

EXHIBIT A

ORDER NO.: 97050186

LEGAL DESCRIPTION

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE STATE OF CALIFORNIA, CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOT 18, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "MAP OF VENETIAN COURT, CAPITOLA, SANTA CRUZ COUNTY, BEING A PART OF THE RANCHO ARROYO DEL RODEO", FILED FOR RECORD MARCH 21, 1924 IN VOLUME 18 OF MAPS, PAGE 44, SANTA CRUZ COUNTY RECORDS.

PARCEL TWO:

LOT 14, AS DESIGNATED ON MAP ENTITLED "MAP OF VENETIAN COURT", FILED FOR RECORD MARCH 21, 1924 IN MAP BOOK 18, PAGE 44 OF MAPS, SANTA CRUZ COUNTY RECORDS.

ASSESSOR'S PARCEL NO. 035-193-07 (PARCEL ONE)
 035-193-03 (PARCEL TWO)

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COURT SERVICE LIST

[All additional parties entitled to service are ECF registered in this case.]



1 MATTHEW D. METZGER (SBN 240437)
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3 BELVEDERE LEGAL, PC
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8 *Attorneys for Debtor*

The following constitutes
the order of the court. Signed January 9, 2018

A handwritten signature in black ink that reads "Stephen L. Johnson".

Stephen L. Johnson
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

10 In re	)	Case No. 16-52363 SLJ 11
)	
11 LEONARD KEITH TYSON	)	Chapter 11
)	
	)	<u>Disclosure Statement Hearing</u>
)	
13 Debtor(s).	)	Date: November 2, 2017
	)	Time: 1:30 p.m.
	)	Place: United States Courthouse,
	)	Courtroom 3099
15 SSN XXX-XX-2430	)	280 South First Street
	)	San Jose, CA 95113-3099
)	
	)	Judge: Hon. Stephen L. Johnson
)	
	)	<u>Plan Confirmation Hearing</u>
)	
18	)	Date: January 4, 2018
19	)	Time: 1:30 p.m.
20	)	Place: United States Courthouse,
	)	Courtroom 3099
21)	280 South First Street
)	San Jose, CA 95113-3099
)	
22)	Judge: Hon. Stephen L. Johnson

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25 **ORDER CONFIRMING PLAN**

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

12 **In re**) **Case No. 16-52363 SLJ 11**
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14 **LEONARD KEITH TYSON**) **Chapter 11**
15) **Disclosure Statement Hearing**
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19) Courtroom 3099
20) 280 South First Street
21) San Jose, CA 95113-3099
22) **Judge:** Hon. Stephen L. Johnson
23) **Plan Confirmation Hearing**
24) **Date:** January 4, 2018
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26) **Place:** United States Courthouse,
27) Courtroom 3099
28) 280 South First Street
29) San Jose, CA 95113-3099
30) **Judge:** Hon. Stephen L. Johnson

31 **DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION**
32 **[November 30, 2017]**

1 Debtor and Debtor in Possession LEONARD KEITH TYSON., (the “DIP” and/or
2 “Debtor”) proposes this Chapter 11 Plan of Reorganization (the “Plan”). This Plan sets forth the
3 Debtor’s proposal for 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 100%**
8 **ON THEIR ALLOWED CLAIMS UNDER THE PLAN.**

9 **ARTICLE I**

10 **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

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

13 **Unclassified Claims**

14 Section 1123(a)(1) of the Title 11 United States Code, Section 101 et seq. (the
15 “Bankruptcy Code”) provides that certain claims, including administrative claims and post-
16 petition tax claims by governmental units entitled to priority under Section 507(a)(2) of the
17 Bankruptcy Code, as well as pre-petition unsecured priority tax claims entitled to priority under
18 Section 507(a)(8) of the Bankruptcy Code, are not to be classified under a Plan. The first
19 unclassified claims expected in this bankruptcy case are those of Debtor’s Chapter 11 counsel,
20 Belvedere Legal, PC. An Order Granting Application to Employ Counsel was entered December
21 15, 2016. Doc No. 59. The second unclassified claim is that of the estate’s accountant, William
22 Anderson, PC, CPA. An Order Granting Application to Employ Counsel was entered July 6,
23 2017. Doc No. 116. The only other unclassified claims are the priority administrative claims of
24 short term renters who pre-pay security deposits prior to reserving a vacation rental
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1 **Class 1 (Secured Claim of Chevy Chase Funding LLC, Mortgage-Backed**
2 **Certificates, Series 2005-C, U.S. Bank National Association, as Trustee and Serviced**
3 **by Specialized Loan Servicing, LLC)**

