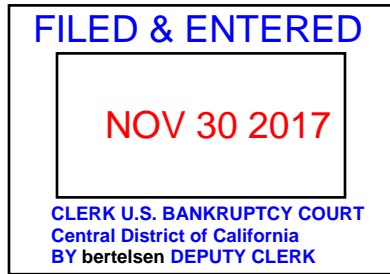


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8 *Attorneys for Debtors*

9 UNITED STATES BANKRUPTCY COURT  
10 **CHANGES MADE BY COURT**  
11 CENTRAL DISTRICT OF CALIFORNIA  
12 NORTHERN DIVISION

13 **In re** ) **Case No. 9:16-bk-11624 PC**  
14 )  
15 **LEO RITO SANDOVAL, JR.** ) **Chapter 11**  
16 **d/b/a Millwork Direct** )  
17 ) **Disclosure Statement Hearing**  
18 **Debtor(s).** )  
19 ) **Date:** September 6, 2017  
20 ) **Time:** 10:00 a.m.  
21 ) **Dept.** Courtroom 201  
22 ) 1415 State Street, Suite 230  
23 ) Santa Barbara, CA  
24 ) **Judge:** Hon. Peter H. Carroll  
25 )  
26 ) **Plan Confirmation Hearing**  
27 ) **See Plan for Voting and Objecting**  
28 ) **Procedures**  
 ) **Date:** November 15, 2017  
 ) **Time:** 10:00 a.m.  
 ) **Dept.** Courtroom 201  
 ) 1415 State Street, Suite 230  
 ) Santa Barbara, CA  
 ) **Judge:** Hon. Peter H. Carroll

29 **ORDER CONFIRMING PLAN**

1 On November 15, 2017 at 10:00 a.m., before the above-captioned Court, the Court held a  
2 confirming hearing on the above-captioned Debtor’s Chapter 11 Plan of Reorganization (the  
3 “confirmation hearing”). Present for the Debtor was Debtor’ counsel, Mr. Matthew Metzger,  
4 Belvedere Legal, PC, as well as the Debtor, Mr. Leo Rito Sandoval, Jr. Present for U.S. Bank  
5 National Association, as Trustee, successor in interest to Wachovia Bank, National Association, as  
6 Trustee for GSR Mortgage Loan Trust 2004-15F, Mortgage Pass-Through Certificates, Series  
7 2004-15F and the loan servicer, Nationstar Mortgage LLC (collectively “Nationstar”) was Mr.  
8 Gregory P. Campbell, Aldridge Pite, LLP. Present for the Office of the United States Trustee was  
9 Mr. Brian D. Fittipaldi.

10 After review of the memorandum of points and authorities in support of confirmation, the  
11 ballot summary, the declaration of Matthew D. Metzger filed in support, and the related filings in  
12 the above-captioned case, the Court determined that confirmation of the Debtor’s plan was  
13 appropriate as the Debtor has proven by a preponderance of the evidence that the Debtor’s plan of  
14 reorganization meets all the requirements of 11 U.S.C. § 1129 *et seq.*

15 Accordingly, the plan under chapter 11 of the Bankruptcy Code filed by Leo Rito  
16 Sandoval, Jr., Debtor and Debtor in Possession (the “Debtor and/or “DIP”) or a summary thereof,  
17 having been transmitted to creditors and equity security holders; and

18 It having been determined after hearing on notice that the requirements for confirmation  
19 set forth in 11 U.S.C. § 1129 *et seq* have been satisfied;

20 IT IS ORDERED that:

21 1. The plan filed by the Debtor on August 8, 2017 (Doc No. 104) is confirmed, with the  
22 following two (2) modifications:

23 **a. Class 4 (Internal Revenue Service, Statutory Lienholder)**

24 The IRS shall retain its lien against the real property of the estate commonly known as  
25 21519 Pacific Coast Highway, Malibu, CA 90265

26 In full satisfaction of its secured and priority unsecured claims, the IRS shall receive  
27 ongoing monthly payments as follows

28

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
4	Internal Revenue Service	21519 Pacific Coast Highway, Malibu, CA 90265	\$157,770.00	4.150%	\$3,572.90	48 months

b. The general unsecured claim of Malibu La Costa Homeowners HOA is Class 5 shall be \$1,961.08.

2. The foregoing two (2) modifications are incorporated into the Debtor's confirmed Plan via the instant order confirming plan.

3. The Stipulation Re Treatment of Claim under Debtor's Proposed Chapter 11 Plan of Reorganization (Doc. Nos. 99, 101) (the "Nationstar Claim Treatment Stipulation") is incorporated into the Debtor's confirmed Plan via the instant order confirming plan.

4. The Debtor's Stipulation with the United States of America on Behalf of Internal Revenue Service to Amend Claim Treatment re Debtor's Chapter 11 Plan of Reorganization (Doc Nos. 124, 131) is incorporated into the Debtor's confirmed Plan via the instant order confirming plan.

\* \* END OF ORDER \* \*

Date: November 30, 2017



Peter H. Carroll  
United States Bankruptcy Judge

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8 *Attorneys for Debtor*

9 **UNITED STATES BANKRUPTCY COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **NORTHERN DIVISION**

12	<b>In re</b>	)	<b>Case No. 9:16-bk-11624 PC</b>
13		)	
14	<b>LEO RITO SANDOVAL, JR.</b>	)	<b>Chapter 11</b>
15	<b>d/b/a Millwork Direct</b>	)	
16		)	<b><u>Disclosure Statement Hearing</u></b>
17	<b>Debtor(s).</b>	)	
18		)	<b>Date:</b> September 6, 2017
19	<b>SSN: XXXX-XX-6514</b>	)	<b>Time:</b> 10:00 am
20		)	<b>Dept.</b> Courtroom 201
21		)	1415 State Street, Suite 230
22		)	Santa Barbara, CA
23		)	<b>Judge:</b> Hon. Peter H. Carroll
24		)	
25		)	<b><u>Plan Confirmation Hearing</u></b>
26		)	<b>See Plan for Voting and Objecting</b>
27		)	<b>Procedures</b>
28		)	<b>Date:</b> tbd
		)	<b>Time:</b> tbd
		)	<b>Dept.</b> Courtroom 201
		)	1415 State Street, Suite 230
		)	Santa Barbara, CA
		)	<b>Judge:</b> Hon. Peter H. Carroll

29 **DEBTOR’S CHAPTER 11 PLAN OF REORGANIZATION**  
30 **[August 8, 2017]**

1 Debtor and Debtor in Possession LEO RITO SANDOVAL, JR., (the “DIP” and/or  
2 “Debtor”) proposes Chapter 11 Plan (the “Plan”). This Plan sets forth the Debtor’s proposal for  
3 the satisfaction of allowed claims against him.

4 The Plan together with the Debtor’s Disclosure Statement Describing Debtor’s Chapter 11  
5 Plan are intended to provide creditors with the information concerning the Debtor and Plan  
6 required by Bankruptcy Code section 1125.

