 24 A. Classes of Claims.....3
 25 B. Provisions Respecting the Unimpaired Classes of Claims.....17
 26 C. Provisions Respecting the Impaired Classes of Claims19
 27 D. Application of Absolute Priority Rule.....30
 28 E. Liquidation Analysis.....31
 29 F. History of Debtor.....33
 30 III. Financial Information.....38
 31 IV. Litigation.....38
 32 V. Tax Consequences to Creditors.....38
 33 VI. Tax Consequences to Debtor.....38
 34 VII. Approval of Plan.....38

1 EXHIBITS:

- 2 A. Plan of Reorganization
3 B. 2006 - 2007 Tax Returns (2008 on extension and will be filed when completed)
4 C. Real Estate Appraisals
5 D. Income and Expense Projections
6 E. Amortization Schedules for Real Estate Holdings
7 F. Form of Ballot

8
9 I. INTRODUCTION

10 Pursuant to 11 U.S.C. § 1125, Debtor and Debtor-In-Possession ("Debtor") in the
11 above-captioned Chapter 11 case, Carl Braunagel, provide this Disclosure Statement to all
12 of his known creditors, and other parties in interest. The purpose of this Disclosure
13 Statement is to provide such information as may be deemed material important and
14 necessary for the creditors of Debtor to be reasonably informed in regard to the Debtor's
15 Plan of Reorganization dated September 10, 2009 ("The Plan"). The Plan, a copy of which
16 accompanies this Disclosure Statement as Exhibit "A" and is made a part hereof, was filed
17 in the United States Bankruptcy Court for the District of Arizona ("Bankruptcy Court") on ,
18 2009. The portions of this Disclosure Statement describing the Debtor have not been
19 subject to a certified audit, but rather have been prepared from information submitted by
20 the Debtor from financial records maintained by the Debtor in the ordinary course of
21 business. Every effort has been made to be as accurate as possible in the preparation of
22 this Disclosure Statement.

23 NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS TO HIS
24 FUTURE BUSINESS OPERATIONS OR THE VALUE OF HIS ASSETS) ARE AUTHORIZED
25 OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. APPROVAL OF THIS
26 DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE
27 CERTIFICATION BY THE COURT AS TO THE ACCURACY OF ANY OF THE STATEMENTS

1 CONTAINED IN THIS DISCLOSURE STATEMENT. THOSE OBTAINING THIS DISCLOSURE
2 STATEMENT SHOULD SEEK THEIR OWN INDEPENDENT COUNSEL IN ANALYZING THE
3 CONTENTS OF THE DISCLOSURE STATEMENT.

4 II. PLAN OF REORGANIZATION

5 Reference is made to the plan for details concerning the classification and treatment
6 of holders of claims and interest. All terms defined in the Plan have the same meanings
7 herein, unless otherwise noted.

8 A. Classes of Claims and Interests

9 The Plan divides the creditors into 39 classes. The classes under the Plan are
10 described below:

11 1. Class 1: Creditors Holding Administrative Claims

12 Debtor has employed DeConcini, MacDonald, Yetwin and Lacy
13 (“DeConcini”) as General Counsel for the Debtor-in-Possession. DeConcini received a
14 retainer of \$25,000.00 from the personal funds of Debtor. To the extent that unencumbered
15 funds are available to pay administrative expenses, counsel shall be paid from the estate.
16 Counsel shall be paid only after fees are approved by the Court after Notice and Hearing.
17 Debtor has not incurred post-petition taxes. Debtor is not indebted to the Office of the
18 United States Trustee for any post-petition quarterly fee obligations. To the extent that
19 such fees are unpaid, they shall be paid no later than the effective date of the Order
20 Confirming Debtor’s Chapter 11 Plan of Reorganization. DeConcini has not filed its first Fee
21 Application but will do so prior to the hearing on the confirmation of the Plan. To the
22 extent that the retainer paid by Debtor is not adequate to cover all fees incurred by
23 DeConcini, Debtor and DeConcini will make suitable arrangements for the payment of any
24 unpaid fees due at the time of Confirmation of the Plan. Any and all Fees due for other
25 outside professionals shall be paid in full by Debtor, either upon the effective date of
26 confirmation of the Plan or pursuant to an agreement reached between the Debtor and the
27 Claim holder or upon an Order approving the fees, if unencumbered funds are present.

1 Debtor shall remain current in required filings of monthly operating reports and post-
2 Confirmation reports as well as payment of quarterly fees until the case is closed. Payment
3 of allowed Administrative Expenses shall be made from the cash flow of Debtor's business
4 and real estate operations and/or the liquidation of Debtor's assets. Debtor shall promptly
5 pay all fees due the Office of the United States Trustee.

6 2. Class 2-37 Creditors Holding Secured Claims:

7 a. Class 2: Bank of America: Bank of America ("B of A") holds a first lien
8 position on Debtor's investment property located at 5835 La Privada, Cottonwood, Az. The
9 amount due B of A is approximately 459,000 and the fair market value of the property is
10 \$435,000. Debtor shall bifurcate the lien of B of A into secured and unsecured portions.
11 Debtor shall pay the secured portion of the claim at 5% interest with payments amortized
12 over 480 months with a balloon payment due of all remaining principal on the secured
13 portion of the claim 96 months after the Plan Distribution Date. Monthly payments on the
14 secured portion of the claim will be \$2,097.56. The balance of the claim shall be treated as
15 a general unsecured claim under Class 39 of the Plan. B of A is impaired.

16 b. Class 3-intentionally omitted

17 c. Class 4: Bank of America: Bank of America ("B of A") holds a second
18 lien Deed of Trust on the Debtor's investment property located at 570 Sawmill Gardens,
19 Cottonwood, Az.. Debtor believes that B of A is totally unsecured. The property is worth
20 approximately \$135,000 and is encumbered by a first lien in favor of Everhome in the
21 amount of \$153,000. Debtor shall file a complaint under 11 U.S.C. §506 to set aside the lien
22 of B of A. B of A shall be treated as a general unsecured claim under Class 39 of the plan. B
23 of A is impaired.

24 d. Class 5: Bank of America: Bank of America ("B of A") has a first lien on
25 Debtor's investment real estate located at Lot 80 Oak Creek Canyon, Az. The property is
26 worth approximately \$296,000 and is encumbered by a lien in favor of B of A in an amount
27 of approximately \$351,000. Debtor shall bifurcate B of A's claim into a secured and

1 unsecured portion. The secured portion of the claim shall be paid at an interest rate of 5%
2 annual interest with payments amortized over 480 months with a balloon payment of all
3 remaining principal due, on the secured portion of the claim, 96 months after the Plan
4 Distribution Date. The unsecured portion of the claim shall be treated as a General
5 Unsecured Claim under Class 39 of the Plan. Monthly payments on the secured portion of
6 the claim will be \$1,427.30, commencing on the Plan Distribution Date. B of A is impaired
7 on this claim.

8 e. Class 6: Chase Bank: Chase Bank ("Chase") has a second lien on
9 Debtor's investment real estate located at 68 River Rd. Montague, NJ. The property is
10 worth approximately \$457,000. Chase's lien is fully secured. Debtor intends to continue to
11 make regular monthly payments as specified in the Promissory Note. There are no arrears
12 due Chase and Chase is unimpaired on this claim.

13 f. Class 7 Chase Bank: Chase Bank ("Chase") holds a first lien on
14 Debtor's investment property located at 811 Assembly Court, Reunion, Fla.. Debtor
15 believes that the property is worth approximately \$163,000 and the debt due Chase on this
16 claim is approximately \$376,000. Debtor shall bifurcate the Chase claim on this property
17 into secured and unsecured portions. The secured portion of the claim shall be paid 5%
18 interest, amortized over 480 months with a balloon payment of all remaining principal on
19 the secured portion of the claim due on the 96th month after the Plan Distribution Date.
20 The remaining balance due Chase on this claim shall be treated as a general unsecured
21 claim under Class 39 of the Plan. Monthly payments on the secured portion of the claim
22 will be \$785.98, with payments commencing on the Plan Distribution Date. Chase is
23 impaired on this claim.