4 Class 1 consists of the allowed claim of Secured Claim of Chevy Chase Funding LLC,
5 Mortgage-Backed Certificates, Series 2005-C, U.S. Bank National Association, as Trustee and
6 Serviced by Specialized Loan Servicing, LLC (“Chevy Chase”) or its assignee, to the extent that
7 such claim constitutes an allowed secured claim on the real property commonly known as 1500
8 Wharf Road #10, #20, Capitola, CA 95010 (the “Investment Property”). The Debtor estimates the
9 amount of the Class 1 claim to be \$1,680,740.00. *See* Order Valuing Real Property and
10 Bifurcating Undersecured Senior Lien of Chevy Chase Funding LLC, Mortgage-Backed
11 Certificates, Series 2005-C, U.S. Bank National Association, as Trustee and Serviced by
12 Specialized Loan Servicing, LLC (Subject Property: 1500 Wharf Road #10, #20, Capitola, CA
13 95010), Doc No. 87 (the “Senior Cramdown Order”).

14 Additionally, the Debtor received a discharge of any and all *in personam* liability on
15 Chevy Chase’s pre-petition lien as part of a prior bankruptcy case. *See* Case No. 10-58562, Doc
16 No. 19. Thus, due to entry of the discharge order in Case No. 10-58562 and entry of the Senior
17 Cramdown Order in the instant case, neither the Debtor nor the Investment Property have any
18 unsecured liabilities owing to Chevy Chase. Class 1 contains only the secured portion of Chevy
19 Chase’s claim, i.e. the value of Chevy Chase’s lien that was stripped to the value of the collateral,
20 pursuant to the Senior Cramdown Order. Due to the discharge order entered in Case No. 10-
21 58562, any remaining unsecured balance of Chevy Chase’s claim is not a claim against the
22 Debtor’s estate. Class 1 is listed for disclosure purposes only. Pursuant to the Debtor’s
23 Stipulation for “Out-of-Plan” Mortgage Modification with Chevy Chase (Doc Nos 132-133), the
24 Class 1 Claim is treated outside the Plan. Thus, Class 1 is unimpaired and not entitled to vote on
25 the Plan.

26 **Class 2 (JPMorgan Chase Bank, N.A.)**

27 Class 2 consists of the allowed claim of JPMorgan Chase Bank, N.A., or its assignee, to
28 the extent that such claim constitutes an allowed secured claim on the a 2008 Lexus RX400H

1 vehicle, with a VIN number of X4287. The Debtor estimates the amount of the Class 2 claim to
2 be \$11,521.90, excluding all post-petition payments made. There are no pre-petition or post-
3 petition arrears. *See* Proof of Claim No. 2. The Debtor's ongoing, timely, regular payments on
4 the Class 2 auto loan are being paid outside the Debtor's plan. Thus, Class 2 is unimpaired and
5 not entitled to vote on the Plan.

6 **Class 3 (First Tennessee Bank National Association Successor through Merger with**
7 **First Horizon Home Loan Corporation)**

8 Class 3 consists of the lienstripped claim of First Tennessee Bank National Association
9 Successor through Merger with First Horizon Home Loan Corporation ("FTBNA"). Pre-petition,
10 said claim was recorded as a junior lien against the Investment Property. On February 28, 2017,
11 the Court entered an Order avoiding the FTBNA junior lien. *See* Doc No. 88 (the "Lienstrip
12 Order"). On April 11, 2017, FTBNA filed a Motion to Vacate Order Valuing Real Property and
13 Avoiding Junior Lien (the "60(b) Motion"). Doc No. 104. On September 28, 2017, after
14 supplemental briefing, the Court held a hearing on FTBNA's 60(b) Motion. FTBNA's 60(b)
15 Motion was denied. Doc No. 123. Pre-petition, the Debtor received a discharge of any and all *in*
16 *personam* liability on FTBNA's pre-petition as part of the prior bankruptcy case. *See* Case No.
17 10-58562, Doc No. 19. Thus, the Debtor has no remaining *in personam* liability owed to FTBNA.
18 However, FTBNA's lien remains on the Subject Property pursuant to the terms of the Lienstrip
19 Order until such time as the Debtor completes all plan payments and obtains from the court an
20 order voiding said lien. Class 3 is impaired and entitled to vote on the Plan.

