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8 **UNITED STATES BANKRUPTCY COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**
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11 In re
12 CREATIVE CAPITAL LEASING GROUP,
13 LLC,
14 Debtors.

CASE NO. 07-04977-PB11

CHAPTER 11

**STIPULATION FOR AN ORDER
AUTHORIZING UNION BANK TO
DISBURSE LEASING PORTFOLIO
SALE PROCEEDS TO PFF BANK &
TRUST**

Dept: 4
Judge: Hon. Peter W. Bowie

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20 The Official Committee of Unsecured Creditors (the “Committee”), Creative Capital
21 Leasing Group, LLC (the “Debtor”) and PFF Bank & Trust (collectively, the “Parties”), through
22 their undersigned counsel, hereby stipulate to the entry of an order authorizing Union Bank of
23 California, N.A. (“Union Bank”) to disburse the Leasing Portfolio sale proceeds to PFF Bank &
24 Trust. This Stipulation is made with reference to the following facts:

- 25 1. On or about September 10, 2007, the Debtor commenced this chapter 11 case by
26 filing a voluntary petition for relief (the “Petition Date”).
27 2. Pursuant to Bankruptcy Code § § 1107(a) and 1108, the Debtor has continued in
28 possession and operation of their business.

1 3. The Debtor’s business consisted of the management of commercial and residential
2 real property, and the leasing of business equipment (the “Leasing Portfolio”).

3 4. The Lease Portfolio, consisted primarily of approximately 42 commercial
4 equipment leases. The Debtor has listed the Lease Portfolio as having a value of
5 \$8,000,000,000.

6 5. PFF Bank & Trust (“PFF Bank”), pursuant to Commercial Security Agreements,
7 dated on or around November 11, 2004, Master Agreement for Assignment of Leases and
8 Equipment Finance Agreements, Commercial Pledge Agreements, Assignment of Lease
9 Payments and Security Agreements, and a Business Loan Agreement, dated on or around August
10 25, 2006 (collectively, the “Equipment Loan Documents”), provided financing to the Debtor.
11 Pursuant to the Equipment Loan Documents, Debtor granted PFF Bank a valid and perfected
12 first-priority lien upon the Leasing Portfolio. PFF Bank claims it was owed the aggregate
13 principal amount of not less than \$8,314,850.36, as of the petition date, exclusive of all accrued
14 interest, fees, costs and expenses.

15 6. Pursuant to an order entered on April 22, 2008 (the “Settlement Agreement
16 Order”), this Court approved a settlement agreement, dated as of March 25, 2008 (the Settlement
17 Agreement”), between the Committee and PFF Bank. The Settlement Agreement provided that
18 the Leasing Portfolio would be sold to a third party, and that the proceeds would be distributed
19 pursuant to the following formula:

- 20 a. PFF Bank shall be paid the first \$1,500,000 from the Sales
21 Proceeds.
- 22 b. Any Sale Proceeds in excess of the \$1,500,000 and up to
23 \$1,850,000 shall be paid to the OCC for satisfaction of administrative expense
24 and unsecured claims against the estate.
- 25 c. Any Sale Proceeds in excess \$1,850,000 will be divided pursuant
26 to the following formula: 55% to the PFF Bank, 45% to the OCC for satisfaction
27 of administrative expense and unsecured claims against the estate.

28 7. On May 12, 2008, an order was entered approving the sale of the Leasing
Portfolio to a third party for \$2,150,445.36.

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1 8. Pursuant to the Settlement Agreement Order, all proceeds from the Lease
2 Portfolio have been deposited into an interest bearing, blocked Debtor-in Possession account
3 established at Union Bank, with Mr. Jeffrey D. Cawdrey, counsel for the Committee, as the
4 authorized signatory.

5 9. Pursuant to the allocation of the sale proceeds established in the Settlement
6 Agreement, PFF Bank is to receive \$1,665,244.94, and the OCC shall retain \$485,200.41 for
7 satisfaction of administrative expenses and unsecured claims against the estate.

8 10. Pursuant to the Settlement Agreement Order, the sale proceeds shall only be
9 distributed or withdrawn pursuant to further Court order(s).

10 WHEREFORE, the Parties stipulate to the entry of an order providing as follows:

11 1. Counsel for the Committee, Jeffrey D. Cawdrey, is hereby authorized to distribute
12 \$1,665,244.94 of the sale proceeds to PFF Bank & Trust;

13 2. Union Bank of California is authorized to allow the withdrawal and distribution of
14 \$1,665,244.94 to PFF Bank & Trust.

15 SO STIPULATED.

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