7 **GENERAL UNSECURED CREDITORS WILL RECEIVE AN ESTIMATED 1.00%**  
8 **ON THEIR ALLOWED CLAIMS UNDER THE PLAN.**

9  
10 **ARTICLE II**  
11 **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

12 The allowed claims against the Debtor are designated and classified below for purposes of  
13 the Plan.

14 **Unclassified Claims**

15 Section 1123(a)(1) of the Title 11 United States Code, Section 101 et seq. (the  
16 “Bankruptcy Code”) provides that certain claims, including administrative claims and post-  
17 petition tax claims by governmental units entitled to priority under Section 507(a)(2) of the  
18 Bankruptcy Code, as well as pre-petition unsecured priority tax claims entitled to priority under  
19 Section 507(a)(8) of the Bankruptcy Code, are not to be classified under a Plan. The only  
20 unclassified claims expected in this bankruptcy case are those of Debtor’s Chapter 11 counsel and  
21 that of the Employment Development Department and the State Bureau of Equalization, as  
22 explained hereinbelow.

23 **Class 1 (Secured Claim of US Bank National Association, as Trustee).**

24 Class 1 consists of the allowed claim of US Bank National Association, as Trustee (“US  
25 Bank”), or its assignee, to the extent that such claim constitutes an allowed secured claim on the  
26 real property commonly known as 21519 Pacific Coast Highway, Malibu, CA 90265 (the  
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28

1 “Investment Property”). The Debtor estimates the amount of the Class 1 claim to be  
2 \$919,391.50.<sup>1</sup> Class 1 is impaired and entitled to vote on the Plan.

3 **Class 2 (Wells Fargo Bank, N.A., Junior Lienholder)**

4 Class 2 consists of the allowed claim of Wells Fargo Bank, NA., or its assignee, to the  
5 extent that such claim constitutes an allowed (junior lienholder) secured claim on the Investment  
6 Property as represented by Proof of Claim 5-1. The Debtor estimates the amount of the Class 2  
7 claim to be \$240,261.62.<sup>2</sup> Class 2 is impaired and entitled to vote on the Plan.

8 **Class 3 (State Bureau of Equalization, Statutory Lienholder)**

9 Class 3 consists of the allowed claim of State Bureau of Equalization (the “BOE”), to the  
10 extent that such claim constitutes an allowed statutory secured claim on the Investment Property.  
11 Per Claim 9-1 – as well as the stipulation executed by and between the Debtor and the BOE and  
12 listed on the docket as ECF/Docket No.91 -- the Debtor estimates the amount of the Class 3  
13 secured claim to be \$57,687.69. The Debtor also notes that Claim 9-1 identifies the priority  
14 amount of the BOE claim at \$14,334.72. As both the priority and secured claims must be paid  
15 within 60 months of the petition date, the Debtor has lumped both claims together within Class 3.  
16 Thus, the Debtor estimates the total, aggregate value of the Class 3 claim to be \$72,022.41.  
17 Additionally, the BOE has an administrative expense claim of \$3,570.74, payable in full on the  
18 Effective Date. Class 3 is impaired and entitled to vote on the Plan.

19 **Class 4 (Internal Revenue Service, Statutory Lienholder)**

20 Class 4 consists of the allowed claim of Department of Treasury/Internal Revenue Service,  
21 to the extent that such claim constitutes an allowed statutory secured claim on the Investment  
22 Property. Per Claim 2-1, the Debtor estimates the amount of the Class 4 secured claim to be  
23 \$104,271.770. The Debtor also notes that Claim 2-1 identifies the priority amount of the IRS  
24 claim at \$64,271.70. As both the priority and secured claims must be paid within 60 months of the  
25 petition date, the Debtor has lumped both claims together within Class 4. Thus, the Debtor

26 <sup>1</sup> See the US Bank Stipulation, ECF/Docket No. 99.

27 <sup>2</sup> As of November 2017, the anticipated combined pre and post-petition arrears will total approximately \$13,611.08.

1 estimates the total, aggregate value of the Class 4 claim to be \$168,543.40. Class 4 is impaired  
2 and entitled to vote on the Plan.

3 **Class 5 (General Unsecured Claims)**

4 Class 5 consists of all allowed unsecured claims against the Debtor other than those in  
5 Class 6 below. The Debtor estimates that the allowed amount of the Class 5 claims totals  
6 \$165,129.57. Class 5 is impaired and entitled to vote on the Plan.

7 **Class 6 (Interests of the Debtor)**

8 Class 6 consists of the allowed interest of the Debtor in his exempt and non-exempt  
9 property, including without limitation any allowed homestead, the Debtor's qualified retirement  
10 accounts, the Debtor's right to future social security income, and any other property duly  
11 exempted pursuant to Bankruptcy Code Section 522(b). Class 6 is unimpaired and not entitled to  
12 vote on the Plan.

13 **ARTICLE III**

14 **TREATMENT OF CLAIMS AND INTERESTS**

15 **Unclassified Claims Generally.**

16 Any allowed unclassified claims by persons or entities and estate professionals employed  
17 by order of the Bankruptcy Court will be paid in cash, in full on the later of the Effective Date of  
18 the Plan or the date professional fees and expenses are allowed by court order unless such holder  
19 agrees in writing to a different treatment. The amount of estimated professional fees as of Plan  
20 confirmation are approximately \$25,000.00. Subject to prior Court approval via a prior  
21 application for compensation, the Plan contemplates payment of \$20,000.00 to the Debtor's  
22 counsel on the Effective date.

23 Additionally, the State Board of Equalization has an administrative expense claim of  
24 \$3,570.74, payable in full on the Effective Date. *See* ECF/Docket No.91.

25 Thus, the total administrative claims payable on the Effective Date are \$23,570.74.

26 Other priority claims are as follows:  
27  
28

1 **1. California Employment Development Department (“EDD”).** Per Claims 8-1, the Debtor  
 2 will pay said claim as follows:

Class	Name of Creditor	Amount Due	Interest Rate	Monthly Payment	Term
n.a.	EDD	\$3,538.27	4%	\$79.89	48 months

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6 **2. Security Deposits of Tenants.**

7 The table below lists the names of the tenants.

8 The total security deposit paid was \$5,600.00, payable upon vacancy per the terms of the Lease  
 9 Agreement with the Debtor and said tenants.

Class	Name of Tenant	Monthly Rent
n.a.	Nathan Stoker	\$1,570.00
n.a.	Jonathan Borg	\$1,570.00
n.a.	Brandon Luckwaldt	\$1,570.00
n.a.	Robert Simpson	\$1,570.00
	<b>Total</b>	<b>\$6,280.00</b>

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14 **Class 1 (Secured Claim of US Bank National Association, as Trustee).**

15 US Bank shall retain its lien against the Investment Property. US Bank shall grant the  
 16 Debtor a modification of the Debtor’s mortgage via the Plan by the adjusting the terms and  
 17 allowing the Debtor to pay the amount due in full as follows.

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
3	US Bank	21519 Pacific Coast Highway, Malibu, CA 90265	\$919,391.50	5.5%	\$5,220.20 Escrow payment: \$702.08	30 years

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23 Debtor has executed a Stipulation Re Treatment of Claim Under debtor’s Proposed  
 24 Chapter 11 Plan of Reorganization with US Bank (the “US Bank Stipulation”), the material terms  
 25 of which are incorporated hereinabove. All terms of the US Bank Stipulation are incorporated  
 26  
 27

1 into the Plan. In the event of a conflict between the Plan and the US Bank Stipulation, the terms  
2 of the US Bank Stipulation control.