21 **Class 4 (General Unsecured Claims)**

22 Class 4 consists of all allowed unsecured claims against the Debtor. The Debtor estimates
23 that the allowed amount of the Class 4 claims totals \$21,579.49. Class 4 is impaired and entitled
24 to vote on the Plan.

25 **Class 5 (Interests of the Debtor)**

26 Class 5 consists of the allowed interest of the Debtor in his exempt and non-exempt real
27 and personal property, including without limitation any allowed homestead, any of the Debtor's
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1 qualified retirement accounts, any stock or other investment accounts, all personal and real
2 property listed on the Debtor's schedules, the Debtor's right to future social security income, and
3 any other property duly exempted pursuant to Bankruptcy Code Section 522(b). Class 5 is
4 unimpaired and not entitled to vote on the Plan.

5 **ARTICLE II**

6 **TREATMENT OF CLAIMS AND INTERESTS**

7 **Unclassified Claims Generally.**

8 Any allowed unclassified claims by persons or entities and estate professionals employed
9 by order of the Bankruptcy Court will be paid in cash, in full on the later of the Effective Date of
10 the Plan or the date professional fees and expenses are allowed by court order unless such holder
11 agrees in writing to a different treatment. The amount of estimated professional fees for Debtor's
12 counsel as of Plan confirmation are approximately \$45,000.00. The Plan contemplates payment of
13 \$15,500.00 to the Debtor's counsel following a hearing (and Court approval) on the first interim
14 application for compensation and reimbursement of expenses, by or before the Effective Date.
15 The Plan contemplates that the Debtor will pay the balance – approximately \$29,500.00 –
16 following Court approval, at a mutually agreeable schedule between the Debtor and Debtor's
17 counsel. Additionally, the amount of estimated professional fees owed to William Anderson,
18 CPA, subject to prior Court approval, are likely to be approximately \$1,000.00. Following Court
19 approval, the Debtor will pay the professional fees due and owing to William Anderson, CPA on
20 the Effective Date. Should additional amounts become due and owing to Debtor's counsel or
21 William Anderson CPA, the Debtor will pay any remaining, court-approved balance at a mutually
22 agreeable schedule between the Debtor and William Anderson, CPA.

23 The only other unclassified claims are the priority administrative claims of short term
24 renters who pre-pay security deposits prior to reserving a vacation rental. Pursuant to the
25 vacation rental agreements that the Debtor enters into with said tenants, the Debtor (and the
26 Debtor's Plan) provide that the tenants are reimbursed the full amount of the security deposit upon

1 completion of a vacation rental, absent any qualifying deduction as specified in the vacation rental
2 agreement.

3 **Class 1 (Secured Claim of Chevy Chase Funding LLC, Mortgage-Backed**
4 **Certificates, Series 2005-C, U.S. Bank National Association, as Trustee and Serviced**
5 **by Specialized Loan Servicing, LLC (“Chevy Chase”)**

6 On October 27, 2017, the Debtor filed Debtor’s Stipulation for “Out-of-Plan” Mortgage
7 Modification with Chevy Chase Funding, LLC, Mortgage Backed Certificates, Series 2005-C,
8 U.S. Bank National Association, As Trustee, Serviced by Specialized Loan Servicing, LLC
9 (“Subject Property 1500 Wharf Road #10, #20, Capitola, CA 94010”) (the “Out-of-Plan
10 Modification”) which stipulation the Court approved. *See* Doc Nos. 132-133. The Out-of-Plan
11 Modification provides that the Class 1 Claim shall be treated outside of plan. Accordingly, all
12 payments due and owing to Class 1 are to be paid *outside the plan*. Class 1 unimpaired and not
13 entitled to vote on the Plan.