24 g. Class 8: Chase Bank: Chase Bank (Chase) holds a second lien on
25 Debtor's investment property located at 811 Assembly Court, Reunion, Fla. Debtor believes
26 that the property is worth approximately \$163,000 and the debt due Chase on this claim is
27 approximately \$19,000. Debtor shall file a Complaint pursuant to 11 U.S.C. §506 to avoid

1 the lien held by Chase on this property. The entire balance due Chase shall be treated as a
2 general unsecured claim under Class 39 of the Plan. No payment shall be made to Chase on
3 account of its claim as a secured creditor for this lien. Chase is impaired on this claim.

4
5 h. Class 9: Chase Home Finance: Chase Home Finance (CHF) holds a first
6 lien on Debtors' investment property located at 7651 Q 104 S. Whisper Way, Reunion, Fla.
7 The amount due CHF is approximately \$540,000 and Debtor believes that the property is
8 worth \$220,000. Debtor shall surrender the property to CHF, which may pursue any and
9 all rights available to it under Applicable State Law to foreclose on the property. To the
10 extent that applicable state law permits CHF to seek a deficiency claim, that claim shall be
11 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
12 made to CHF on account of its secured claim. CHF is impaired on this claim.

13 i. Class 10: CitiMortgage: CitiMortgage (Citi) holds a first lien on
14 Debtor's residence located at 2625 S. Anica, Cottonwood, Az. Debtor believes that Citi is
15 fully secured and Debtor intends to continue to make regular monthly payments to Citi as
16 specified in the Promissory Note. There are no arrears due Citi and Citi is unimpaired on
17 this claim.

18 j. Class 11: Colson Empire State Bank: Colson Empire State Bank
19 (Colson) holds a first lien on Debtor's investment property located at 10 Sussex St., Port
20 Jarvis, NJ. The property is worth approximately \$375,000 and the debt due Colson is
21 approximately \$72,000. Colson is fully secured and Debtor intends to maintain regular
22 monthly payments on the property as specified in the Promissory Note secured by the
23 Colson lien. There are no arrears due Colson on this claim and Colson is unimpaired on this
24 claim.

1 k. Class 12: Country Wide Home Loans: Country Wide Home Loans

2 (Country Wide) holds a first lien on Debtor's investment property located at 637 Lake
3 Beulah Cove, Winter Garden, Fla. The amount due Country Wide is approximately
4 \$430,000 and the property is worth \$375,000. Debtor shall bifurcate the claim of Country
5 Wide on this property into secured and unsecured portions. The secured portion of the
6 claim shall be paid interest at 5% with a 480 month amortization schedule with a balloon
7 payment due 96 months after the Plan Distribution Date, at which time all remaining
8 principal due on the secured portion of the claim shall be paid. The unsecured portion of
9 the claim shall be treated as a general unsecured claim in Class 39 of the Plan. Monthly
10 payments on the secured portion of the claim will be \$1,808.24, with payments
11 commencing on the Plan Distribution Date. Country Wide is impaired on this claim.

12 l. Class 13: Country Wide Home Loans: Country Wide Home Loans

13 (Country Wide) holds a first lien on Debtor's investment property located at 14724
14 Peekskill Dr. Winter Garden, Fla. The amount due Country Wide is \$233,000 and the
15 property is worth \$156,000. Debtor shall bifurcate Country Wide's claim into secured and
16 unsecured portions. The secured portion of the claim shall be paid interest at a rate of 5%
17 with a 480 month amortization schedule with a balloon payment due of all remaining
18 principal on the secured portion of the claim on the 96th months after the Plan Distribution
19 Date. The unsecured portion of the claim shall be treated as a general unsecured claim
20 under Class 39 of the Plan. Monthly payments on the secured portion of the claim will be
21 \$752.23, with payments commencing on the Plan Distribution Date. Country Wide is
22 impaired on this claim.

23 m. Class 14: Country Wide Home Loans: Country Wide Home Loans

1 (Country Wide) holds a first lien of Debtor's investment property located at 1352 Center
2 Court Ridge, Reunion, Fla. The amount due to Country Wide is approximately \$384,000.00
3 and the fair market value of the property is \$220,000.00. Debtor shall bifurcate the claim
4 of Country Wide into secured and unsecured portions. The secured portion of the claim
5 shall be paid at 5% interest, amortized over 480 months with all principal on the secured
6 portion of the claim due 96 months after the Plan Distribution Date. Monthly payments on
7 the secured portion of the claim will be \$1,060.83. The balance of the claim shall be treated
8 as a general unsecured claim under Class 39 of the Plan. Country Wide is impaired.

9 n. Class 15: Country Wide Home Loan: Country Wide Home Loan

10 (Country Wide) holds a second lien on Debtor's investment property located at 1356
11 Center Court Ridge, Reunion, Fla. The amount due Country Wide is \$96,000.00. The
12 property is also encumbered by a first lien in favor of Saxon Mortgage in the amount of
13 \$326,000. Debtor believe that the fair market value of the property is \$220,000.00. Debtor
14 shall file a complaint pursuant to 11 U.S.C. §506 to set aside the lien of Country Wide. The
15 claim of Country Wide shall be treated as a general unsecured claim under Class 39 of the
16 Plan. Country Wide is impaired on this claim..

17 o. Class 16: Everhome Mortgage: Everhome Mortgage (Everhome)

18 holds a first lien on Debtor's investment property located at 570 Sawmill Gardens,
19 Cottonwood, Az. The debt due to Everhome is approximately \$153,000.00 and the value of
20 the property is \$135,000.00. Debtor shall bifurcate Everhome's claim into secured and
21 unsecured portions. The secured portion of the claim shall be paid at a rate of 5% interest
22 with a 480 month amortization schedule with all remaining principal on the secured
23 portion of the claim due 96 months after the Plan Distribution date. The remaining portion

1 of Everhome's claim shall be paid as a General Unsecured Claim under Class 39 of the Plan.
2 Monthly payments on the secured portion of the claim shall be \$650.97 with payments
3 commencing on the Plan Distribution Date. Everhome is impaired on its claim.

4 p. Class 17: Federal Trust Bank: Federal Trust Bank (Federal) holds a
5 first lien on Debtor' investment property located at 13485 Daniels Land, Winter Garden,
6 Fla. The amount due to Federal is approximately \$143,000.00 and the fair market value of
7 the property is \$80,000.00. Debtor shall surrender the property to Federal, which may
8 take any and all action authorized under applicable State Law to foreclose on its lien. To
9 the extent that applicable State Law permits Federal to seek a deficiency claim, such claim
10 shall be treated as a general unsecured claim under Class 39 of the plan. No payments shall
11 be made to Federal on account of its secured claim. Federal is impaired on its claim.

12 q. Class 18: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
13 on Debtor's investment property located at Lot 22 Bella Collina, Monte Verde, Fla. The
14 property is worth \$50,000 and Fifth is owed approximately \$500,000 on its claim. Debtor
15 shall surrender the property to Fifth, which may pursue any and all remedies available to it
16 under applicable State law to foreclose on its lien. To the extent that applicable State Law
17 permits a deficiency claim, such claim shall be treated as a general unsecured claim under
18 Class 39 of the Plan. No payments shall be made to Fifth on account of its secured claim.
19 Fifth is impaired on its claim.

20 r. Class 19: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
21 on Debtor's investment property located at Lot 6 Bella Collina, Monte Verde, Fla. The
22 property is worth approximately \$15,000 and the amo0unt due Fifth is approximately
23 \$630,000. Debtor shall surrender the property to Fifth, which may pursue any and all

1 remedies available to it under applicable State Law to foreclose its' lien. To the extent that
2 applicable State Law permits Fifth to pursue a deficiency claim, such claim shall be treated
3 as a general unsecured claim under Class 39 of the Plan. No payments shall be made to
4 Fifth on account of its secured claim. Fifth is impaired on its claim.

5 s. Class 20: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
6 on Debtor's investment property located at 845 Assembly Court, Reunion, Fla. The debt
7 due Fifth is approximately \$245,800 and the property has a fair market value of \$163,000.
8 Debtor intends to keep this property and shall bifurcate the claim of Fifth into secured and
9 unsecured portions. The secured portion of the claim shall be paid interest at a rate of 5%
10 per annum and shall be paid based upon a 480 month amortization schedule with a
11 payment of all remaining principal on the secured portion of the claim due on the 96th
12 month after the Plan Distribution Date. The remaining balance due Fifth shall be treated as
13 a general unsecured claim under Class 39 of the Plan. Monthly payments on the secured
14 portion of the claim shall be \$785.98, with payments commencing on the Plan Distribution
15 Date. Fifth is impaired on its claim.