3 Creditor in this classes may not repossess or dispose of their collateral so long as Debtor is  
4 not in material default under the Plan.

5 Payments to claimants in this class may continue past the date Debtor obtains a discharge.  
6 The claimants' rights against its collateral shall not be affected by the entry of discharge, but shall  
7 continue to be governed by the terms of this Plan.

8 **Class 2 (Wells Fargo Bank, N.A., Junior Lienholder)**

9 Wells Fargo shall retain its lien against the Investment Property. Wells Fargo shall receive  
10 ongoing monthly payments as well as arrears payments as follows.

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
2	Wells Fargo	21519 Pacific Coast Highway, Malibu, CA 90265	\$230,530.30.	1.00%	Monthly: \$631.08	Per original note terms
	Wells Fargo	21519 Pacific Coast Highway, Malibu, CA 90265		0.00%	Monthly Arrears: \$266.85	60 months on arrears

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17 Debtor will pay the entire amount contractually due by making all post-confirmation  
18 regular monthly payments, and by paying all pre-confirmation arrears (including attorneys fees  
19 and late charges) with interest in 60 equal monthly payments, due on the 1st day of the month day  
20 of the month that begins after the Effective Date on the above secured claim. To the extent  
21 arrears are determined to be other than as shown above, appropriate adjustments will be made in  
22 the number of payments. Creditors in this class shall retain their interest in the collateral until paid  
23 in full.

24 Creditors in this class may not repossess or dispose of their collateral so long as Debtor is  
25 not in material default under the Plan. These secured claims are impaired and entitled to vote on  
26 confirmation of the Plan.

**Class 3 (State Bureau of Equalization, Statutory Lienholder)**

BOE shall retain its lien against the Investment Property. BOE shall receive ongoing monthly payments as follows.

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
3	Bureau of Equalization	21519 Pacific Coast Highway, Malibu, CA 90265	\$72,022.41	7.00%	\$1,724.67	48 months

Debtor will pay the entire amount contractually due by making all post-confirmation regular monthly payments, and by paying all pre-confirmation arrears (including attorneys fees and late charges) with interest in 48 equal monthly payments, due on the 1st day of the month day of the month that begins after the Effective Date on the above secured claim. To the extent arrears are determined to be other than as shown above, appropriate adjustments will be made in the number of payments. Creditors in this class shall retain their interest in the collateral until paid in full.

The BOE also has an administrative expense claim of \$3,570.74 payable in full on the Plan Effective Date.

Creditors in this class may not repossess or dispose of their collateral so long as Debtor is not in material default under the Plan. These secured claims are impaired and entitled to vote on confirmation of the Plan.

**Class 4 (Internal Revenue Service, Statutory Lienholder)**

The IRS shall retain its lien against the Investment Property. The IRS shall receive ongoing monthly payments as follows.

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
3	Internal Revenue Service	21519 Pacific Coast Highway, Malibu, CA 90265	\$168,543.40	4.150%	\$3,816.87	48 months

Debtor will pay the entire amount contractually due by making all post-confirmation regular monthly payments, and by paying all pre-confirmation arrears (including attorneys fees

1 and late charges) with interest in 48 equal monthly payments, due on the 1st day of the month day  
2 of the month that begins after the Effective Date on the above secured claim. To the extent  
3 arrears are determined to be other than as shown above, appropriate adjustments will be made in  
4 the number of payments. Creditors in this class shall retain their interest in the collateral until paid  
5 in full.

6 Creditors in this class may not repossess or dispose of their collateral so long as Debtor is  
7 not in material default under the Plan. These secured claims are impaired and entitled to vote on  
8 confirmation of the Plan.

9 **Class 5 (General Unsecured Claims)**

10 General unsecured claimants holding allowed claims (Class 5) will receiving an estimated  
11 one (1) percent dividend on their allowed claims. Said Payments will consist of single, lump sum  
12 payments to be made on the Effective Date, as follows:

Name of Creditor	Claim No.	Scheduled Amount	Claimed Amount	Allowed Amount (1%)
Bank of America 100 N. Tyron St. Charlotte, NC 28255		\$15,857.73		\$158.58
Calvary Portfolio Services 500 Summit Lake Ste 400 Valhalla, NY 10595		\$3,941.03		\$39.41
Capital One P.O. Box 85520 Richmond, VA 23285		\$4,269.73		\$42.70
Citi P.O. Box 6000 The Lakes, NV 89163		\$8,828.68		\$88.29
Home Depot P.O. Box 1826746 Columbus, OH 43218		\$4,629.37		\$46.29

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Internal Revenue Service 1100 Commerce St M/S 5026 DAL Dallas, TX 75242	2.1. (total: \$168,875.79 secured: \$104,271.70 priority: \$64,271.70 unsecured: 11,105.89	\$54,757.05	\$11,105.90	\$111.06
Kaiser Foundation File 50445 Los Angeles, CA 90074		\$4,500.00		\$45.00
Macy's P.O. Box 8218 Mason, OH 45040		\$1,916.12		\$19.16
Malibu La Costa Owners Assoc. P.O. Box 11374 Malibu, CA 90265		\$1,961.08		\$1,961.08
Portfolio Recovery Associates, LLC POB 12914 Norfolk VA 23541	3-1.	\$2,856.63	\$2,856.63	\$28.57
Stephen Golden & Associates 600 North Rosemead Blvd. Ste. 100 Pasadena, CA 91107		\$12,000.00		\$120.00
Wells Fargo Bank Payment Remittance Center PO Box 6426 Carol Stream, IL 60197	1-1.	\$21,240.90	\$21,240.90	\$212.41
Wells Fargo Bank,N.A. Dbw Wells Fargo Card Services PO Box 10438 MAC F8235-02F Des Moines, IA 50306-0438	6-1		\$1,468.45	\$14.68
			Total	\$2,887.22

**Class 6 (Interests of the Debtor)**

The Debtor will retain his interests in his exempt and non-exempt property, including without limitation any allowed homestead, the Debtor's qualified retirement account, the Debtor's right to future social security income, and any other property duly exempted pursuant to Bankruptcy Code Section 522(b).

**ARTICLE IV**

**MEANS FOR IMPLEMENTATION OF THE PLAN**

**Post Confirmation Operations and Management of the Post-Confirmation Estate.**

On and after the Effective Date, the Debtor shall be free to operate his business without further supervision or control by the Bankruptcy Court and free of any restrictions imposed by the Bankruptcy Code except as provided in the Plan or by an order of the Bankruptcy Court. Specifically and without limitation, the Debtor will be free after the Effective Date to sell, lease, or refinance his assets without further order of the Court.

**Timing of Distributions.**

The Debtor shall distribute the New Value Contribution to holders of allowed claims as soon as practicable after the Effective Date. Thereafter, the Debtor shall make subsequent distributions in his discretion when funds are available to do so. Distributions may be made without further Order of Court.

**Distribution Addresses.**

Unless a creditor has provided the Debtor with written notice of a different address, distributions will be sent to creditors at the address set forth in the proofs of claim filed with the Bankruptcy Court. If no proof of claim is filed with respect to a particular claim, the distribution will be mailed to the address set forth in the Plan and/or Schedules.