14 For disclosure purposes only, the Out-of-Plan Modification is incorporated herein and
15 material terms are listed hereinbelow:

- 16 1. The Chevy Chase Mortgage Modification is a self-governing agreement that is not
17 a part of the Debtor’s Plan of Reorganization. There is no automatic stay or plan injunction.
- 18 2. Chevy Chase shall have no claim in the Debtor’s Plan of Reorganization.
- 19 3. Upon entry of the Order confirming plan, Chevy Chase’s secured lien against the
20 Subject Property shall be re-written to the \$1,680,740.00 loan balance, as represented by the
21 following table:

22 Amount Due	23 Interest Rate	24 Monthly Payment	25 Term
26 \$1,680,740.00	27 4.5%	28 \$8,516.06 + Property Tax Est. \$697.82 + Insurance Est. \$187.82 = Total Escrow Payment: \$9,401.70	30 years

1 4. Upon entry of the Order confirming plan, Chevy Chase shall apply all Adequate
2 Protection Payments that the Debtor has made up through plan confirmation as a credit against the
3 \$1,680,740.00 loan balance (the "Loan Principal"). The amount of said credit shall be \$89,292.50
4 if All Adequate Payment are transmitted up to confirmation. The Debtor elects, and Chase agrees
5 to consider said credits as "pre-payments" on the modified loan balance. Thus, with an estimated
6 monthly escrow payment inclusive of all property taxes and insurance estimated at \$9,401.70 the
7 Debtor will have pre-paid said loan for approximately nine (9) months, such that the Debtor's
8 obligation to commence payments on the modified mortgage shall commence on the 10th month
9 following the Plan's Effective Date. Payments shall be due on the **1st of the month**, commencing
10 **October 2018**, and continuing on the 1st day of each month thereafter until the Loan Principal is
11 paid in full.

12 5. In addition, commencing October 2018, the Debtor shall tender regular monthly
13 escrow payments for real property tax advances and real property hazard advances on the subject
14 property, subject to adjustment, which escrow payments are now estimate at **\$697.82** for property
15 taxes and **\$187.82** for hazard insurance, for a total escrow payment of **\$885.64**.

16 6. If the Debtor fails with 14 days after service of the notice of default to cure the
17 default, then the Debtor is in **Material Default**.

18 7. Upon entry of **Material Default**, Chevy Chase may pursue all of its state law rights
19 and remedies against the real properties commonly known as 1500 Wharf Road #10 (APN: 035-
20 193-03-000), and #20 (035-APN 193-07-000), Capitola, CA 95010), pursuant to the Deed of Trust
21 recorded in the Official Records County of Santa Cruz as Doc No. 2005-0050609.

22 8. The Parties to this Stipulation/Plan waive any and all claims and causes of action,
23 whether known or unknown, they currently have against each other, and their respective agents,
24 parents, affiliates, subsidiaries, attorneys, predecessors, current and subsequent holders of the
25 Loan, successors and assigns in relation to the Loan and any and all agreements which exist
26 between them regarding or relating to the Loan prior to the date of this Stipulation. All Parties to
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1 this Stipulation also release each other and their respective agents, parents, affiliates, subsidiaries,
2 attorneys, predecessors, current and subsequent holders of the Loan, successors and assigns from
3 any liability in relation to the Loan prior to the date of this Stipulation.

4 **Class 2 (JPMorgan Chase Bank, N.A.)**

5 Class 2, the claim of the JPMorgan Chase Bank, N.A. (“Chase”) auto loan is unimpaired
6 and unmodified by the instant Plan. The Debtor estimates the amount of the Class 2 claim to be
7 \$11,521.90, excluding all post-petition payments made. Chase shall continue receiving ongoing
8 monthly payments as follows

9

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
10 2	Chase	2008 Lexus RX400H	\$15,383.00 less credits for payments made (claim 2-1)	per note (7.34%).	Monthly: \$335.50	Per original note terms

14 There are no arrears. The Debtor is paying Class 2 *outside the plan*.

15 The Creditor in this class may not repossess or dispose of its collateral so long as Debtor is
16 not in material default under the Plan. Class 2 unimpaired and not entitled to vote on the Plan.

