

1 Leonard M. Shulman (State Bar No. 126349)
Melissa Davis (State Bar No. 245521)
2 SHULMAN, HODGES & BASTIAN, LLP
3 8105 Irvine Center Drive, Suite 600
Irvine, CA 92618
4 Telephone: (949) 340-3400
Facsimile: (949) 340-3000
5
6 Attorneys for Official Committee
of Unsecured Creditors for EZRI NAMVAR

7 William N. Lobel (State Bar No. 093202)
Mike D. Neue (State Bar No. 179303)
8 THE LOBEL FIRM, LLP
840 Newport Center Drive, Suite 750
9 Newport Beach, California 92660
Telephone: (949) 999-2860
10 Facsimile: (949) 999-2870

11 Stuart I Koenig (State Bar No. 102764)
CREIM, MACIAS, KOENIG & FREY, LLP
12 633 West Fifth Street, 51st Floor
Los Angeles, CA 90071
13 Telephone: (213) 614-1944
Facsimile: (213) 614-1961

14 Attorneys for the Official Committee
15 of Unsecured Creditors for NAMCO CAPITAL GROUP, INC.

16 **UNITED STATES BANKRUPTCY COURT**
17 **CENTRAL DISTRICT OF CALIFORNIA**
18 **LOS ANGELES DIVISION**

18 **In re**

19 **EZRI NAMVAR, an individual,**

20
21 **Debtor and Debtor in Possession.**

CASE NO.: 2:08-bk-32349-BR

Chapter 11 Case

**DISCLOSURE STATEMENT TO
ACCOMPANY PLAN OF
REORGANIZATION FILED BY
OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR ESTATE
OF EZRI NAMVAR AND OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS FOR NAMCO CAPITAL
GROUP, INC.**

[Exhibits Filed Under Seal]

DATE:

TIME: [TO BE SET]

PLACE:

1 Plan is in the best interests of all parties-in-interest, and that any alternatives would result in
2 unnecessary delay, uncertainty, and expense to the Estate. The Plan Proponents, therefore,
3 recommend that all eligible creditors entitled to vote on the Plan cast their ballots to accept the
4 Plan.

5 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE DISCLOSURE
6 STATEMENT OR PLAN, NO DISTRIBUTION WILL BE MADE AND NO RIGHTS WILL BE
7 RETAINED ON ACCOUNT OF ANY CLAIM OR INTEREST THAT IS NOT AN ALLOWED
8 CLAIM OR INTEREST.

9 ARTICLE II

10 DEFINITIONS AND RULES OF CONSTRUCTION

11 2.1 **Specific Definitions.** The definitions provided in this Section shall apply to both
12 the Plan and this Disclosure Statement:

13 2.1.1 “**Accounts Receivable**” means Recovery Rights based upon loans made by
14 Namco to third parties prior to the Petition Date.

15 2.1.2 “**Administrative Claim**” means any right to payment constituting a cost or
16 expense of administration of the Case of a kind specified under section 503(b) of the Bankruptcy
17 Code and entitled to priority under section 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy
18 Code, including, without limitation, any actual and necessary costs and expenses of preserving the
19 Debtor’s estate, any actual and necessary costs and expenses of operating the Debtor’s business,
20 any indebtedness or obligations incurred or assumed by the Debtor in connection with the conduct
21 of their business, including, without limitation, for the acquisition or lease of property or an
22 interest in property or the rendition of services, all compensation and reimbursement of expenses
23 to the extent awarded by the Bankruptcy Court under sections 330, 331 or 503 of the Bankruptcy
24 Code, any fees or charges assessed against the Debtor’ estate under section 1930 of chapter 123 of
25 title 28 of the United States Code and any Claim for goods delivered to the Debtor’ within twenty
26 (20) days of the Petition Date and entitled to administrative priority pursuant to section 503(b)(9)
27 of the Bankruptcy Code.