**De Minimis Distributions.**

Notwithstanding any other provision of the Plan, distributions of less than \$10.00 need not be made on account of any allowed claim or allowed interest; provided that distributions that would otherwise be made but for this provision shall carry over until the next distribution date (which dates occur ten days after the start of each calendar quarter after the effective date) until the cumulative amount to which any holder of an allowed claim is entitled to more than \$10.00, at which time the cumulative amount of such distributions will be paid to such holder.

**Unclaimed Distributions.**

Any cash distributions that remain unclaimed or unnegotiated for ninety (90) days

1 following distribution or are returned for reasons other than the absence of a current or correct  
2 address (unless a current or correct address cannot be determined after reasonable inquiry) shall  
3 become the property of the estate and be considered cash available for redistribution to unsecured  
4 claimants.

5 **Tax Returns and Payments.**

6 The Debtor shall file or cause to be filed any and all delinquent and final tax returns and  
7 pay any and all taxes owed on a timely basis (other than tax claims provided for under the Plan.)

8 **Further Orders.**

9 Upon motion by the Debtor, on not less than ten (10) days' notice to registered ECF  
10 participants entitled to notice in this case, the Bankruptcy Court may enter such other and further  
11 orders as may be necessary or appropriate to facilitate consummation of the Plan.

12 **Post-Confirmation Operating Expenses.**

13 From and the Effective Date, except as is specifically set forth in this Plan, the Debtor  
14 may incur and pay operating expenses in the ordinary course of business.

15 **U.S. Trustee Fees.**

16 Not later than thirty (30) days after the end of each calendar quarter that ends after the  
17 Effective Date (including any fraction thereof), the Debtor shall pay to the United States  
18 Trustee the quarterly fee for such quarter until this case is converted, dismissed, or closed pursuant  
19 to a Final Decree, as required by 28 U.S.C. §1930(a)(6).

20 **Post-Confirmation Reports.**

21 Not later than thirty (30) days after the end of the calendar quarter which ends after the  
22 Effective Date, the Debtor shall file and serve upon the United States Trustee separate quarterly  
23 post-Confirmation status reports in substantially the form provided by the United States Trustee.

24 Further reports shall be filed thirty (30) days after the end of every calendar quarter  
25 thereafter until entry of a final decree, unless otherwise ordered by the Bankruptcy Court or the  
26 case has been converted to Chapter 7 or dismissed.

27

28

1 **Final Decree.**

2 Once the Plan is substantially consummated, the Debtor shall file an application for a  
3 final decree.

4 **Default.**

5 A material breach of any of the provisions of the Plan shall be deemed an event of Default  
6 in the plan. Upon any purported default, any party in interest may give written notice to cure to  
7 the Debtor. If such purported default is not cured within 10 days from the date of said notice,  
8 such party in interest may move for conversion of the case to Chapter 7. The Debtor and any  
9 other party in interest may oppose such motion.

10 **ARTICLE V**

11 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

12 **In General.**

13 All executory contracts and unexpired leases of the Debtor with any other person or entity  
14 other than the Debtor’s four (4) lease agreements with tenants shall be rejected unless otherwise  
15 specified by the Debtor in writing prior to confirmation.

16 **Effect of Assumption of Executory Contracts and Unexpired Leases.**

17 All executory contracts assumed prior to confirmation or pursuant to the Plan and not  
18 otherwise rejected pursuant to the Plan shall remain in full force and effect, be unimpaired by the  
19 Plan except as specifically modified by the Plan and the order of confirmation, and be binding on  
20 the parties thereto. A table of the lease agreements in effect as of the Effective Date that the  
21 Debtor assumes are as follows:

Class	Name of Tenant	Monthly Rent
n.a.	Nathan Stoker	\$1,570.00
n.a.	Jonathan Borg	\$1,570.00
n.a.	Brandon Luckwaldt	\$1,570.00
n.a.	Robert Simpson	\$1,570.00
	<b>Total</b>	<b>\$6,280.00</b>

**ARTICLE VI**  
**PROOFS OF CLAIM; OBJECTIONS**

**Evidence of Claim.**

The Debtor shall be entitled to recognize and deal for all purposes with only those creditors of record with the Bankruptcy Court.

**Amendments to Claims.**

Except as provided by the Plan or as otherwise permitted by the Bankruptcy Court, the Bankruptcy Rules or applicable law, upon the Effective Date of the Plan, proofs of claim may not be filed or amended except for amendments to proofs of claim to decrease the amount or priority thereof.

**Claim Objections.**

An objection to any claim shall be filed no later than the 90 days after the Effective Date.

**Distributions.**

Notwithstanding any provision of the Plan specifying a date or time for payments or distributions of consideration hereunder, payments and distributions in respect of any claim that at such date or time is disputed, unliquidated or contingent, shall not be made until a final order with respect to an objection, estimation or valuation of such claim is entered by the Bankruptcy Court, whereupon appropriate distributions shall be made promptly.

**ARTICLE VII**  
**RETENTION OF JURISDICTION**

The Bankruptcy Court shall retain exclusive jurisdiction over the bankruptcy case (a) to enforce the provisions, purposes, and intent of the Plan; (b) to hear and determine any adversary proceedings or contested matters filed in or related to the Cases, including the; (c) to hear and determine the allowance or disallowance of claims, (d) to fix and approve allowance of compensation and other administrative claims, including, if appropriate, payments to be made in connection with the Plan, (e) to adjudicate controversies arising from the terms of the Plan, (f) to hear and determine any proposed modifications of or amendments to the Plan to the extent

1 permitted by Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, (g) to enforce or  
2 interpret the provisions of the Plan, the order of confirmation or any order entered by the  
3 Bankruptcy Court, (h) to facilitate the consummation of the Plan, including without limitation (i)  
4 the approval of any settlement (j) the entry of a separate order authorizing the sale and/or  
5 refinancing of assets free and clear of liens and interests, (l) to consider such other matters as may  
6 be set forth in the Plan or the order of confirmation, (m) to hear and determine any claim of any  
7 persons of any nature whatsoever against the Debtor and/or the Debtor’s professionals arising in  
8 or related to the case, and (n) to enter a final decree closing the bankruptcy case. If closed, the  
9 bankruptcy case may be reopened at any time to facilitate the provisions of this Article.

10 **ARTICLE VIII**  
11 **EFFECT OF ORDER OF CONFIRMATION**

12 As of the Effective Date, the effect of the order of confirmation shall be as follows:

13 **Binding Effect of Plan.**

14 The provisions of the confirmed Plan shall bind the Debtor, the bankruptcy estate, any  
15 entity acquiring property under or otherwise accepting the benefits of the Plan, every creditor,  
16 whether or not such entity has filed a proof of claim in the bankruptcy case, whether or not the  
17 claim of such entity is impaired under the Plan, and whether or not such creditor or entity has  
18 accepted or rejected the Plan.

19 **Preliminary Injunction.**

20 From and after the Effective Date, except as otherwise provided for herein or in the order  
21 of confirmation, as long as there is no material default in the Plan and up through entry of the  
22 Debtor’s discharge, all persons who have held, currently hold or may hold a debt, claim or  
23 interest against the Debtor, the estate, or their respective property, including the property  
24 transferred pursuant to this Plan are enjoined from taking any of the following actions on account  
25 of any such debt or claim: (a) commencing or continuing in any manner any action or other  
26 proceeding against Debtor, the estate, or their respective property; (b) enforcing, attaching,  
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1 collecting, or recovering in any manner any judgment, award, decree, or order against the Debtor  
2 or the estate; (c) creating, perfecting, or enforcing any lien or encumbrance against the Debtor,  
3 the estate, or their respective property including the property transferred pursuant to this Plan; (d)  
4 asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to  
5 the estate or the Debtor; and (e) commencing or continuing any action, in any manner, in any  
6 place that does not comply with or is inconsistent with the provisions of the Plan or the order of  
7 confirmation.