17 **Class 3 (First Tennessee Bank National Association Successor through Merger with
18 First Horizon Home Loan Corporation)**

19 Class 3 consists of the lienstripped claim of First Tennessee Bank National Association
20 Successor through Merger with First Horizon Home Loan Corporation (“FTBNA”) Thus, due to
21 entry of the discharge order in Case No. 10-58562 and entry of the Lienstrip Order in the instant
22 case, neither the Debtor nor the Investment Property have any liabilities owing to FTBNA. As a
23 result, FTBNA has no remaining claim against the Debtor’s estate and shall receive no payment in
24 the Debtor’s Plan. Class 3 is impaired and entitled to vote on the Plan.

Class 4 (General Unsecured Claims)

Class 4 consists of all allowed unsecured claims against the Debtor. The Debtor estimates that the allowed amount of the Class 4 claims totals \$21,579.49. Class 4 is impaired and entitled to vote on the Plan.

General unsecured claimants holding allowed claims (Class 4) will receiving an estimated 100% dividend on their allowed claims, with interest. General unsecured creditors receiving 100% payments normally are entitled to interest payable at the federal judgment interest rate, presently estimated 1.33%, per 28 U.S.C. § 1961(a), beginning on the Effective Date. However, here, general unsecured creditors shall not receive interest payments due to the fact that all payments will paid in full on the Effective Date.

Name of Creditor	Claim No.	Scheduled Amount	Claimed Amount	Object to Claim	Allowed Amount (100%)
Oregon Dept. of Revenue 955 Center St. NE Salem, OR 97301-2555	1	\$0.00	\$0.00	N	\$0.00
Patrick Westerhouse 664 Violet Lane Lincoln, CA 95648	5	\$2,419.08	\$10,753.98	N	\$10,753.98
Mary Ann Tyson 550 Hamilton Ave., #306 Palo Alto, CA 94301	6	\$0.00	\$7,336.46 less credits "TBD"	N	0.00
King Management 824 Bay Avenue, Suite 10 Capitola, CA 95010		\$3,740.00		N	\$3,740.00
Jay Latta Latta Jewelry 120 Stockton Ave. Capitola, CA 95010		\$10,000.00 subject to condition precedent		N	\$0.00

1				N	
2	Gary Sullivan, Esq. 1565 The Alameda Suite 100 San Jose, CA 95126		\$1,080.00		\$1,080.00
3					
4					
5					
6	Moss & Murphy 1297 B Street Hayward, CA 94541		\$6,005.51	N	\$6,005.51
7					
8			Total		\$21,579.49
9					

General Unsecured Claim of Patrick Westerhouse

Regarding the claim of Mr. Patrick Westerhouse (“Westerhouse”), Westerhouse recently prevailed in the Third District Court of Appeal concerning the Debtor’s appeal of the summary judgment decision in Placer County Superior Court Action No. SCV0036203 "*Tyson v. Westerhouse*" to the Third District Court of Appeal. Pursuant to compromise of the controversy between Westerhouse and the Debtor (Doc No. 135), Westerhouse has agreed to accept, and the Debtor has agreed to pay, a total of sum of \$10,753.98, pursuant to Fed. R. Bankr. Pro. 9019. Said sum represents the amount of Westerhouse’s allowed claim (\$2,419.08) plus, the attorneys’ fees and expenses that Westerhouse incurred as Respondent to the Debtor’s unsuccessful appeal of the summary judgment decision. In exchange therefore, Westerhouse has agreed: *i*) to vote affirmatively in favor of the Debtor’s Plan; and *ii*) to waive all rights to file a malicious prosecution action against the Debtor; and *iii*) to waive any and all objections to Plan confirmation.

In deciding whether a settlement is fair and equitable and in the best interests of creditors, courts apply the following four-part test: “(a) the probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises.” *Wallis v.*

1 *Justice Oaks II, Ltd. (In re Justice Oaks II, Ltd.)*, 898 F.2d 1544, 1549 (11th Cir. 1990), *cert. denied*,
2 498 U.S. 959 (1990); *Martin v. Kane (In re A & C Properties)*, 784 F.2d 1377, 1381 (9th Cir. 1986),
3 *cert. denied*, 479 U.S. 854 (1986).