28

1 2.1.3 “**Allowed Administrative Claim**” means all or that portion of an
2 Administrative Claim which is an Allowed Claim.

3 2.1.4 “**Allowed Priority Claim**” means all or that portion of a Priority Claim
4 which is an Allowed Claim.

5 2.1.5 “**Allowed Priority Tax Claim**” means all or that portion of a Priority Tax
6 Claim which is an Allowed Claim.

7 2.1.6 “**Allowed Secured Claim**” means all or that portion of a Secured Claim
8 which is an Allowed Claim.

9 2.1.7 “**Allowed Unsecured Claim**” means all or that portion of an Unsecured
10 Claim which is an Allowed Claim.

11 2.1.8 “**Allowed**” means, with reference to any Claim, (a) any Claim against the
12 Debtor that has been listed by the Debtor in the Schedules, as such Schedules may be amended by
13 the Debtor from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount
14 and not disputed or contingent, and with respect to which no contrary proof of claim has been
15 filed, (b) any Claim specifically allowed under the Plan, (c) any Claim that is not a Disputed
16 Claim by the Claims Objection Deadline or (d) any Claim, the amount or existence of which, if it
17 is a Disputed Claim, (i) has been determined by a Final Order of a court of competent jurisdiction
18 other than the Bankruptcy Court, or (ii) has been allowed by Final Order of the Bankruptcy Court;
19 provided, however, that any Claims allowed solely for the purpose of voting to accept or reject the
20 Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims”
21 hereunder.

22 2.1.9 “**Assumed Contract List**” means the list included in the Plan Supplement
23 listing the executory contracts and unexpired leases to be assumed by Reorganized Namco.

24 2.1.10 “**Ballot**” means each of the ballot forms distributed with the Disclosure
25 Statement to each holder of an impaired Claim (other than to holders not entitled to vote on the
26 Plan) upon which is to be indicated, among other things, acceptance or rejection of the Plan.

27 2.1.11 “**Bankruptcy Code**” means title 11 of the United States Code, 11 U.S.C.
28 §§ 101 et seq., as in effect on the date hereof.

1 2.1.12 “**Bankruptcy Court**” means the United States Bankruptcy Court for the
2 Central District of California, Santa Ana Division.

3 2.1.13 “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure as
4 promulgated by the United States Supreme Court under section 2075 of title 28 of the United
5 States Code, and local rules of the Bankruptcy Court, as the context may require.

6 2.1.14 “**Bankruptcy Trustees**” means Bradley Sharp as the trustee of the Namco
7 Estate and R. Todd Neilson as the Trustee of the Namvar Estate.

8 2.1.15 “**Beshmada**” means Beshmada LLC, a California limited liability company.

9 2.1.16 “**Beshmada Case**” means the Chapter 11 case of Beshmada that is currently
10 pending before the Bankruptcy Court.

11 2.1.17 “**Beshmada Estate**” means the Chapter 11 estate of Beshmada.

12 2.1.18 “**Beshmada of Delaware**” means Beshmada of Delaware, LLC, a Delaware
13 limited liability company.

14 2.1.19 “**Beshmada of Delaware Case**” means the Chapter 11 case of Beshmada of
15 Delaware that is pending before the Bankruptcy Court.

16 2.1.20 “**Beshmada of Delaware Estate**” means the Chapter 11 estate of
17 Beshmada of Delaware.

18 2.1.21 “**Business Day**” means any day other than a Saturday, a Sunday or a “legal
19 holiday” (as defined in Bankruptcy Rule 9006(a)).

20 2.1.22 “**Cash**” means lawful currency of the United States and equivalents thereof,
21 including, but not limited to: bank deposits, wire transfers, checks, and other similar items.

22 2.1.23 “**Claim**” or “**Claims**” as defined in the Bankruptcy Code, section 101(5)(A)
23 and (B), means (a) any right to payment, whether or not such right is reduced to judgment,
24 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,
25 equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance
26 if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is
27 reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or
28 unsecured.