8 On completion of all payments required by the Plan the Court shall grant the Debtor a  
9 discharge of any and all debts of the Debtor that arose any time before confirmation. The  
10 discharge shall be effective as to each claim regardless of whether a proof of claim therefor was  
11 filed, whether the claim is an allowed claim, or whether the holder thereof votes to accept this  
12 Plan.

13 **Effect of Discharge.**

14 The discharge provided for under this Plan shall have the effects set forth in the  
15 Bankruptcy Code including, but not limited to:

- 16 (a) voiding any judgment obtained against the Debtor on any discharged debt; and;  
17 (b) operating as a permanent injunction against the commencement or continuation of any  
18 action to collect, recover, or offset either any discharged debt from the Debtor, or the estate, or  
19 any property of the Debtor, or the estate, except as otherwise permitted by this Plan, the  
20 Bankruptcy Code, or order of the Court.

21 **ARTICLE IX**  
22 **MISCELLANEOUS PLAN PROVISIONS**

23 **Modification.**

24 The Debtor may propose amendments to or modifications of the Plan under Section  
25 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior to the conclusion of  
26 the hearing on confirmation of the Plan. After confirmation, (1) the Debtor may seek to modify  
27

1 the Plan as to any issues under Section 1127(b) of the Bankruptcy Code and Bankruptcy Rule  
2 3019 and all parties in interest shall retain the right to object.

3 **Waiver.**

4 After confirmation, except as otherwise specifically set forth in the Plan, any term of the  
5 Plan may be waived only by the party or parties entitled to the benefit of the term to be waived.

6 Dated: August 8, 2017

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10 Dated: August 8, 2017

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/s/ Leo Rito Sandoval, Jr.  
Leo Rito Sandoval, Jr.

BELVEDERE LEGAL, P.C.

/s/ Matthew D. Metzger  
Matthew D. Metzger

*Attorneys for Debtor*

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA

Attorney or Party Name, Address, Telephone & FAX Nos.,  
State Bar No. & Email Address  
**Matthew D. Metzger**  
**Belvedere Legal, PC**  
**1777 Borel Place, Suite 314**  
**San Mateo, CA 94402**  
**415-513-5980 Fax: 415-513-5985**  
**240437**  
**info@belvederelegal.com**  
Attorney for: Leo Rito Sandoval, Jr.

CASE NO.: 9:16-bk-11624-PC  
CHAPTER: 11  
ADVERSARY NO.:  
(If applicable)

**ELECTRONIC FILING DECLARATION**  
**(INDIVIDUAL)**  
**[LBR 1002-1(f)]**

In re:  
**Leo Rito Sandoval, Jr.**

Debtor(s).

- Petition, statement of affairs, schedules or lists
- Amendments to the petition, statement of affairs, schedules or lists
- Other (specify): 1) Debtor's Disclosure Statement Describing Debtor's Chapter 11 Plan of Reorganization;  
2) Debtor's Chapter 11 Plan of Reorganization

Date Filed: 8/8/2017  
Date Filed:  
Date Filed:

**PART I - DECLARATION OF DEBTOR(S) OR OTHER PARTY**

I (We), the undersigned Debtor(s) or other party on whose behalf the above-referenced document is being filed (Signing Party), declare under penalty of perjury that: (1) I have read and understand the above-referenced document being filed electronically (Filed Document); (2) the information provided in the Filed Document is true, correct and complete; (3) the "/s/," followed by my name, on the signature line(s) for the Signing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature line(s); (4) I have actually signed a true and correct printed copy of the Filed Document in such places and provided the executed Declaration with the United States Bankruptcy Court for the Central District of California. If the Filed Document is a petition, I further declare under penalty of perjury that I have completed and signed a *Statement About Your Social Security Numbers* (Official Form 121) and provided the executed original to my attorney.



Signature (handwritten) of Debtor or signing party  
**Leo Rito Sandoval, Jr.**  
Printed name of Signing Party

Date: August 8, 2017

Signature (handwritten) of Debtor 2 (Joint Debtor) (if applicable)  
Printed name of Debtor 2, if applicable

Date:

**PART II - DECLARATION OF ATTORNEY FOR SIGNING PARTY**

I, the undersigned attorney for the Signing Party, declare under penalty of perjury that: (1) the "/s/," followed by my name, on the signature lines for the attorney for the Signing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature lines; (2) the Signing Party signed *Part I - Declaration of Debtor(s) or Other Party of this Declaration* before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (3) I have actually signed a true and correct printed copy of the Filed Document in the locations that are indicated by "/s/," followed by my name, and have obtained the signature(s) of the Signing Party in the locations that are indicated by "/s/," followed by the Signing Party's name, on the true and correct printed copy of the Filed Document; (4) I shall maintain the executed originals of this *Declaration* and the Filed Document for a period of five years after the closing of the case in which they are filed; and (5) I shall make the executed originals of this *Declaration* and the Filed Document available for review upon request of the court or other parties. If the Filed Document is a petition, I further declare under penalty of perjury that: (1) the Signing Party completed and signed the *Statement About Your Social Security Numbers* (Official Form 121) before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (2) I shall maintain the executed original of the *Statement About Your Social Security Numbers* (Official Form 121) for a period of five years after the closing of the case in which they are filed; and (3) I shall make the executed original of the *Statement About Your Social Security Numbers* (Official Form 121) available for review upon request of the court.

/s/ **Matthew D. Metzger**  
Signature (handwritten) of attorney for Signing Party  
**Matthew D. Metzger 240437**  
Printed Name of attorney for Signing Party

Date: August 8, 2017

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
BELVEDERE LEGAL, PC, 1777 Borel Place, Suite 314, San Mateo, CA 94402

A true and correct copy of the foregoing document entitled (*specify*): \_\_\_\_\_  
1) Debtor's Disclosure Statement Describing Debtor's Chapter 11 Plan of Reorganization (August 8, 2017) \_\_\_\_\_  
2) Debtor's Chapter 11 Plan of Reorganization (August 8, 2017) \_\_\_\_\_

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 8/8/2017, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Greg P Campbell: ch11ecf@aldridgepite.com; gc@ecf.inforuptcy.com; gcampbell@aldridgepite.com  
Brian D. Fittipaldi: brian.fittipaldi@usdoj.gov  
Matthew D. Metzger: belvederelegalecf@gmail.com; info@belvederelegal.com  
United States Trustee (ND): ustpreion16.nd.ecf.usdoj.gov

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

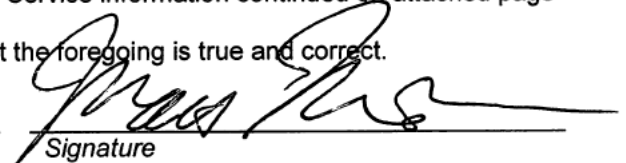
Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

8/8/2017      Matthew D. Metzger  
*Date*                      *Printed Name*

  
*Signature*



**I. INTRODUCTION**

Debtor and Debtor in Possession LEO RITO SANDOVAL, JR., (the “DIP” and/or “Debtor”) proposes this Disclosure Statement Describing Debtor’s Chapter 11 Plan (the “DS”). The DS is intended to provide creditors with information concerning the Debtor and Plan required by Bankruptcy Code section 1125.