4 The Debtor has reviewed the cost-benefit analysis of litigating and defending against future
5 litigation related to the Debtor's ongoing dispute with Westerhouse and determined that the above-
6 settlement terms are in the best interests of the estate and its creditors. Specifically, said
7 settlements includes a mutual waiver and limits all liability to the estate to the \$10,753.98 figure,
8 achieves a prompt resolution of the dispute between Westerhouse and the Debtor and removes all
9 the costs and risks of continued and protracted litigation. While the issues here are not unduly
10 complex, the delay that further litigation might have would be detrimental to the reorganization
11 effort. The Debtor will file and serve a motion for approval of the Westerhouse compromise
12 pursuant to Federal Rule of Bankruptcy Procedure 9019 and obtain an order approving said
13 compromise by or before the confirmation hearing.

14 **General Unsecured Claim of Mary Ann Tyson**

15 Dr. Mary Ann Tyson ("MAT"), the Debtor's ex-spouse, filed Proof of Claim 6-1 for a total
16 figure of \$7,336.46, less credits that would be determined after the Debtor provided supplemental
17 documentation to MAT regarding certain items still in dispute. Pursuant to compromise of the
18 controversy between MAT and the Debtor (Doc No. 134), MAT has agreed that the Proof of
19 Claim 6-1 shall be disallowed and that MAT shall pay the Debtor on the Effective Date the sum
20 total of \$15,975.34, in exchange for which the Debtor shall deliver to MAT the "Magic Card"
21 Collection on the Effective Date and agree to the credits and offsets included as an Exhibit to the
22 stipulation between MAT and the Debtor. In exchange therefore, MAT agrees that MAT is not a
23 creditor and thus not entitled to vote on the Debtor's Plan and also agrees to waive any and all
24 objections to Plan confirmation.

25 In deciding whether a settlement is fair and equitable and in the best interests of creditors,
26 courts apply the following four-part test: "(a) the probability of success in the litigation; (b) the
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1 difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation
2 involved, and the expense, inconvenience and delay necessarily attending it; (d) the paramount
3 interest of the creditors and a proper deference to their reasonable views in the premises.” *Wallis v.*
4 *Justice Oaks II, Ltd. (In re Justice Oaks II, Ltd.)*, 898 F.2d 1544, 1549 (11th Cir. 1990), *cert. denied*,
5 498 U.S. 959 (1990); *Martin v. Kane (In re A & C Properties)*, 784 F.2d 1377, 1381 (9th Cir. 1986),
6 *cert. denied*, 479 U.S. 854 (1986).

7 The Debtor has reviewed the cost-benefit analysis of litigating and defending against future
8 litigation related to the Debtor’s ongoing dispute with Westerhouse and determined that the above-
9 settlement terms are in the best interests of the estate and its creditors. Specifically, said
10 settlements includes a mutual waiver and eliminates all potential liabilities that MAT could have
11 attempted to assert against the estate, in exchange for the delivery of the value of the Magic Card
12 collection and the Debtor’s acceptance of the offsets and credits agreed to by and between MAT
13 and the Debtor. While the issues here are not unduly complex, the delay that further litigation
14 might have would be detrimental to the reorganization effort. The Debtor will file and serve a
15 motion for approval of the MAT compromise pursuant to Federal Rule of Bankruptcy Procedure
16 9019 and obtain an order approving said compromise by or before the confirmation hearing.

17 **General Unsecured Claim of Jay Latta**

18 Pre-petition, the Debtor had made a verbal promise to Jay Latta for ten-thousand dollars
19 (\$10,000.00), subject to terms of a condition precedent identified on Schedule F. As said condition
20 precedent did not materialize, the Debtor has no obligation to pay Mr. Latta and Mr. Latta will
21 receive no payment through the Debtor’s Plan.

22 **Class 5 (Interests of the Debtor)**

23 The Debtor will retain his interests in his exempt and non-exempt property, in his exempt
24 and non-exempt real and personal property, including without limitation any allowed homestead,
25 any of the Debtor’s qualified retirement accounts, any stock or other investment accounts, all
26 personal and real property listed on the Debtor’s schedules, the Debtor’s right to future social
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1 security income, and any other property duly exempted pursuant to Bankruptcy Code Section
2 522(b).