- 1 2.1.24 “**Claim Deadline**” means November 13, 2009, with respect to all Claims.
- 2 2.1.25 “**Claim Objection Deadline**” means (a) 240 days after the Effective Date,
3 unless extended by an order of the Bankruptcy Court, or (b) 30 days after the deadline for filing a
4 request for the payment of an Administrative Claim established in Article III.C of the Plan.
- 5 2.1.26 “**Class**” means a group of Claims or Interests classified together in a class
6 designated in Article IV of the Plan.
- 7 2.1.27 “**Committees**” means the Namco Committee and the Namvar Committee,
8 the Plan Proponents.
- 9 2.1.28 “**Confirmation Date**” means the date of entry of the Confirmation Order.
- 10 2.1.29 “**Confirmation Hearing**” means the hearing to consider confirmation of
11 the Plan pursuant to section 1128 of the Bankruptcy Code, as it may be adjourned or continued
12 from time to time.
- 13 2.1.30 “**Confirmation Order**” means the order of the Bankruptcy Court
14 confirming the Plan pursuant to section 1129 of the Bankruptcy Code.
- 15 2.1.31 “**Creditor**” means any holder of a Claim, as defined by the Bankruptcy
16 Code, section 101(10).
- 17 2.1.32 “**Debtor**” means Ezri Namvar.
- 18 2.1.33 “**Dimes**” means Dimes LLC, a California limited liability company.
- 19 2.1.34 “**Dimes Case**” means the Chapter 11 case of Dimes, LLC that is pending
20 before the Bankruptcy Court.
- 21 2.1.35 “**Dimes Estate**” means the Chapter 11 estate of Dimes, LLC.
- 22 2.1.36 “**Disclosure Statement**” means the “Disclosure Statement To Accompany
23 Plan Of Reorganization Filed By The Official Committee Of Unsecured Creditors For Namco
24 Capital Group, Inc. And Official Committee Of Unsecured Creditors for Ezri Namvar” (and all
25 exhibits and attachments thereto or referenced therein) that relates to the Plan, as such Disclosure
26 Statement may be amended, modified or supplemented.
- 27 2.1.37 “**Disputed Claim**” means, with reference to any Claim, (a) any Claim,
28 (i) proof of which was not timely or properly filed by the Claim Deadline and that has been or

1 hereafter is listed on the Schedules as unliquidated, disputed or contingent, or (ii) that is not
2 listed in the Schedules; or (b) any Claim as to which the Debtor or any other party in interest
3 has filed an objection or request for estimation on or before such limitation period fixed by the
4 Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, except to the extent
5 that such objection or request for estimation is withdrawn or determined by a Final Order in
6 favor of the holder of such Claim.

7 2.1.38 “**Distributable Funds**” means all Cash from the Namco Allocation
8 received in the prior quarter, less payments made to, or reserves set aside for the following: (i)
9 Allowed Administrative Claims; (ii) Allowed Priority Tax Claims; (iii) Allowed Postpetition
10 Tax Claims; (iv) Allowed Class 1, 2 and 3 Claims (to the extent any such Claims are to be
11 satisfied with Cash rather than a return of the Collateral securing such Claims); (v) Allowed
12 Class 4 Claims; (vi) disputed claims; and (vii) all expenses.

13 2.1.39 “**Effective Date**” means the first Business Day that is at least sixty (60)
14 days after the Confirmation Date, or such earlier or later date as the Plan Proponents select, but in
15 no event shall such date be later than one year after the Effective Date.

16 2.1.40 “**Entity**” means an individual, a corporation, a general partnership, a limited
17 partnership, a limited liability company, a limited liability partnership, an association, a joint stock
18 company, a joint venture, an estate, a trust, an unincorporated organization, a government or any
19 subdivision thereof.

20 2.1.41 “**Estate**” means the estate created by section 541(a) of the Bankruptcy Code
21 upon the Petition Date.