16 t. Class 21: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
17 position on Debtor's investment property located at 13339 Daniels Land, Winter Garden,
18 Fla. The debt due Fifth is approximately \$143,000 and the property has a fair market value
19 of \$80,000. Debtor shall surrender the property to Fifth, which may pursue any and all
20 remedies available to it under applicable State Law to foreclose on its lien. To the extent
21 that applicable State Law permits Fifth to pursue a deficiency claim, that claim shall be
22 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
23 made to Fifth on account of its secured claim. Fifth is impaired on its claim.

1 u. Class 22: Ford Motor Credit: Ford Motor Credit (Ford) has a line on
2 Debtor's 2006 Ford Expedition. The amount due Ford is approximately \$22,000 and the
3 fair market value of the vehicle is \$18,000. Debtor shall bifurcate the claim into secured
4 and unsecured portions. The secured portion of the claim shall be paid in 60 equal monthly
5 payments of \$339.68 , based upon 5% interest. The remaining portion of the claim shall be
6 treated as a general unsecured claim under Class 39 of the Plan.

7 v. Class 23: GMAC Mortgage: GMAC Mortgage (GMAC) holds a first lien
8 on Debtor's investment property located at 7651 Q 102 S. Whisper Way, Reunion, Fla. The
9 amount due GMAC is approximately \$415,000 and the property has a fair market value of
10 \$220,000. Debtor shall surrender the property and GMAC may pursue any and all remedies
11 available to it under applicable State Law to foreclose its' lien. To the extent that applicable
12 State Law permits GMAC to pursue a deficiency claim, such claim shall be treated as a
13 general unsecured claim under Class 39 of the Plan. No payments shall be made to GMAC
14 on account of its secured claim. GMAC is impaired.

15 w. Class 24: Homecomings Financial: Homecomings Financial
16 (Homecomings) holds a second lien on Debtor's investment property located at 7651 Q 102
17 S. Whisper Way, Reunion, Fla. The amount due Homecomings is \$135,000, in addition to
18 the \$415,000 owed GMAC on the first mortgage. The property has a fair market value of
19 \$220,000. Debtor shall surrender the property and Homecomings may pursue any and all
20 remedies available to it under applicable State Law to foreclose its' lien. To the extent that
21 applicable State Law permits Homecomings to pursue a deficiency claim, such claim shall
22 be treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
23 made to Homecomings on account of its secured claim. Homecomings is impaired.

1 x. Class 25: M & T Bank: M & T Bank holds a third lien on Debtor's
2 investment property located at 10 Sussex Street, Port Jervis, NJ. M & T is also secured by
3 assets owned by Debtor's business and the business makes the payment on the note. That
4 business shall continue to make the payments. M & T is unimpaired.

5 y. Class 26: National City Mortgage: National City Mortgage (National)
6 holds a first lien on Debtor's investment property located at 1228 Castle Pines, Lot 131,
7 Reunion, Fla. The amount due National is \$337,000 and the property has a fair market
8 value of \$50,000. Debtor shall surrender the property and National may take any and all
9 action authorized under applicable State Law to foreclose its lien. To the extent that
10 applicable State Law permits National to pursue a deficiency claim, such claim shall be
11 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
12 made to National on account of its secured claim. National is impaired.

13 z. Class 27: National City Mortgage: National City Mortgage (National)
14 holds a first lien on Debtor's investment property located at 953 Desert Mountain, Lot 56,
15 Reunion, Fla. The amount due National is \$396,000 and the property has a fair market
16 value of \$50,000. Debtor shall surrender the property and National may pursue any and all
17 remedies available to it under applicable State Law to foreclose its' lien. To the extent that
18 applicable State Law permits National to seek a deficiency, such claim shall be treated as a
19 general unsecured claim under Class 39 of the Plan. No payments shall be made to National
20 on account of its secured claim. National is impaired.

21 aa. Class 28: Saxon Mortgage: Saxon Mortgage (Saxon) holds a first lien
22 on Debtor's investment property located at 1356 Center Court Ridge, Reunion, Fla. The
23 amount due Saxon is approximately \$336,000 and the property has a fair market value of

1 \$220,000. Debtor shall bifurcate the claim of Saxon into secured and unsecured portions.
2 The secured portion of the claim shall be paid at a rate of 5% interest over 480 months
3 with a balloon payment due of all remaining principal on the secured portion of the claim
4 on month 96 after the Plan Distribution Date. Monthly payments on the secured portion of
5 the claim will be \$1,060.83. The balance of the unsecured claim shall be treated as a
6 general unsecured claim under Class 39 of the Plan.. Saxon is impaired.

7 bb. Class 29: Seacoast Bank: Seacoast Bank (Seacoast) holds a first lien on
8 Debtor's investment property located at 17123 E. Truscan Lane, Monte Verde, Fla.
9 Seacoast is owed approximately \$2,700,000 and the property has a fair market value of
10 \$1,760,000. Debtor shall surrender the property and Seacoast may take any and all
11 remedies available to it under applicable State Law to foreclose its' lien. Seacoast also has a
12 judgment against Debtor, which can only be collected from Debtor's sole and separate
13 property. Debtor has little, if any, sole and separate property which would be available to
14 satisfy the judgment claim of Seacoast. To the extent that applicable State Law authorizes
15 Seacoast to pursue a deficiency claim, such claim shall be treated as a general unsecured
16 claim under Class 39 of the Plan. No payments shall be made to Seacoast on account of its
17 secured claim. Seacoast is impaired.

18 cc. Class 30: Suntrust Bank: Sun Trust Bank (Sun Trust) holds a first lien
19 on Debtor's investment property located at Lot 176 Bella Collina, Monte Verde, Fla. The
20 amount due Sun Trust is \$623,000 and the property has a fair market value of \$10,000.
21 Debtor shall surrender the property and Sun Trust may pursue any and all remedies
22 available to it under applicable State Law to pursue a foreclosure of its lien. To the extent
23 that applicable State Law permits Sun Trust to pursue a deficiency claim, such claim shall

1 be treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
2 made to Sun Trust on account of its secured claim. Sun Trust is impaired.

3 dd. Class 31: Sussex Bank: Sussex Bank (Sussex) holds a second lien on
4 Debtor's investment property located at 10 Sussex Street, Port Jervis, NJ. Debtor believes
5 that Sussex is fully secured and Debtor shall maintain regular payments on the Promissory
6 Note. Sussex is unimpaired.

7 ee. Class 32: Wachovia Bank: Wachovia Bank (Wachovia) holds a first
8 lien on Debtor's investment property located at Lot 432 Bella Collina, Monte Verde, Fla.
9 The amount due Wachovia is \$1,475,000 and the property has a fair market value of
10 \$10,000. Debtor shall surrender the property and Wachovia may pursue any and all
11 remedies available to it under applicable State Law to foreclose its lien. To the extent that
12 applicable State Law authorizes Wachovia to pursue a deficiency claim, such claim shall be
13 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
14 made to Wachovia on account of its secured claim. Wachovia is impaired.

15 ff. Class 33: Washington Mutual Bank: Washington Mutual Bank
16 (WaMu) holds a first lien on Debtor's investment property located at 68 River Road,
17 Montague, NJ. Debtor believes that WaMu is fully secured and Debtor shall continue to
18 make regular monthly payments as specified in the Promissory Note. There are no arrears
19 due WaMu and WaMu is unimpaired.

20 gg. Class 34: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second
21 lien on Debtor's investment property located at 845 Assembly Court, Reunion, Fla. The
22 property is also encumbered by a senior lien in favor of Fifth Third Bank in the amount of
23 \$245,000. The property has a fair market value of \$163,000. Debtor intends to retain the

1 property and shall file a Complaint under 1 U.S.C. §506 to set aside the lien of Wells. Wells
2 shall be treated as a general unsecured claim under Class 39 of the Plan. No payments shall
3 be made to Wells on account of its secured claim. Wells is impaired.