**GENERAL UNSECURED CREDITORS WILL RECEIVE AN ESTIMATED 1.00% ON THEIR ALLOWED CLAIMS UNDER THE PLAN.**

**II. BACKGROUND**

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

The Debtor generates income to and for the estate from two (2) sources: 1) rental income in the amount of six-thousand two-hundred eighty dollars (\$6,280) monthly from the rental of the real property commonly known as 21519 Pacific Coast Highway Malibu, CA 90265 (the “Investment Property”); and 2) business income generated from Millwork Direct – a sole proprietorship that provides specialty millwork supplies (windows, doors, etc.) to primarily residential construction, since 1988 (projected net monthly income \$8,500.00). The Debtor has no employees but occasionally uses an independent contractor, when needed.

The Debtor is a widow. The Debtor’s spouse, Lorie Sandoval passed away July 23, 2013, from complications related to a long illness.

The Debtor’s prior case filings – all involving the Investment Property – are as follows:

<u>Case No. / Title</u>	<u>Date Filed</u>	<u>Nature</u>	<u>Bankruptcy Judge</u>	<u>Court/Division</u>	<u>Real Property Scheduled</u>	<u>Status/Disposition</u>
<u>9:15-bk-11767-PC</u> <i>In re Leo Rito Sandoval, Jr.</i>	<u>9/1/2015</u>	<u>Ch. 11</u>	<u>Hon. Peter Carroll</u>	<u>Central District, Northern Division (Santa Barbara)</u>	<u>21519 Pacific Coast Highway, Malibu, CA 90265</u>	<u>Dismissed w/o Discharge on 8/11/2016</u>
<u>9:15-bk-11045-PC</u>	<u>5/14/2015</u>	<u>Ch. 13</u>	<u>Hon. Peter Carroll</u>	<u>Central District, Northern</u>	<u>21519 Pacific Coast</u>	<u>Dismissed w/o Discharge</u>

1 2 3 4	<u><i>In re Leo R. Sandoval</i></u>	<u>* case filed without Debtor's signature or approval</u>			<u>Division (Santa Barbara)</u>	<u>Highway, Malibu, CA 90265</u>	<u>on 5/18/2015</u>
5 6 7 8	<u>1:11-BK-24421-VK</u>  <u><i>In re Lorie Sandoval</i></u>	<u>12/18/2011</u>	<u>Ch. 13</u>	<u>Hon. Victoria Kaufman</u>	<u>Central District, San Fernando Valley Division</u>	<u>21519 Pacific Coast Highway, Malibu, CA 90265</u>	<u>Dismissed w/o Discharge on 8/15/2012</u>

The Debtor first sought Chapter 11 protection in 2015 (Case No. 9:15-bk-11767-PC) to attempt to reorganize the Subject Property after a loan modification had been denied. Said case was dismissed, among other reasons, on the grounds of feasibility.

After changed circumstances, the Debtor filed the instant case for the same reason as the Subject Property was again facing foreclosure. The changed circumstances are that the Subject Property is now fully rented (pre-petition) and the Debtor has new counsel experienced in individual chapter 11 reorganization cases with which to prosecute a plan of reorganization.

**B. Significant Events During the Bankruptcy**

**1. Actual and Projected Recovery of Preferential or Fraudulent Transfers**

The Debtor anticipates no recovery from preferential or fraudulent transfers. However, the Debtor does have a claim against former counsel, Mr. Michael Cisneros, for payment of fees to an attorney without prior Court authorization, and related claims for an accounting related to services performed, pre and/or post-petition. The Debtor will pursue said claim with the Bankruptcy Court and, if necessary, the California State Bar. Any recovery from said claims would further support the feasibility of the proposed Plan.

**2. Procedures Implemented to Re-Emerge from Pre-Petition Insolvency**

As the monthly operating reports indicate, the Debtor tightened his business expenses, reduced overhead, and secured new contracts allow the Debtor to now generate approximately

1 \$20,000 of gross income monthly. Now that the Debtor's health has returned, the Debtor will be  
2 able to sustain the same level of business, for the benefit of the estate and its creditors.

3 Additionally, the Debtor increased the rental income on the Investment Property from  
4 \$5,600.00 to \$6,280.00 monthly. Said increase represents changing fair market rental conditions  
5 especially where, as here, the Investment Property is located near universities and is a desirable  
6 rental resource for university students.

7 **C. Tax Consequences of Plan**

8 CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN  
9 MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN  
10 ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible  
11 tax consequences is intended solely for the purpose of alerting readers about possible tax issues  
12 this Plan may present to the Debtor. The Proponent CANNOT and DOES NOT represent that the  
13 tax consequences contained below are the only tax consequences of the Plan because the Tax  
14 Code embodies many complicated rules which make it difficult to state completely and accurately  
15 all the tax implications of any action. The following are the tax consequences that the Plan will  
16 have on the Debtor's tax liability. The Debtor does not anticipate any adverse tax  
17 consequences from this Plan of Reorganization. The real property will be retained, again, no  
18 substantial income tax consequences will be experienced.

19 **D. Risk Factors**

20 Successful implementation of the plan will depend on the Debtor's ability to continue to  
21 generate \$9,500.00 of net monthly profit from Millwork Direct, the Debtor's sole-proprietorship  
22 and to continue to generate \$6,280 in monthly rental income from the Investment Property.

23 **III. CONFIRMATION REQUIREMENTS AND PROCEDURES**

24 **A. Who May Vote or Object**

25 **In General.**

26 The Honorable Peter H. Carrol, Judge, United States Bankruptcy Court, has not yet set a  
27 date for the hearing on the Confirmation of the Plan. The hearing is to be held on \_\_\_\_\_, at \_\_\_\_\_

1 a.m. in Courtroom 201, before the Honorable Peter H. Carroll, United States Bankruptcy Court,  
2 Central District of California (Northern Division), 1415 State Street, Santa Barbara, CA 93101-  
3 2511. The Plan can be implemented only if accepted by the requisite percentage of creditors and  
4 confirmed by the Bankruptcy Judge. Creditors entitled to vote should vote on the Plan by filling  
5 out and mailing the accompanying ballot to counsel. There is no assurance that, if accepted, the  
6 Plan will be confirmed by the Bankruptcy Judge.

7 **Voting.**

8 Only impaired classes under the Plan will be entitled to vote on the Plan. The definition of  
9 an “impaired” class of Creditors is set forth in Section 1124 of the Title 11, United States Code,  
10 Section 101 et seq. (the “Bankruptcy Code”). Classes impaired by the Plan and entitled to vote. No  
11 other classes are impaired under the Plan.

