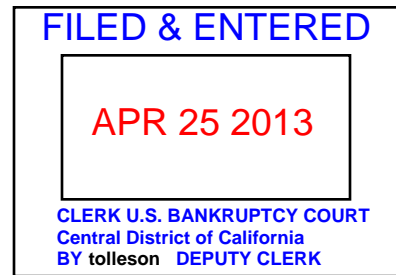


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10 General Reorganization Counsel
11 for Debtor and Debtor-in-Possession



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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RIVERSIDE DIVISION

In re

KATHLEEN JOAN OTTO, aka KATHLEEN
J. OTTO, aka KATHLEEN KJENSRUD
OTTO, aka KATHLEEN K. OTTO, aka
KATHY OTTO,

Debtor and
Debtor-in-Possession

Case No. 6:12-bk-21607-MJ
Chapter 11 Case

**ORDER CONFIRMING DEBTOR'S FIRST
AMENDED CHAPTER 11 PLAN**

Date: April 10, 2013
Time: 1:30 p.m.
Ctm: 301
3420 Twelfth Street
Riverside, CA 92501

The matter of the Confirmation of the *DEBTOR'S FIRST AMENDED CHAPTER 11 PLAN* (the "Plan" – ECF Docket No. 69),¹ came on for hearing before the undersigned United States Bankruptcy Judge on April 10, 2013 at the hour of 1:30 p.m. in Courtroom 301, United States Bankruptcy Court, Riverside Division ("Confirmation"). Martha Romero, Esq. of Romero Law Firm appeared on behalf of Secured Creditor Riverside County Tax Collector. Jeffrey W. Broker, Esq. of Broker & Associates Professional Corporation appeared as General Reorganization Counsel to KATHLEEN JOAN OTTO, aka KATHLEEN J. OTTO, aka KATHLEEN KJENSRUD OTTO, aka KATHLEEN K. OTTO, aka KATHY OTTO, the Debtor and Debtor-in-Possession (the

¹ Capitalized terms used herein without definition have the meanings provided for in the Plan. In addition, any term used in the Plan or this Order that is not defined in the Plan or this Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules.

1 “Debtor”), in support of Confirmation. There were no other appearances in connection with the
2 hearing on Confirmation. The Court having considered the matters before it in connection with
3 matters relating to Confirmation of the Plan and the pleadings filed in support thereof, and based
4 upon (a) the Court’s review of the *DEBTOR’S FIRST AMENDED DISCLOSURE STATEMENT*
5 *DESCRIBING DEBTOR’S FIRST AMENDED CHAPTER 11 PLAN* (the “Disclosure Statement” –
6 ECF Docket No. 70), (b) all of the evidence proffered or adduced at, filings in connection with, and
7 arguments of counsel made at the hearings on Confirmation, and (d) the record of this Chapter 11
8 case; and after due deliberation thereon and good cause appearing therefore, and there being no
9 objections filed to Confirmation of the Plan, and for the reasons set forth on the record at the
10 hearing on Confirmation, the Court **HEREBY FINDS AND DETERMINES:**¹

11 1. The Court has jurisdiction over the Debtor’s chapter 11 case pursuant to 28 U.S.C.
12 §§157 and 1334. Venue is proper pursuant to 28 U.S.C. §§1408 and 1409. Confirmation of the
13 Plan is a core proceeding pursuant to 28 U.S.C §157(b)(2)(L) over which the Court has exclusive
14 jurisdiction.

15 2. The Court takes judicial notice of the matters set forth in the pleadings and other
16 documents filed with, and all orders entered by, and all evidence made, proffered or adduced in
17 connection with the hearing on Confirmation of the Plan.

18 3. The Plan, the Disclosure Statement, the Order Approving Debtor’s Disclosure
19 Statement, and ballots in a form previously approved by the Court were duly and timely transmitted
20 to all creditors and parties in interest, in accordance with the requirements of Section 1125 of the
21 Bankruptcy Code.

22 4. The Plan complies with the requirements of Section 1123 of the Bankruptcy Code.

23 5. The Plan complies with the applicable provisions of Title 11 as required by
24 Section 1129(a)(1) of the Bankruptcy Code.