4 hh. Class 35: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second
5 lien on Debtor's investment property located at 1352 Center Court Ridge, Reunion, Fla.
6 Debtor believes that the property is worth less than what is owed to the senior lien holder,
7 Country Wide Home Loan. Debtor shall file a complaint under 11 U.S.C. §506 to set aside
8 the lien. Wells shall be treated as a general unsecured claim under Class 39 of the Plan. No
9 payments shall be made to Wells on account of its secured claim. Wells is impaired.

10 ii: Class 36: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second
11 lien on Debtor's investment property located at 13339 Daniels Land, Winter Garden, Fla.
12 The amount due Wells is \$73,000 and is junior to a lien in favor of Fifth Third Bank. Debtor
13 intends to surrender the property and Wells may pursue any and all remedies available to
14 it under applicable State Law to foreclose its lien. To the extent that applicable State Law
15 permits Wells to pursue a deficiency claim, such claim shall be treated as a general
16 unsecured claim under Class 39 of the Plan. No payment shall be made to Wells on account
17 of its secured claim. Wells is impaired.

18 jj. Class 37: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second
19 lien on Debtor's investment property located at 13485 Daniels Land, Winter Garden, Fla.
20 The amount due Wells is \$70,000 and is junior to a lien in favor of Federal Trust Bank.
21 Debtor intends to surrender the property and Wells may pursue any and all remedies
22 available to it under applicable State Law to foreclose its lien. To the extent that applicable
23 State Law authorizes Wells to pursue a deficiency claim, such claim shall be treated as a

1 general unsecured claim under Class 39 of the Plan. No payments shall be made to Wells
2 on account of its secured claim. Wells is impaired.

3 3. Class 38: Executory Contracts: Debtor shall assume all leases with his
4 tenants.

5 4.. Class 39: General Unsecured Creditors

6 All other persons and entities that have extended credit, provided services or
7 merchandise on an open account or have lent money to Debtor and all other parties whose
8 claim are unsecured, including the unsecured portion of the claims of secured creditors
9 Classes 3-18, and tax penalties due any taxing authority shall be considered holding
10 General unsecured claims. Payment shall be made to General unsecured creditors after
11 payment of Administrative and Priority Claims have been paid. Unsecured claims shall be
12 paid from the proceeds of Debtor's business and employment. Arizona law provides that
13 certain debts may not be satisfied from community property unless both members of the
14 community have signed for the debt. See ARS §25-214. To the extent that claims of
15 creditors may not be satisfied out of Debtor's community property, those claims may be
16 satisfied only from Debtor's sole and separate property. Debtor does not believe that he
17 has any equity in sole and separate property.

18 Payments to General Unsecured Creditors shall commence after payment of
19 Administrative Claims, payment to Ford Motor Credit and any arrears due to fully secured
20 creditors. Unsecured Creditors shall be paid pro rata, without interest up to a total of
21 \$246,700 . Payment shall be made without interest on claims. Debtor believes that General
22 Unsecured Claims shall be paid their pro rata share within ninety six (96) months of the
23 Plan Distribution Date.

1 B. Provisions Respecting the Unimpaired Classes of Claims

2 1. Class 1: Administrative Expenses: The holders of claims for unpaid
3 Administrative Expenses incurred by the Debtor during the course of the Chapter 11 case
4 (including the actual and necessary expenses for preserving the estate, such as unpaid
5 attorney's fees) estimated in the aggregate to be approximately \$25,000.00, will be paid in
6 full commencing either the effective date of the Plan or upon the allowance of the claim by
7 the Bankruptcy Court, whichever is later, or at such other time as is mutually agreeable to
8 the claimant and the Debtor. Claims for post-petition taxes, if any, and unpaid Quarterly
9 Fees due the office of the United States Trustee shall be paid immediately when due.

10 2. Class 6: Chase Bank: Chase Bank ("Chase") has a second lien on
11 Debtor's investment real estate located at 68 River Rd. Montague, NJ. The property is
12 worth approximately \$457,000. Chase's lien is fully secured. Debtor intends to continue to
13 make regular monthly payments as specified in the Promissory Note. There are no arrears
14 due Chase and Chase is unimpaired on this claim.

15 3. Class 10: CitiMortgage: CitiMortgage (Citi) holds a first lien on
16 Debtor's residence located at 2625 S. Anica, Cottonwood, Az. Debtor believes that Citi is
17 fully secured and Debtor intends to continue to make regular monthly payments to Citi as
18 specified in the Promissory Note. There are no arrears due Citi and Citi is unimpaired on
19 this claim.
20

21 4. Class 11: Colson Empire State Bank: Colson Empire State Bank
22 (Colson) holds a first lien on Debtor's investment property located at 10 Sussex St., Port
23 Jarvis, NJ. The property is worth approximately \$375,000 and the debt due Colson is
24 approximately \$72,000. Colson is fully secured and Debtor intends to maintain regular

1 monthly payments on the property as specified in the Promissory Note secured by the
2 Colson lien. There are no arrears due Colson on this claim and Colson is unimpaired on this
3 claim.

4 5. Class 25: M & T Bank: M & T Bank holds a third lien on Debtor's
5 investment property located at 10 Sussex Street, Port Jervis, NJ. M & T is also secured by
6 assets owned by Debtor's business and the business makes the payment on the note. That
7 business shall continue to make the payments. M & T is unimpaired.

8 6. Class 31: Sussex Bank: Sussex Bank (Sussex) holds a second lien on
9 Debtor's investment property located at 10 Sussex Street, Port Jervis, NJ. Debtor believes
10 that Sussex is fully secured and Debtor shall maintain regular payments on the Promissory
11 Note. Sussex is unimpaired.

12 7. Class 33: Washington Mutual Bank: Washington Mutual Bank
13 (WaMu) holds a first lien on Debtor's investment property located at 68 River Road,
14 Montague, NJ. Debtor believes that WaMu is fully secured and Debtor shall continue to
15 make regular monthly payments as specified in the Promissory Note. There are no arrears
16 due WaMu and WaMu is unimpaired.

17 8. Class 38: Executory Contracts: Debtor shall assume all leases with his
18 tenants.

19 Provisions Respecting the Impaired Classes of Claims

20 1. Bank of America Class 2: Bank of America: Bank of America ("B of A")
21 holds a first lien position on Debtor's investment property located at 5835 La Privada,
22 Cottonwood, Az. The amount due B of A is approximately 459,000 and the fair market
23 value of the property is \$435,000. Debtor shall bifurcate the lien of B of A into secured and

1 unsecured portions. Debtor shall pay the secured portion of the claim at 5% interest with
2 payments amortized over 480 months with a balloon payment due of all remaining
3 principal on the secured portion of the claim 96 months after the Plan Distribution Date.
4 Monthly payments on the secured portion of the claim will be \$2,097.56. The balance of
5 the claim shall be treated as a general unsecured claim under Class 39 of the Plan. B of A
6 is impaired

7 2. Class 4: Bank of America: Bank of America ("B of A") holds a second
8 lien Deed of Trust on the Debtor's investment property located at 570 Sawmill Gardens,
9 Cottonwood, Az. Debtor believes that B of A is totally unsecured. The property is worth
10 approximately \$135,000 and is encumbered by a first lien in favor of Everhome in the
11 amount of \$153,000. Debtor shall file a complaint under 11 U.S.C. §506 to set aside the lien
12 of B of A. B of A shall be treated as a general unsecured claim under Class 39 of the plan. B
13 of A is impaired.

14 3. Class 5: Bank of America: Bank of America (B of A) has a first lien on
15 Debtor's investment real estate located at Lot 80 Oak Creek Canyon, Az. The property is
16 worth approximately \$296,000 and is encumbered by a lien in favor of B of A in an amount
17 of approximately \$351,000. Debtor shall bifurcate B of A's claim into a secured and
18 unsecured portion. The secured portion of the claim shall be paid at an interest rate of 5%
19 annual interest with payments amortized over 480 months with a balloon payment of all
20 remaining principal due, on the secured portion of the claim, 96 months after the Plan
21 Distribution Date. The unsecured portion of the claim shall be treated as a General
22 Unsecured Claim under Class 39 of the Plan. Monthly payments on the secured portion of
23 the claim will be \$1,427.30, commencing on the Plan Distribution Date. B of A is impaired
24 on this claim.