3 **ARTICLE III**
4 **MEANS FOR IMPLEMENTATION OF THE PLAN**

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

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

11 **Lawsuits**

12 The Debtor reserves all rights to pursue all lawsuits and related legal claims identified on
13 Schedule B, excluding claims against parties with whom the Debtor has executed a mutual release.
14 *See, e.g.* Mary Ann Tyson and Patrick Westerhouse (Doc Nos. 134, 135).

15 **Timing of Distributions.**

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

20 **Distribution Addresses.**

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

25 **De Minimis Distributions.**

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

6 **Unclaimed Distributions.**

7 Any cash distributions that remain unclaimed or unnegotiated for ninety (90) days
8 following distribution or are returned for reasons other than the absence of a current or correct
9 address (unless a current or correct address cannot be determined after reasonable inquiry) shall
10 become the property of the estate and be considered cash available for redistribution to unsecured
11 claimants.

12 **Tax Returns and Payments.**

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

15 **Further Orders.**

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

19 **Post-Confirmation Operating Expenses.**

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

22 **U.S. Trustee Fees.**

23 Not later than thirty (30) days after the end of each calendar quarter that ends after the
24 Effective Date (including any fraction thereof), the Debtor shall pay to the United States
25 Trustee the quarterly fee for such quarter until this case is converted, dismissed, or closed pursuant
26 to a Final Decree, as required by 28 U.S.C. §1930(a)(6). So long as Debtor is required to make
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1 these payments, Debtor shall file with the court quarterly reports in the form specified by the
2 United States Trustee for that purpose.

3 **Post-Confirmation Reports.**

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

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

10 **Final Decree.**

11 Once the Plan is substantially consummated and/or all plan payments are made, the Debtor
12 shall file an application for a final decree.

13 **ARTICLE IV**

14 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

15 **In General.**

16 All executory contracts and unexpired leases of the Debtor with any person or entity –
17 other than the Debtor’s vacation rental agreements and the Debtor’s rental agreement with the
18 Debtor’s landlord, Ms. Jill Corsegia – shall be rejected unless otherwise specified by the Debtor
19 in writing prior to confirmation.

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

21 All executory contracts assumed prior to confirmation or pursuant to the Plan and not
22 otherwise rejected pursuant to the Plan shall remain in full force and effect, be unimpaired by the
23 Plan except as specifically modified by the Plan and the order of confirmation, and be binding on
24 the parties thereto. To said, said agreements constitute only the vacation rental agreements that the
25 Debtor has booked prior to confirmation.

ARTICLE V
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 VI
RETENTION OF JURISDICTION

The Bankruptcy Court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in Material Default of any Plan obligation; (ii) whether the time for performing any Plan obligation should be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date or specifically contemplated in this Plan to be filed in this court (see Part 7(f)); (iv) whether the case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises of controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of professionals; (viii) other questions regarding the interpretation and enforcement of the Plan; and

1 (ix) any other additional or supplemental jurisdictional authority that the United States Court of
2 Appeals for the Ninth Circuit has provided to the Bankruptcy Court.

3 **ARTICLE VII**
4 **EFFECT OF ORDER OF CONFIRMATION**

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

6 **Binding Effect of Plan.**

7 The provisions of the confirmed Plan shall bind the Debtor, the bankruptcy estate, any
8 entity acquiring property under or otherwise accepting the benefits of the Plan, every creditor,
9 whether or not such entity has filed a proof of claim in the bankruptcy case, whether or not the
10 claim of such entity is impaired under the Plan, and whether or not such creditor or entity has
11 accepted or rejected the Plan.

12 **Creditor Action Restrained.**

13 The confirmed Plan is binding on every creditor whose claims are provided for in the Plan.
14 Therefore, even though the automatic stay terminates on the Effective Date with respect to secured
15 claims, no creditor may take any action to enforce either the pre-confirmation obligation or the
16 obligation due under the Plan, so long as Debtor is not in material default under the Plan, with one
17 exception: *unimpaired creditors* – claims not affected by the Plan – as described hereinbelow.