12 Pursuant to Section 1126(f) of the Bankruptcy Code, a class that is not impaired under the  
13 Plan, and each holder of a claim of such class, are conclusively presumed to have accepted the  
14 Plan, and solicitation of acceptances with respect to such class from the holders of claims of such  
15 class is not required. The Bankruptcy Code defines “acceptance” of a plan by a class of creditors  
16 as acceptance by the holders of two-thirds (2/3) in dollar amount and more than one-half (½) in  
17 number of the claims of that class which actually cast ballots for acceptance or rejection of the  
18 Plan.

19 In addition to the requirement that a creditor be in an “impaired class”, in order for a  
20 creditor’s vote to be counted, either for or against the Plan, the creditor must have either (1) filed  
21 a proof of claim on or before January 9, 2017, or, if a governmental unit, by the statutory deadline  
22 of Sections 101 (27) and 502 (b) (9) of the Bankruptcy Code or (2) have been listed by the Debtor  
23 in the Schedule of Liabilities as having a claim which was non-  
24 contingent and undisputed.

25 **IF YOU HAVE ALREADY FILED A CLAIM YOU NEED NOT REFILE FOR THE**  
26 **PURPOSE OF VOTING ON THE PLAN.**

1 If a creditor wishes to vote for or against the Plan, the creditor should complete an  
2 acceptance or rejection of the Plan on the form ballot enclosed herewith which must be returned  
3 pursuant to the instructions set forth thereon.

4 **Confirmation**

5 If no impaired creditor classes accept the Plan, it cannot be confirmed. If at least one  
6 impaired class of creditors accepts the Plan, the Court will hold a confirmation hearing. At the  
7 Confirmation hearing, the Bankruptcy Judge has the duty to determine whether the Plan meets  
8 the requirements of Section 1129 of the Bankruptcy Code. The principal requirements of Section  
9 1129 include the following: (1) that the proponents of the Plan have complied with the applicable  
10 provisions of the Bankruptcy Code on all matters connected with the case; (2) that the Plan has  
11 been proposed in good faith, and not by any means forbidden by law; (3) that the requisite amount  
12 of creditors have accepted the Plan or that the creditors are receiving an amount not less than  
13 they would receive if liquidation under chapter 7 took place; (4) that at least one class of creditors  
14 has accepted the Plan; and (5) that confirmation of the Plan is not likely to be followed by  
15 liquidation, or the need for further financial reorganization of the debtor; and (6) that the Debtor  
16 and the Plan in all other respects comply with applicable law. Only if such determinations are  
17 made will the Judge confirm the Plan.

18 If there are impaired creditor classes which have rejected the Plan, the Bankruptcy Judge  
19 may order confirmation over its rejection, but only if the Judge first determines that the rights of  
20 non-consenting classes of creditors are protected under Bankruptcy Code Section 1129(b) and  
21 other applicable law. The Debtor reserves the right to seek confirmation under Bankruptcy Code  
22 Section 1129(b) of this Plan.

23 ///  
24 ///  
25 ///

**B. Liquidation Analysis**

The following chart demonstrates what creditors would receive if the case were converted to a Chapter 7 case:

**Real Property #1: 21519 Pacific Coast Highway, Malibu, CA 90265**

Fair Market Value	Liens	Cost of Sale	Resulting Income Tax	Amt of Exemption	Net Proceeds
1,446,662.00	1 <sup>st</sup> \$909,202.60	\$72,331.10	TBD	\$75,000.00	(\$2,363.49)
	2 <sup>nd</sup> \$230,530.30				
	3 <sup>rd</sup> \$57,687.79 ("BOE lien")				
	4 <sup>th</sup> \$104,271.70 ("IRS lien")				

**Personal Property:**

Description	Liquidation Value	Secured Claim	Amt of Exemption	Net Proceeds
Cash <sup>1</sup>	\$18,247.82			\$18,247.82
Automobile #1 (2007 Nissan Sentra)	\$6,407.00		\$3,050.00	\$3,357.00
Automobile #2 (2004 Ford F250)	\$3,700.00			\$3,700.00
Household Furnishings	\$6,000.00		\$6,000.00	\$0.00
Jewelry	\$11,000.00		\$3,000.00	\$8,000.00
Equipment	\$800.00		\$800.00	\$0.00
Stocks / Investments	\$0.00			\$0.00
Other Personal Property A/R - \$56,187.33 → discounted to \$30,000 due to difficulties in collection	\$30,000.00			\$30,000.00
<b>TOTAL</b>				<b>\$63,304.82</b>

<sup>1</sup> Balances as of 8/8/2017

<u>Account</u>	<u>Amount</u>
Account X0891 (General DIP Account)	\$527.43
Account X2005 (Millwork Direct DIP Account)	\$7,647.11
Account X4456 (Rental Income DIP Account)	\$10,053.28
Cash	\$20.00
<b>Total</b>	<b>\$18,247.82</b>

1	Net Proceeds of Real Property and Personal Property	\$63,304.82
2	Recovery from Preferences / Fraudulent Conveyances	\$0.00
3	Chapter 7 Administrative Claims	
4	Chapter 11 Administrative Claims	(\$25,000.00)
5	Priority Claims	(\$61,009.68)
6	Chapter 7 Trustee Fees	(\$60.00)
7	Chapter 7 Trustee's Professionals	
8	NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS	\$0.00

8	Estimated Amount of Unsecured Claims	\$181,854.08
9	Percent Distribution to Unsecured Creditors Under Proposed Plan	1%
10	Percent Distribution to Unsecured Creditors Under Liquidation Analysis	0%

**C. Feasibility Analysis**

**1. Feasibility Based on Projected Monthly Income Figures**

<b>Income</b>	<b>Amount</b>
Gross Employment Income	\$0.00
Gross Business Income	\$9,500.00
Positive Cash Flow on Investment Property	\$0.00
<b>A. Total Monthly Income</b>	<b>\$9,500.00</b>

<b>Expenses</b>	<b>Amount</b>
Includes Plan Payments on Secured Claims for Residence and Car	
Payroll Taxes and Related Withholdings	\$1,342.33
Retirement Contributions (401k, IRA, PSP)	
Shelter Expenses (rent/mortgage, insurance, taxes, utilities)	\$320.00
Household Expenses (food)	\$455.00
Transportation Expenses (car payments, insurance, fuel)	\$791.00
Personal Expenses (e.g. recreation, clothing, laundry, medical)	
Alimony / Child Support	

Other Expenses – cell phone	\$400.00
Negative Cash Flow on Investment Property	\$273.35
<b>B. Total Monthly Expenses</b>	<b>\$3,581.68</b>

<b>C. Disposable Income</b> (Line A - Line B)	\$5,918.32
---	------------

<b>Plan Payments</b>	<b>Amount</b>
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	\$0.00
Priority Claims	\$79.83
General Unsecured Creditors	\$0.00
Class 2- Wells Fargo Bank Junior Lienholder Arrears	\$226.85
Class 3 - State Board of Equalization	\$1,724.67
Class 4 - Internal Revenue Service	\$3,816.87
<b>D. Total Plan Payments</b>	<b>\$5,848.28</b>

<b>E. Plan Feasibility</b> (Line C - Line D) (Not feasible if less than zero)	\$70.00
--	---------

**2. Detailed Feasibility Analysis of Projected Monthly Income Profit & Loss Statement of Millwork Direct, a Sole Proprietorship**

<u>Item</u>	<u>Amount</u>
Sales/Revenue	
Gross Sales/Revenue	\$20,000.00
Less Returns/Discounts	
Cost of Goods Sold	
Beginning Inventory at cost	
Purchases	
Less: Ending Inventory at cost	\$3,200.00
Gross Profit	\$16,800.00
Other Operating Income (Itemize)	
Operating Expenses	
Payroll-Insiders	
1099 Contractors	\$3,000.00

1	Payroll Taxes	
2	Other Taxes (B.O.E tax)	\$1,218.00
3	Rent Expense – Real Property	\$1,100.00
4	Insurance	\$150.00
5	Telephone and Utilities	\$169.60
6	Repairs and Maintenance	\$250.00
7	Travel	\$612.00
8	Office Supplies	\$500.40
9	Professional Services	\$300.00
10	Total Operating Expenses	\$7,300.00
11		
12	<b>Projected Net Gain</b>	\$9,500.00

**3. Investment Property Analysis**

**Properties with Positive Monthly Cash-Flow:**

n.a.