25 2. Class 7: Chase Bank: Chase Bank ("Chase") holds a first lien on
26 Debtor' investment property located at 811 Assembly Court, Reunion, Fla. Debtor believes
27 that the property is worth approximately \$163,000 and the debt due Chase on this claim is

1 approximately \$376,000. Debtor shall bifurcate the Chase claim on this property into
2 secured and unsecured portions. The secured portion of the claim shall be paid 5%
3 interest, amortized over 480 months with a balloon payment of all remaining principal on
4 the secured portion of the claim due on the 96th month after the Plan Distribution Date.
5 The remaining balance due Chase on this claim shall be treated as a general unsecured
6 claim under Class 39 of the Plan. Monthly payments on the secured portion of the claim
7 will be \$785.98, with payments commencing on the Plan Distribution Date. Chase is
8 impaired on this claim.

9 3. Class 8: Chase Bank: Chase Bank (Chase) holds a second lien on
10 Debtor's investment property located at 811 Assembly Court, Reunion, Fla. Debtor believes
11 that the property is worth approximately \$163,000 and the debt due Chase on this claim is
12 approximately \$19,000. Debtor shall file a Complaint pursuant to 11 U.S.C. §506 to avoid
13 the lien held by Chase on this property. The entire balance due Chase shall be treated as a
14 general unsecured claim under Class 39 of the Plan. No payment shall be made to Chase on
15 account of its claim as a secured creditor for this lien. Chase is impaired on this claim.

16 4. Class 9: Chase Home Finance: Chase Home Finance (CHF) holds a first
17 lien on Debtor's investment property located at 7651 Q 104 S. Whisper Way, Reunion, Fla.
18 The amount due CHF is approximately \$540,000 and Debtor believes that the property is
19 worth \$220,000. Debtor shall surrender the property to CHF, which may pursue any and
20 all rights available to it under Applicable State Law to foreclose on the property. To the
21 extent that applicable state law permits CHF to seek a deficiency claim, that claim shall be
22 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
23 made to CHF on account of its secured claim. CHF is impaired on this claim
24

25 5. Class 12: Country Wide Home Loans: Country Wide Home Loans

1 (Country Wide) holds a first lien on Debtor's investment property located at 637 Lake
2 Beulah Cove, Winter Garden, Fla. The amount due Country Wide is approximately
3 \$430,000 and the property is worth \$375,000. Debtor shall bifurcate the claim of Country
4 Wide on this property into secured and unsecured portions. The secured portion of the
5 claim shall be paid interest at 5% with a 480 month amortization schedule with a balloon
6 payment due 96 months after the Plan Distribution Date, at which time all remaining
7 principal due on the secured portion of the claim shall be paid. The unsecured portion of
8 the claim shall be treated as a general unsecured claim in Class 39 of the Plan. Monthly
9 payments on the secured portion of the claim will be \$1,808.24, with payments
10 commencing on the Plan Distribution Date. Country Wide is impaired on this claim.

11 6. Class 13: Country Wide Home Loans: Country Wide Home Loans
12 (Country Wide) holds a first lien on Debtor's investment property located at 14724
13 Peekskill Dr. Winter Garden, Fla. The amount due Country Wide is \$233,000 and the
14 property is worth \$156,000. Debtor shall bifurcate Country Wide's claim into secured and
15 unsecured portions. The secured portion of the claim shall be paid interest at a rate of 5%
16 with a 480 month amortization schedule with a balloon payment due of all remaining
17 principal on the secured portion of the claim on the 96th months after the Plan Distribution
18 Date. The unsecured portion of the claim shall be treated as a general unsecured claim
19 under Class 39 of the Plan. Monthly payments on the secured portion of the claim will be
20 \$752.23, with payments commencing on the Plan Distribution Date. Country Wide is
21 impaired on this claim.

22 7. Class 14: Country Wide Home Loans: Country Wide Home Loans
23 (Country Wide) holds a first lien of Debtor's investment property located at 1352 Center

1 Court Ridge, Reunion, Fla. The amount due to Country Wide is approximately \$384,000.00
2 and the fair market value of the property is \$220,000.00. Debtor shall bifurcate the claim of
3 Country Wide into secured and unsecured portions. The secured portion of the claim shall
4 be paid at 5% interest, amortized over 480 months with all principal on the secured
5 portion of the claim due 96 months after the Plan Distribution Date. Monthly payments on
6 the secured portion of the claim will be \$1,060.83. The balance of the claim shall be treated
7 as a general unsecured claim under Class 39 of the Plan. Country Wide is impaired.

8 8. Class 15: Country Wide Home Loan: Country Wide Home Loan
9 (Country Wide) holds a second lien on Debtor's investment property located at 1356
10 Center Court Ridge, Reunion, Fla. The amount due Country Wide is \$96,000.00. The
11 property is also encumbered by a first lien in favor of Saxon Mortgage in the amount of
12 \$326,000. Debtor believes that the fair market value of the property is \$220,000.00.
13 Debtor shall file a complaint pursuant to 11 U.S.C. §506 to set aside the lien of Country
14 Wide. The claim of Country Wide shall be treated as a general unsecured claim under Class
15 39 of the Plan. Country Wide is impaired on this claim..

16
17 9. Class 16 Everhome Mortgage: Everhome Mortgage (Everhome)
18 holds a first lien on Debtor's investment property located at 570 Sawmill Gardens,
19 Cottonwood, Az. The debt due to Everhome is approximately \$153,000.00 and the value of
20 the property is \$135,000.00. Debtor shall bifurcate Everhome's claim into secured and
21 unsecured portions. The secured portion of the claim shall be paid at a rate of 5% interest
22 with a 480 month amortization schedule with all remaining principal on the secured
23 portion of the claim due 96 months after the Plan Distribution date. The remaining portion

1 of Everhome's claim shall be paid as a General Unsecured Claim under Class 39 of the Plan.
2 Monthly payments on the secured portion of the claim shall be \$650.97 with payments
3 commencing on the Plan Distribution Date. Everhome is impaired on its' claim.

4 10. Class 17: Federal Trust Bank: Federal Trust Bank (Federal) holds a
5 first lien on Debtor's investment property located at 13485 Daniels Land, Winter Garden,
6 Fla. The amount due to Federal is approximately \$143,000.00 and the fair market value of
7 the property is \$80,000.00. Debtor shall surrender the property to Federal, which may
8 take any and all action authorized under applicable State Law to foreclose on its lien. To
9 the extent that applicable State Law permits Federal to seek a deficiency claim, such claim
10 shall be treated as a general unsecured claim under Class 39 of the plan. No payments shall
11 be made to Federal on account of its secured claim. Federal is impaired on its claim.

12 11. Class 18: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
13 on Debtor's investment property located at Lot 22 Bella Colina, Monte Verde, Fla. The
14 property is worth \$50,000 and Fifth is owed approximately \$500,000 on its claim. Debtor
15 shall surrender the property to Fifth, which may pursue any and all remedies available to it
16 under applicable State law to foreclose on its lien. To the extent that applicable State Law
17 permits a deficiency claim, such claim shall be treated as a general unsecured claim under
18 Class 39 of the Plan. No payments shall be made to Fifth on account of its secured claim.
19 Fifth is impaired on its claim.

20 12. Class 19: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
21 on Debtor's investment property located at Lot 6 Bella Collina, Monte Verde, Fla. The
22 property is worth approximately \$15,000 and the amount due Fifth is approximately
23 \$630,000. Debtor shall surrender the property to Fifth, which may pursue any and all

1 remedies available to it under applicable State Law to foreclose its' lien. To the extent that
2 applicable State Law permits Fifth to pursue a deficiency claim, such claim shall be treated
3 as a general unsecured claim under Class 39 of the Plan. No payments shall be made to
4 Fifth on account of its secured claim. Fifth is impaired on its claim.

5 13. Class 20: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
6 on Debtor's investment property located at 845 Assembly Court, Reunion, Fla. The debt
7 due Fifth is approximately \$245,800 and the property has a fair market value of \$163,000.
8 Debtor intends to keep this property and shall bifurcate the claim of Fifth into secured and
9 unsecured portions. The secured portion of the claim shall be paid interest at a rate of 5%
10 per annum and shall be paid based upon a 480 month amortization schedule with a
11 payment of all remaining principal on the secured portion of the claim due on the 96th
12 month after the Plan Distribution Date. The remaining balance due Fifth shall be treated as
13 a general unsecured claim under Class 39 of the Plan. Monthly payments on the secured
14 portion of the claim shall be \$785.98, with payments commencing on the Plan Distribution
15 Date. Fifth is impaired on its claim.