18 **Obligations to Each Class Separate.**

19 Debtor's obligations under the Plan are separate with respect to each class of creditors.
20 Default in performance of an obligation due to members of one class shall not by itself constitute a
21 default with respect to members of other classes. For purposes of this assessing default, the
22 holders of all administrative claims shall be considered to be a single class, the holders of all
23 priority claims shall be considered to be a single class, and each non-debtor party to an assumed
24 executory contract or lease shall be considered to be a separate class.

1 interest against the Debtor, the estate, or their respective property, including the property
2 transferred pursuant to this Plan are enjoined from taking any of the following actions on account
3 of any such debt or claim: (a) commencing or continuing in any manner any action or other
4 proceeding against Debtor, the estate, or their respective property; (b) enforcing, attaching,
5 collecting, or recovering in any manner any judgment, award, decree, or order against the Debtor
6 or the estate; (c) creating, perfecting, or enforcing any lien or encumbrance against the Debtor,
7 the estate, or their respective property including the property transferred pursuant to this Plan; (d)
8 asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to
9 the estate or the Debtor; and (e) commencing or continuing any action, in any manner, in any
10 place that does not comply with or is inconsistent with the provisions of the Plan or the order of
11 confirmation.

12 On completion of all payments required by the Plan, the Debtor shall apply to the Court for
13 entry of a final decree. The Debtor is ineligible for a discharge in the instant case due to the fact
14 that the Debtor received a prior discharge in Case No. 10-58562 on November 16, 2010.

15 **Deadline for § 1111(b) Election.**

16 Creditors with an allowed secured claim can make a timely election under section 1111(b)
17 no later than 14 days before the first date set for the hearing on confirmation of the Plan.

18 **ARTICLE XIII**
19 **MISCELLANEOUS PLAN PROVISIONS**

20 **Effective Date of Plan.**

21 The Effective Date of the Plan is the fifteenth day following the date of the entry of the
22 order of confirmation, if no notice of appeal from that order has been filed. If a notice of appeal
23 has been filed, Debtor may waive the finality requirement and put the Plan into effect, unless the
24 order confirming the Plan has been stayed. If a stay of the confirmation order has been issued, the
25 Effective Date will be the first day after that date on which no stay of the confirmation order is in
26 effect, provided that the confirmation order has not been vacated.

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1 **Modification.**

2 The Debtor may propose amendments to or modifications of the Plan under Section
3 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior to the conclusion of
4 the hearing on confirmation of the Plan. After confirmation, (1) the Debtor may seek to modify
5 the Plan as to any issues under Section 1127(b) of the Bankruptcy Code and Bankruptcy Rule
6 3019 and all parties in interest shall retain the right to object.

7 **Waiver.**

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

10 **Disputed Claim Reserve.**

11 Debtor will create a reserve for disputed claims. Each time Debtor makes a distribution to the
12 holders of allowed claims, Debtor will place into a reserve the amount that would have been
13 distributed to the holders of disputed claims if such claims had been allowed in the full amount
14 claimed. If a disputed claim becomes an allowed claim, Debtor shall immediately distribute to the
15 claimant from the reserve an amount equal to all distributions due to date under the plan calculated
16 using the amount of the allowed claim. Any funds no longer needed in reserve shall be returned to
17 Debtor.

18 **Cramdown.**

19 Pursuant to section 1129(b) of the Bankruptcy Code, Debtor reserves the right to seek
20 confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors.

21 **Severability.**

22 If any provision in the Plan is determined to be unenforceable, the determination will in no
23 way limit or affect the enforceability and operative effect of any other provision of the Plan.

24 **Governing Law.**

25 Except to the extent a federal rule of decision or procedure applies, the laws of the State of
26 California govern the Plan.

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Notices.

Any notice to the Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

Leonard Tyson PO Box 344 Capitola, CA 95010 And via email: zoomlen@yahoo.com	With a copy not constituting notice to: Leonard Keith Tyson c/o Belvedere Legal, PC 1777 Borel Place, Suite 314 San Mateo, CA 94402 And via email: info@belvederelegal.com
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Dated: November 30, 2017

/s/ Leonard Keith Tyson.
Leonard Keith Tyson

Dated: November 30, 2017

BELVEDERE LEGAL, P.C.

/s/ Matthew D. Metzger
Matthew D. Metzger

Attorneys for Debtor