<b>A. Total Positive Cash Flow</b>	\$0.00
------------------------------------	--------

**Properties with Negative Monthly Cash-Flow:**

Real Property #1 Income: **21519 Pacific Coast Highway, Malibu, CA 90265**

Rental Income	Mortgage	Escrow (Property Taxes/ Insurance)	Other Expenses	Net Income
\$6,280.00	1 <sup>st</sup> \$5,220.20	\$702.08		(\$273.35)
	2 <sup>nd</sup> \$631.07			
	3 <sup>rd</sup>			

<b>A. Total Negative Cash Flow</b>	\$273.35
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**4. Effective Date Feasibility**

The Debtor Make the Effective Day Payments as evidenced by the following chart:

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date		\$27,000.00
Payments on Effective Date		
Unclassified Claims		
Administrative Expense Claims	\$23,570.70	
Priority Claims		
General Unsecured Claims (Class 5)	\$2,887.22	
U.S. Trustee Fees		
B. Total Payments on Effective Date		
<b>C. Net Cash on Effective Date</b> (Line A - Line B) (Not feasible if less than zero)		\$542.00

**CONCLUSION**

The Debtor believes that his Plan of Reorganization realistically affords to creditors their best opportunity for receiving a prompt, meaningful dividend. The Debtor respectfully requests creditors vote to accept the Plan.

Dated: August 8, 2017

/s/ Leo Rito Sandoval, Jr.  
Leo Rito Sandoval, Jr.

Dated: August 8, 2017

BELVEDERE LEGAL, P.C.  
/s/ Matthew D. Metzger  
Matthew D. Metzger  
*Attorneys for Debtor*

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA

Attorney or Party Name, Address, Telephone & FAX Nos.,  
State Bar No. & Email Address  
**Matthew D. Metzger**  
**Belvedere Legal, PC**  
**1777 Borel Place, Suite 314**  
**San Mateo, CA 94402**  
**415-513-5980 Fax: 415-513-5985**  
**240437**  
**info@belvederelegal.com**  
Attorney for: Leo Rito Sandoval, Jr.

CASE NO.: 9:16-bk-11624-PC  
CHAPTER: 11  
ADVERSARY NO.:  
(If applicable)

**ELECTRONIC FILING DECLARATION**  
**(INDIVIDUAL)**  
**[LBR 1002-1(f)]**

In re:  
**Leo Rito Sandoval, Jr.**

Debtor(s).

- Petition, statement of affairs, schedules or lists
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Date Filed: 8/8/2017  
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Date Filed:

**PART I - DECLARATION OF DEBTOR(S) OR OTHER PARTY**

I (We), the undersigned Debtor(s) or other party on whose behalf the above-referenced document is being filed (Signing Party), declare under penalty of perjury that: (1) I have read and understand the above-referenced document being filed electronically (Filed Document); (2) the information provided in the Filed Document is true, correct and complete; (3) the "/s/," followed by my name, on the signature line(s) for the Signing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature line(s); (4) I have actually signed a true and correct printed copy of the Filed Document in such places and provided the executed Declaration with the United States Bankruptcy Court for the Central District of California. If the Filed Document is a petition, I further declare under penalty of perjury that I have completed and signed a *Statement About Your Social Security Numbers* (Official Form 121) and provided the executed original to my attorney.



Signature (handwritten) of Debtor or signing party  
**Leo Rito Sandoval, Jr.**  
Printed name of Signing Party

Date: August 8, 2017

Signature (handwritten) of Debtor 2 (Joint Debtor) (if applicable)  
Printed name of Debtor 2, if applicable

Date:

**PART II - DECLARATION OF ATTORNEY FOR SIGNING PARTY**

I, the undersigned attorney for the Signing Party, declare under penalty of perjury that: (1) the "/s/," followed by my name, on the signature lines for the attorney for the Signing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature lines; (2) the Signing Party signed *Part I - Declaration of Debtor(s) or Other Party of this Declaration* before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (3) I have actually signed a true and correct printed copy of the Filed Document in the locations that are indicated by "/s/," followed by my name, and have obtained the signature(s) of the Signing Party in the locations that are indicated by "/s/," followed by the Signing Party's name, on the true and correct printed copy of the Filed Document; (4) I shall maintain the executed originals of this *Declaration* and the Filed Document for a period of five years after the closing of the case in which they are filed; and (5) I shall make the executed originals of this *Declaration* and the Filed Document available for review upon request of the court or other parties. If the Filed Document is a petition, I further declare under penalty of perjury that: (1) the Signing Party completed and signed the *Statement About Your Social Security Numbers* (Official Form 121) before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (2) I shall maintain the executed original of the *Statement About Your Social Security Numbers* (Official Form 121) for a period of five years after the closing of the case in which they are filed; and (3) I shall make the executed original of the *Statement About Your Social Security Numbers* (Official Form 121) available for review upon request of the court.

/s/ **Matthew D. Metzger**  
Signature (handwritten) of attorney for Signing Party  
**Matthew D. Metzger 240437**  
Printed Name of attorney for Signing Party

Date: August 8, 2017

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
BELVEDERE LEGAL, PC, 1777 Borel Place, Suite 314, San Mateo, CA 94402

A true and correct copy of the foregoing document entitled (*specify*): \_\_\_\_\_  
1) Debtor's Disclosure Statement Describing Debtor's Chapter 11 Plan of Reorganization (August 8, 2017) \_\_\_\_\_  
2) Debtor's Chapter 11 Plan of Reorganization (August 8, 2017) \_\_\_\_\_

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 8/8/2017, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Greg P Campbell: ch11ecf@aldridgepите.com; gc@ecf.inforuptcy.com; gcampbell@aldridgepите.com  
Brian D. Fittipaldi: brian.fittipaldi@usdoj.gov  
Matthew D. Metzger: belvederelegalecf@gmail.com; info@belvederelegal.com  
United States Trustee (ND): ustpreion16.nd.ecf.usdoj.gov

Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL:**

On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

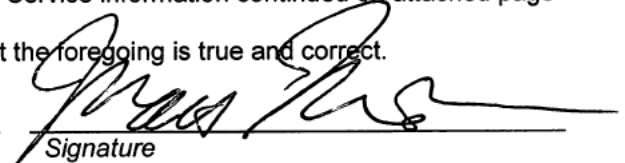
Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

8/8/2017      Matthew D. Metzger  
*Date*                      *Printed Name*

  
*Signature*