16 14. Class 21: Fifth Third Bank: Fifth Third Bank (Fifth) holds a first lien
17 position on Debtor's investment property located at 13339 Daniels Land, Winter Garden,
18 Fla. The debt due Fifth is approximately \$143,000 and the property has a fair market value
19 of \$80,000. Debtor shall surrender the property to Fifth, which may pursue any and all
20 remedies available to it under applicable State Law to foreclose on its lien. To the extent
21 that applicable State Law permits Fifth to pursue a deficiency claim, that claim shall be
22 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
23 made to Fifth on account of its secured claim. Fifth is impaired on its claim.

1 15. Class 22: Ford Motor Credit: Ford Motor Credit (Ford) has a line on
2 Debtor's 2006 Ford Expedition. The amount due Ford is approximately \$22,000 and the
3 fair market value of the vehicle is \$18,000. Debtor shall bifurcate the claim into secured
4 and unsecured portions. The secured portion of the claim shall be paid in 60 equal monthly
5 payments of \$339.68 , based upon 5% interest. The remaining portion of the claim shall be
6 treated as a general unsecured claim under Class 39 of the Plan.

7 16. Class 23: GMAC Mortgage: GMAC Mortgage (GMAC) holds a first lien
8 on Debtor's investment property located at 7651 Q 102 S. Whisper Way, Reunion, Fla. The
9 amount due GMAC is approximately \$415,000 and the property has a fair market value of
10 \$220,000. Debtor shall surrender the property and GMAC may pursue any and all remedies
11 available to it under applicable State Law to foreclose its' lien. To the extent that applicable
12 State Law permits GMAC to pursue a deficiency claim, such claim shall be treated as a
13 general unsecured claim under Class 39 of the Plan. No payments shall be made to GMAC
14 on account of its secured claim. GMAC is impaired.

15 17. Class 24: Homecomings Financial: Homecomings Financial
16 (Homecomings) holds a second lien on Debtor's investment property located at 7651 Q 102
17 S. Whisper Way, Reunion, Fla. The amount due Homecomings is \$135,000, in addition to
18 the \$415,000 owed GMAC. The property has a fair market value of \$220,000. Debtor shall
19 surrender the property and Homecomings may pursue any and all remedies available to it
20 under applicable State Law to foreclose its lien. To the extent that applicable State Law
21 permits Homecomings to pursue a deficiency claim, such claim shall be treated as a general
22 unsecured claim under Class 39 of the Plan. No payments shall be made to Homecomings
23 on account of its secured claim. Homecomings is impaired.

1 18. Class 26: National City Mortgage: National City Mortgage (National)
2 holds a first lien on Debtor's investment property located at 1228 Castle Pines, Lot 131,
3 Reunion, Fla. The amount due National is \$337,000 and the property has a fair market
4 value of \$50,000. Debtor shall surrender the property and National may take any and all
5 action authorized under applicable State Law to foreclose its lien. To the extent that
6 applicable State Law permits National to pursue a deficiency claim, such claim shall be
7 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
8 made to National on account of its secured claim. National is impaired.

9 19 Class 27: National City Mortgage: National City Mortgage (National)
10 holds a first lien on Debtor's investment property located at 953 Desert Mountain, Lot 56,
11 Reunion, Fla. The amount due National is \$396,000 and the property has a fair market
12 value of \$50,000. Debtor shall surrender the property and National may pursue any and all
13 remedies available to it under applicable State Law to foreclose its' lien. To the extent that
14 applicable State Law permits National to seek a deficiency, such claim shall be treated as a
15 general unsecured claim under Class 39 of the Plan. No payments shall be made to National
16 on account of its secured claim. National is impaired.

17 20. Class 28: Saxon Mortgage: Saxon Mortgage (Saxon) holds a first lien
18 on Debtor's investment property located at 1356 Center Court Ridge, Reunion, Fla. The
19 amount due Saxon is approximately \$336,000 and the property has a fair market value of
20 \$220,000. Debtor shall bifurcate the claim of Saxon into secured and unsecured portions.
21 The secured portion of the claim shall be paid at a rate of 5% interest over 480 months
22 with a balloon payment due of all remaining principal on the secured portion of the claim
23 on month 96 after the Plan Distribution Date. Monthly payments on the secured portion of

1 the claim will be \$1,060.83. The balance of the unsecured claim shall be treated as a
2 general unsecured claim under Class 39 of the Plan.. Saxon is impaired.

3
4 21. Class 29: Seacoast Bank: Seacoast Bank (Seacoast) holds a first lien on
5 Debtor's investment property located at 17123 E. Truscan Lane, Monte Verde, Fla.
6 Seacoast is owed approximately \$2,700,000 and the property has a fair market value of
7 \$1,760,000. Debtor shall surrender the property and Seacoast may take any and all
8 remedies available to it under applicable State Law to foreclose its' lien. Seacoast also has a
9 judgment against Debtor, which can only be collected from Debtor's sole and separate
10 property. Debtor has little, if any, sole and separate property which would be available to
11 satisfy the judgment claim of Seacoast. To the extent that applicable State Law authorizes
12 Seacoast to pursue a deficiency claim, such claim shall be treated as a general unsecured
13 claim under Class 39 of the Plan. No payments shall be made to Seacoast on account of its
14 secured claim. Seacoast is impaired.

15 22. Class 30: Suntrust Bank: Sun Trust Bank (Sun Trust) holds a first lien
16 on Debtor's investment property located at Lot 176 Bella Collina, Monte Verde, Fla. The
17 amount due Sun Trust is \$623,000 and the property has a fair market value of \$10,000.
18 Debtor shall surrender the property and Sun Trust may pursue any and all remedies
19 available to it under applicable State Law to pursue a foreclosure of its lien. To the extent
20 that applicable State Law permits Sun Trust to pursue a deficiency claim, such claim shall
21 be treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
22 made to Sun Trust on account of its secured claim. Sun Trust is impaired.

23 23. Class 32; Wachovia Bank: Wachovia Bank (Wachovia) holds a first

1 lien on Debtor's investment property located at Lot 432 Bella Collina, Monte Verde, Fla.
2 The amount due Wachovia is \$1,475,000 and the property has a fair market value of
3 \$10,000. Debtor shall surrender the property and Wachovia may pursue any and all
4 remedies available to it under applicable State Law to foreclose its lien. To the extent that
5 applicable State Law authorizes Wachovia to pursue a deficiency claim, such claim shall be
6 treated as a general unsecured claim under Class 39 of the Plan. No payments shall be
7 made to Wachovia on account of its secured claim. Wachovia is impaired.

8 24. Class 34: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second
9 lien on Debtor's investment property located at 845 Assembly Court, Reunion, Fla. The
10 property is also encumbered by a senior lien in favor of Fifth Third Bank in the amount of
11 \$245,000. The property has a fair market value of \$163,000. Debtor intends to retain the
12 property and shall file a Complaint under 1 U.S.C. §506 to set aside the lien of Wells. Wells
13 shall be treated as a general unsecured claim under Class 39 of the Plan. No payments shall
14 be made to Wells on account of its secured claim. Wells is impaired.

15 25. Class 35: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second
16 lien on Debtor's investment property located at 1352 Center Court Ridge, Reunion, Fla.
17 Debtor believes that the property is worth less than what is owed to the senior lien holder,
18 Country Wide Home Loan. Debtor shall file a complaint under 11 U.S.C. §506 to set aside
19 the lien. Wells shall be treated as a general unsecured claim under Class 39 of the Plan. No
20 payments shall be made to Wells on account of its secured claim. Wells is impaired.
21 unsecured claim under Class 39 of the Plan.

22
23 26: Class 36: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second

1 lien on Debtor's investment property located at 13339 Daniels Land, Winter Garden, Fla.
2 The amount due Wells is \$73,000 and is junior to a lien in favor of Fifth Third Bank. Debtor
3 intends to surrender the property and Wells may pursue any and all remedies available to
4 it under applicable State Law to foreclose its lien. To the extent that applicable State Law
5 permits Wells to pursue a deficiency claim, such claim shall be treated as a general
6 unsecured claim under Class 39 of the Plan. No payment shall be made to Wells on account
7 of its secured claim. Wells is impaired.