25 _____
26 ¹ The findings of fact and conclusions of law stated in this Order shall constitute findings of fact and conclusions of
27 law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding by Fed. R. Bankr. P. 9014. To the extent
28 any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any
conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

1 6. The Debtor, as the proponent of the Plan, has complied with the applicable
2 provisions of Title 11 as required by Section 1129(a)(2) of the Bankruptcy Code.

3 7. The Plan has been proposed in good faith and not by any means forbidden by law as
4 required by Section 1129(a)(3) of the Bankruptcy Code.

5 8. Any payments made or promised by the proponents of the Plan for services or for
6 costs and expenses incurred in, or in connection with, the Plan and incident to the case, have been
7 fully disclosed to the Court and are reasonable, or if to be fixed after confirmation of the Plan, will
8 be subject to the approval of the Court as required by Section 1129(a)(4) of the Bankruptcy Code.

9 9. The Debtor has disclosed the identities and the proposed compensation that will be
10 paid to all of the parties contemplated under Section 1129(a)(5) of the Bankruptcy Code.

11 10. Each holder of an impaired claim or interest has accepted the Plan, or, will receive or
12 retain under the Plan property of a value, as of the Effective Date of the Plan, that is not less than
13 the amount that such holder would so receive or retain if the Debtor was liquidated under Chapter 7
14 of the Bankruptcy Code on such date as required by Section 1129(a)(7) of the Bankruptcy Code.

15 11. With respect to each Class of Claims, each Class that voted has accepted the plan.
16 The Debtor has therefore satisfied the requirements of Section 1129(a)(8) of the Bankruptcy Code
17 under his Plan.

18 12. The Plan fully complies with all of the requirements of Section 1129(a)(9) of the
19 Bankruptcy Code. All allowed administrative and priority claims will be paid in full, in cash, by the
20 Effective Date of the Plan, unless the holder of a particular claim agrees otherwise.

21 13. At least one class of claims that is impaired under the Plan (Classes 1, 3, and 4) has
22 accepted the Plan, determined without including any acceptances by any insider, thereby satisfying
23 the requirements of Section 1129(a)(10) of the Bankruptcy Code.

24 14. The Plan is feasible, and the Debtor has demonstrated by competent evidence that
25 confirmation of the Plan is not likely to be followed by the liquidation or the need for further
26 financial reorganization of the Debtor, thereby satisfying the requirements of Section 1129(a)(11) of
27 the Bankruptcy Code.

1 15. All fees payable under 28 U.S.C. §1930 have been paid, and the Debtor shall pay all
2 additional fees as required by Section 1129(a)(12) of the Bankruptcy Code.

3 16. The Debtor has otherwise complied with the requirements of all subsections of
4 Section 1129(a) of the Bankruptcy Code, with subsections (a)(6) and (a)(13) and (a)(14) of Section
5 1129(a) of the Bankruptcy Code being inapplicable to the Debtor and subsection (a)(15) being
6 inapplicable in this case.

7 Good cause appearing therefor, IT IS HEREBY ORDERED THAT:

8 A. The Plan is hereby CONFIRMED and all terms thereof are incorporated herein and
9 are deemed a part of this Order to the extent not inconsistent herewith and shall be deemed
10 enforceable as an Order of this Court.

11 B. With regard to the administrative claim of the County of Riverside, the 2013-2014
12 fiscal year's taxes will be paid timely and in the normal course of business with all applicable costs,
13 fees, charges and interest pursuant to 11 U.S.C. §§ 506(b) and 511. A failure by the Debtor to
14 make a payment to the County of Riverside pursuant to the terms of the Plan shall be an Event of
15 Default. If the Debtor fails to cure an Event of Default as to tax payments within ten (10) days after
16 service of written notice of default, then it may enforce the entire amount of its claim, plus all
17 penalties and interest accrued under state law, against the Debtor in accordance with applicable state
18 law remedies.

19 C. The Debtor, as an individual defendant/appellant, and Vicken Massoyan, et al, the
20 plaintiffs/appellees in a class action entitled "Vicken Massoyan, et al vs. HL Leasing, Inc., a
21 California corporation, et al" in the Superior Court of the State of California for the County of
22 Fresno, Case No. 09-CEGG 01839 that is currently on appeal before the Court of Appeal Fifth
23 Appellate District for the State of California as Court of Appeal Case No. F064875/F065392 shall
24 proceed with the appeal/litigation to entry of a Final Order as provided in the Plan.