8 27. Class 37: Wells Fargo Bank: Wells Fargo Bank (Wells) holds a second
9 lien on Debtor's investment property located at 13485 Daniels Land, Winter Garden, Fla.
10 The amount due Wells is \$70,000 and is junior to a lien in favor of Federal Trust Bank.
11 Debtor intends to surrender the property and Wells may pursue any and all remedies
12 available to it under applicable State Law to foreclose its lien. To the extent that applicable
13 State Law authorizes Wells to pursue a deficiency claim, such claim shall be treated as a
14 general unsecured claim under Class 39 of the Plan. No payments shall be made to Wells
15 on account of its secured claim. Wells is impaired.

16 28. Class 39: General Unsecured Claims: All other persons and entities
17 that have extended credit, provided services or merchandise on an open account or have
18 lent money to Debtors and all other parties whose claim are unsecured, including the
19 unsecured portion of the claims of secured creditors Classes 2-37, and tax penalties due
20 any taxing authority shall be considered holding General unsecured claims. Payment shall
21 be made to General unsecured creditors after payment of Administrative and Priority
22 Claims have been paid. Unsecured claims shall be paid from the proceeds of Debtor's
23 business and employment. Arizona law provides that certain debts may not be satisfied

1 from community property unless both members of the community have signed for the
2 debt. See ARS §25-214. To the extent that claims of creditors may not be satisfied out of
3 Debtor's community property, those claims may be satisfied only from Debtor's sole and
4 separate property. Debtor does not believe that he has any equity in sole and separate
5 property.

6 Payments to General Unsecured Creditors shall commence after payment of
7 Administrative Claims, payment to Ford Motor Credit and any arrears due to fully secured
8 creditors. Unsecured Creditors shall be paid pro rata, with interest at 5% up to a total of
9 \$246,700.00. Payment shall be made without interest on claims. Debtor believes that
10 General Unsecured Claims shall be paid their pro rata share within one hundred twenty
11 (120) months of the Plan Distribution Date.

12 D. Application of the Absolute Priority Rule

13 11 U.S.C. §1129 does not apply to individual debtors in Chapter 11, as it
14 relates to the Absolute Priority Rule, which would not allow confirmation of a plan over the
15 objection of unsecured creditors if the Debtor was to retain its equity. The Amendments to
16 the Bankruptcy Code in 2005 eliminated that provision as it relates to individual debtors in
17 Chapter 11, if the Debtor commit to a payment plan of disposable income for 60 months.
18 As defined by the Bankruptcy Code, Debtor has no disposable income, but will pay to their
19 unsecured creditors more than the value of the liquidation of their non-exempt property
20 over a 60 month period.

21 E. Liquidation Analysis

22 Debtor owns real estate in Florida and Arizona, most of which is over-
23 encumbered. He has some equity in real estate and has no equity in motor vehicles. The

1 value of his non-exempt property is no more than \$360,000. In a Chapter 11 case, the
 2 debtor must repay to his unsecured creditors an amount no less than what those creditors
 3 would have received in a Chapter 7 case. A Chapter 7 Trustee would collect non-exempt
 4 assets, liquidate them and ultimately make distribution to creditors. The trustee is entitled
 5 to a fee, as set forth in the Bankruptcy Code, for his or her services. That fee is paid prior to
 6 distribution to creditors. The trustee would also employ professionals, such as attorneys,
 7 accountants, real estate agents, auctioneers, etc., to assist the trustee in gathering and
 8 liquidating assets. Those professionals would also be paid prior to distribution to
 9 creditors. It is possible that the Chapter 7 estate would incur tax liability from the sale of
 10 real estate or other taxing events. Those expenses would be paid prior to distribution to
 11 creditors.

12 Debtor's non-exempt assets are as follows:

13	10 Sussex Street	fair market value: \$375,000	lien: \$222,000
14	Port Jervis, NJ.	Hypothetical costs: \$30,000	net: \$125,000
15			
16	871 North Ridge Lot 6	fair market value: \$117,000	lien: 0
17	Prescott, Az	Hypothetical Costs: \$10,000	net: \$107,000
18			
19	1547 Belle Meade #101	fair market value: \$87,000	lien: 0
20	Prescott, Az.	Hypothetical Costs: \$7,000	net: \$80,000
21			
22	Personal Property:	\$6,500-equity in car, bank account and firearms	
23		Hypothetical costs: \$500	net \$6,000

1 Total value to estate after costs of sale: \$318,000

2 A Chapter 7 Trustee is compensated based upon a sliding scale, depending upon the
3 moneys disbursed from the estate. If a Chapter 7 Trustee were to liquidate these assets, his
4 or her fee would be based upon the gross value of the non-exempt property, prior to costs
5 of sale. A Trustee fee for administering an estate of \$360,000 would be approximately
6 \$21,300 (25% of the first \$5,000, 10% between \$5,000 and \$50,000 and 5% above \$50,000
7 of assets administered). A trustee would also employ an attorney and an accountant. It is
8 possible that the estate would incur both income and capital gains taxes associated with
9 the liquidation of the real estate holdings owned by Debtor. For purposes of determining
10 the Debtor's liquidation value, Debtor assumes that the Chapter 7 estate would incur
11 approximately \$50,000 in attorney's fees, accounting fees and tax payments. This would
12 also be paid prior to distribution to creditors.

13 Debtor believes that the net sum available to general unsecured creditors in a
14 Chapter 7 case would be \$246,700. Debtor will pay that amount with interest at a rate of
15 5% per annum over a period of time of no more than ten years. If at any time prior to the
16 expiration of that period, Debtor is able to pay the amount due in full, payments will cease
17 and the discharge will be immediately entered.

18
19 G. History of the Debtor

20 Debtor has been a successful pharmacist, businessman and entrepreneur for many
21 years, specializing in pharmacy and home healthcare equipment and services since
22 graduating from St. John's University in 1986. Up until 2004, profits and business
23 expansion were going quite well. He had a successful pharmacy business and began to

1 endeavor into the real estate market as it seemed at the time to be a great way to invest
2 one's profits.

3
4 His brother Tom Braunagel, (a realtor with Keller Williams) and his sister and
5 partner in the pharmacy business, Marianne Waldron and Debtor decided to look into a
6 series of partnerships whose purpose was to purchase and sell real estate holdings.
7 Together they created several LLC's and financed these LLC's with investment capital.
8 They began to purchase several properties in the form of vacant lots and condo's and used
9 the equity the properties were rapidly gaining to secure lines of credit on several of the
10 units to assist us in purchasing more. The banks seemed hungry for business and were
11 actively soliciting them to secure newer mortgages, interest only programs and extensive
12 home equity lines where they were lending many times at 90 percent loan to value. The
13 market was expanding rapidly and the properties were gaining in value every quarter. The
14 HELOC's they received enabled them to finance the expenses.

15 Most of the properties were purchased from a notorious developer Bobby Ginn out
16 of Orlando, Florida. Ginn was a developer that was building 5 star golf and athletic resorts
17 all over the east coast of the United States and was show casing the growth and expansion
18 of his numerous resorts nationally and internationally. Properties were being bought in a
19 numerous series of phases with each new release having sometimes a 100-500% increase
20 in cost to purchase above the previous releases. Property values began to soar. It seemed
21 the more realtors that contacted them about new developments and property releases, the
22 more they supplied them with discount brokerage houses that were willing to give the
23 partners mortgages to buy these properties and in many creative ways.

24 Some of the properties were purchased in the names of our partner formed LLC's

1 while others were put in one partner's name and others were put in some or all of their
2 names . The banks would tell them who needed to be on the mortgage or who needed to
3 guarantee it and the financing monies continued to flow. Then the market began to turn.

4 One of the properties Debtor owns is a vacant lot on a prestigious island resort
5 named Bella Collina in Monte Verde, Florida, a resort that is now named in several class
6 action lawsuits for violations of the ILSA statutes in Florida. When the market began to
7 turn sour the investors tried to sell off some of their properties but to no avail. The sales
8 and marketing companies for Ginn Resorts at Bella Collina would only infer that there was
9 no interest in vacant lots and they wouldn't sell. The only way to sell would involve placing
10 a home on the lot and upon completion of the construction; the properties could then be
11 sold. Homes however had to be built according to their HOA guidelines, using their
12 preferred builders only; and needed to be a minimum of \$3MM in value with a square
13 footage over 5000 square feet. After almost 1 year of deliberation and meetings with
14 various builders and lenders, Land Barons, LLC, Debtor's sole proprietorship company was
15 able to secure a mortgage in its name for \$2.7MM to build a home on Bella Collina. Debtor
16 had to personally guarantee the mortgage. The home was to be built by PGM builders and
17 the project was to take 12-14 months. The lender even was creative enough to build in an
18 interest reserve in the mortgage whereby the builder was paid installments that were in
19 excess of the draws the builder needed. The surplus was sent to Debtor, who used the
20 money to service the monthly interest charges charged by Seacoast Bank.

21 Needless to say, after 14 months the home wasn't even near completion. Yet, the
22 bank continued to charge the interest payments for which Debtor was responsible. These
23 averaged about \$14,000 per month. Debtor had to use my personal residence to secure a

1 large \$225,000 line of credit on his home so he could use the money to continue making
2 interest payments while the home was being built.

3 After 14 months had lapsed, Seacoast bank gave Debtor a six (6) month extension
4 and the builder was told the project had to be completed. Six months later the home still
5 wasn't done. By now it was early 2008 and the markets were beginning to sag severely.
6 They could not sell the home as is because it didn't have a CO and the builder was balking
7 on getting the project done. Seacoast presented Debtor with yet another 6 month
8 extension. By now he was nearly out of money from the line of credit and the home was
9 still not done. Slowed business in real estate construction meant the builder was having a
10 harder time getting the work completed. By June 2008, Debtor was out of money for this
11 project.

12 Debtor contacted several representatives from Seacoast Bank and worked his way
13 up to the executive officers for the bank to try and get some assistance in either
14 restructuring the mortgage or helping Debtor defray the costs until the home could be
15 built. He needed a CO to try to get it built so he could try to get a home equity loan on it or
16 if unable then try to sell it for whatever it could be sold for. That necessity never came.

17 Meanwhile, all the other properties began to feel the economic crunch and rental
18 incomes began to slow and the other partners were having financial difficulties in meeting
19 their obligations to the LLC's. They began unloading what they could to stay afloat.

20 After several months of defaulting on mortgage payments to Seacoast Bank and
21 after the bank refused to assist with the problems at hand with the builder and the project,
22 Seacoast bank decided to take matters into their own hands. They filed action with the
23 courts in Florida and received a summary judgment in late 2008 in the amount of

1 \$2,700,000 and proceeded to file a judgment lien against all of Debtor's Florida properties.
2 All the properties now had a large judgment lien on them. The other partners decided to
3 stop contributing and the sole burden rested on Debtor. They stopped making payments
4 on properties that weren't providing any rental income. The conditions only worsened.

5 Meanwhile the pharmacy business back east was also receiving bad news as the
6 insurance carriers that owed it monies began to slow their payments to the pharmacies and
7 lowering the reimbursement rates.. Each New Year of 2006, 2007 and 2008 gave smaller
8 reimbursements for the pharmacy services. Reimbursements came in below our
9 operational costs and sales slowed. There was a minimal profit in 2006, a loss of \$100,000
10 in 2007 and a substantial loss of \$449,000 in 2008. Debtor only maintains 20% of the
11 shares of the pharmacy business so he does not believe the stock has any value. In fact
12 based on results for the last two years Debtor has been advised it has no value other than
13 to supply a working income for him and his family. The pharmacy business had to extend
14 its full lines of credit for its operations and the banks stopped assisting with additional
15 financing despite relationships with them for over a decade. Everything was beginning to
16 collapse around Debtor.

17 It has now been almost a year since Seacoast won their summary judgment and sent
18 our real estate holdings into a tailspin. Debtor's brother Tom has had to file Chapter 7.
19 Debtor now has to file Chapter 11 and it is likely his sister Marianne will follow as well.

20 Debtor hired attorneys in New York and Florida and Arizona in trying to protect
21 what little was left. He tried contacting realtors in an attempt to get short sales or debt
22 forgiveness from banking lenders for over a year and still to no avail. The phones were
23 ringing off the hook 24 hrs a day from collections companies and the lending institutions;

1 each one giving more false hope than the last, on programs they had to give debt relief.

2 Debtor's last ditch hope was to hire a negotiating law firm that cost the last of his
3 available funds. They and a CPA Financial firm would look at the financials and create a
4 true working spreadsheet of all the remaining assets Debtor had left and see if they could
5 negotiate a deal with Seacoast Bank. When the dust had settled nothing had been resolved.

6 Seacoast bank then filed a foreign judgment in Arizona. It became clear that the
7 only way Debtor could get out of this situation was to consider filing for a Chapter 11.

8 Since that time Debtor has labored over what is involved in gathering all the
9 necessary paperwork; securing all financial documents; deeds; judgments and vital
10 paperwork with hopes that a successful filing would allow him to keep some of the
11 properties he worked so hard on to obtain. He would be able to restructure the remaining
12 personal finances by working on formulas that would allow me to restructure the
13 mortgages on the properties he wanted to keep thereby allowing him to make a small
14 enough profit to keep those properties from going into foreclosure. Meanwhile, structuring
15 a payment plan that would allow him to pay back what he is able. Debtor completed a
16 credit counseling class that has opened his eyes to suggestions on how he can better
17 survive current market conditions.

18 19 20 III. FINANCIAL INFORMATION

21 A number of financial records have been attached as Exhibits to this Disclosure
22 Statement. Debtor have include copies of their 2006-2008 tax returns, pay off calculations
23 on the secured portion of the mortgages and spread sheets showing income and expense
24 projections for the rental properties and appraisals on the properties. All of these financial

1 records have been prepared by the Debtor based upon records maintained by the Debtor in
2 the ordinary course of their business.

3 **IV. LITIGATION**

4 No litigation has been filed against or by the Debtor since the filing of the Petition.

5 **V. TAX CONSEQUENCES TO CREDITORS**

6 Debtor makes no representation as to the tax consequences of the payments, if any,
7 to be received in accordance with the Plan of Reorganization. Those concerned about the
8 tax consequences of the Plan of Reorganization should consult with their own tax advisors.

9 **VI. TAX CONSEQUENCES TO DEBTOR**

10 There may be tax consequences to Debtor. It is impossible at this time to calculate or
11 estimate what those consequences may be.

12 **VII. APPROVAL OF PLAN**

13 In order to obtain confirmation of the Plan by the Bankruptcy Court, the Plan must
14 be accepted by:

15 A. Each of the holders of the claims in Classes 2, 4, 5, 7-9, 7-9, 12-24,26-
16 30,32,34-37 and 39, OR

17 B. Those claimants in Classes 2, 4, 5, 7-9, 7-9, 12-24, 26-30, 32, 34-37 and 39
18 who actually vote on the Plan, claimants holding at least two-thirds (2/3) in dollar amount
19 of the allowed claims in each class, who constitute more than one-half (1/2) in number of
20 such claimants in each class. Attached hereto as Exhibit "F" is a Form of Ballot which will be
21 circulated to all creditors of Debtor. The Plan may be confirmed even if it is not accepted
22 by one or all of the impaired classes if the Court finds that the Plan does not discriminate
23 unfairly against and is fair and equitable as to such class or classes. This procedure is

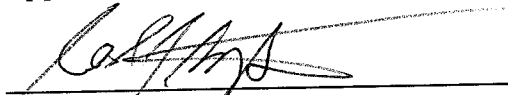
1 commonly called "cram-down". A fairly simple description of "cram-down" as it applies to
2 unsecured creditors is that Debtor cannot receive or retain property on account of its
3 interests unless: (i) unsecured creditors are paid in full; (ii) unsecured creditors accept the
4 Plan; or (iii) the Court determines that value given by Debtor under the Plan is equal to or
5 greater than the property received or retained by it. The provision permitting "cram-down"
6 is contained in 11 U.S.C. Section 1129(b). It is a complex provision, and this summary is not
7 intended to be a complete statement of the law.


8 Respectfully submitted this 10th day of September 2009,

9 DECONCINI MCDONALD YETWIN & LACY, P.C.

10
11
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22 Approved:

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26 Carl Braunagel

27
28 A copy of the foregoing was mailed
29 this 28th day of April 2009, to: 

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