25 D. The Debtor shall comply fully with Local Bankruptcy Rule 3020-1(b), which
26 provides as follows: "Within 120 days of the entry of this order, the Reorganized Debtor shall file a
27 status report explaining what progress has been made toward consummation of the confirmed plan
28

1 of reorganization. The initial report must be served on the United States Trustee, the 20 largest
2 unsecured creditors, and those parties who have requested special notice. Further reports shall be
3 filed every 180 days thereafter and served on the same entities, unless otherwise ordered by the
4 court. The report shall include at least the following information:

5 i. A schedule listing for each debt and each class of claims: the total amount
6 required to be paid under the plan; the amount required to be paid as of the date of the
7 report; the amount actually paid as of the date of the report; and the deficiency, if any, in
8 required payments;

9 ii. A schedule of any and all post-confirmation tax liabilities that have accrued or
10 come due, and a detailed explanation of payments thereon;

11 iii. Debtor's projections as to its continuing ability to comply with the terms of
12 the plan;

13 iv. An estimate of the date for plan consummation and application for final
14 decree; and

15 v. Any other pertinent information needed to explain the progress toward
16 completion of the confirmed plan.”

17 E. Until this case is closed, the Court shall retain jurisdiction over this case to ensure
18 that the purposes and intent of the Plan are carried out until the Plan has been fully consummated,
19 pursuant to and for the purposes set forth in the Bankruptcy Code, and specifically for the purposes
20 of:

21 i. Classification of the Claim of any Creditor or the determination of such
22 objections as may be filed to Creditors' Claims;

23 ii. The allowance of compensation or other administrative expenses;

24 iii. To hear and determine Claims concerning state, local, and federal taxes
25 pursuant to Sections 346, 505, 525, and 1146 of the Bankruptcy Code;

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1 F. If the above-referenced case is converted to one under Chapter 7, the property of the
2 Reorganized Debtor shall be revested in the Chapter 7 Estate.

3 G. When the Plan is substantially consummated, the Debtor shall file an application for a
4 Final Decree closing this case.

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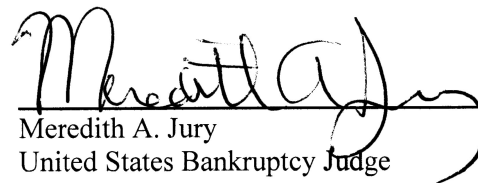
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24 Date: April 25, 2013


Meredith A. Jury
United States Bankruptcy Judge

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NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*):

ORDER CONFIRMING DEBTOR'S FIRST AMENDED CHAPTER 11 PLAN was entered on the date indicated as Entered on the first page of this judgment or order and will be served in the manner stated below:

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) – Pursuant to controlling General Orders and LBRs, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of (*date*) April 23, 2013, the following persons are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email addresses stated below.

COUNSEL FOR DEBTOR:	Jeffrey W Broker	jbroker@brokerlaw.biz
Request for Courtesy Notice:	Regis Guerin	efilings@amlegalgroup.com
COUNSEL FOR MASSOYAN:	Doris A Kaelin	doris.kaelin@berliner.com
COUNSEL FOR RIVERSIDE CTY:	Martha E Romero	romero@mromerolawfirm.com
COUNSEL FOR UST:	Jason K Schrader	Jason.K.Schrader@usdoj.gov
United States Trustee (RS)		ustpreion16.rs.ecf@usdoj.gov
CREDITOR:	Jaime L Watkins	ecf@bass-associates.com
Request for Courtesy Notice:	Pamela Jan Zylstra	zylstralaw@gmail.com

Service information continued on attached page

2. SERVED BY THE COURT VIA UNITED STATES MAIL: A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

Service information continued on attached page

3. TO BE SERVED BY THE LODGING PARTY: Within 72 hours after receipt of a copy of this judgment or order which bears an Entered stamp, the party lodging the judgment or order will serve a complete copy bearing an Entered stamp the party lodging the judgment or order will service a complete copy bearing an Entered stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

Service information continued on attached page