22 2.1.42 “**Excluded Assets**” means any assets of the Namvar Estate that are not
23 transferred to NLTCO on the Effective Date.

24 2.1.43 “**Final Claim Order**” means a Final Order regarding an objection to and/or
25 allowance of a Claim.

26 2.1.44 “**Final Confirmation Order**” means a Final Order confirming the Plan.

1 2.1.45 “**Final Order**” means an order or judgment of the Bankruptcy Court other
2 than a Confirmation Order, the operation or effect of which has not been stayed, which has
3 become Final.

4 2.1.46 “**Final**” means: the later of (i) the date of final affirmance on an appeal of a
5 judgment or order, the expiration of the time for a petition for or a denial of a writ of certiorari to
6 review a judgment or order and, if certiorari is granted, the date of final affirmance of a judgment
7 or order following review pursuant to that grant; or (ii) the date of final dismissal of any appeal
8 from a judgment or order or the final dismissal of any proceeding on certiorari to review a
9 judgment or order; or (iii) if no appeal is filed, the expiration date of the time for the filing or
10 noticing of any appeal from a judgment or order.

11 2.1.47 “**General Unsecured Claims**” means those Claims included in Class 5 of
12 the Plan.

13 2.1.48 “**Governmental Unit**” has the meaning ascribed to such term in section
14 101(27) of the Bankruptcy Code.

15 2.1.49 “**Insider**” as defined in section 101(31) of the Bankruptcy Code, means (a)
16 a relative of the Debtor or of a general partner of the Debtor; (b) a partnership in which the Debtor
17 is a general partner; (c) a general partner of the Debtor; or (d) a corporation of which the Debtor is
18 a director, officer, or person in control.

19 2.1.50 “**Interest Holder**” means the Ezri Namvar, or the Namvar Estate, as the
20 holder of the all of the common stock of Namco.

21 2.1.51 “**Inter-estate Settlement**” means the settlement reached by and between
22 the Namco Committee and the Namvar Committee regarding the allocation of funds obtained from
23 the property of the Estates among the creditors of the Estates.

24 2.1.52 “**Namco**” means Namco Capital Group, Inc., a California corporation and a
25 Chapter 11 Debtor in a related case.

26 2.1.53 “**Namco Allocation**” means eighty-five percent (85%) of the Net
27 Collections recovered by Reorganized Namco and eighty-five percent (85%) of the Net
28 Collections recovered by NLTCo.

1 2.1.54 “**Namco Case**” means the Chapter 11 case of Namco pending before the
2 United States Bankruptcy Court for the Central District of California.

3 2.1.55 “**Namco Committee**” means the official committee for unsecured creditors
4 appointed to serve in the Namco Case, whose members are Abraham B. Assil, as Trustee of the
5 Abraham B. Assil Trust, Benjamin B. Efraim, as Trustee of the Far-Hadian Family Trust, and
6 Heide Kurtz, Chapter 7 Trustee for Namco Financial Exchange Corporation.

7 2.1.56 “**Namco Equity Interests**” means the equity interests that Namco held in
8 the Namco Related Entities as of the Petition Date.

9 2.1.57 “**Namco Estate**” means the Chapter 11 estate of Namco.

10 2.1.58 “**Namco Plan**” means the Plan of Reorganization filed by the Committees
11 in the Namco Case.

12 2.1.59 “**Namco Trustee**” means Bradley D. Sharp, the duly appointed and acting
13 Chapter 11 Trustee in the Namco Case.

14 2.1.60 “**Namvar**” means Ezri Namvar, the debtor in this Case.

15 2.1.61 “**Namvar Allocation**” means fifteen percent (15%) of the Net Collections
16 recovered by NLTCo and fifteen percent (15%) of the Net Collections recovered by Reorganized
17 Namco.

18 2.1.62 “**Namvar Case**” means the Chapter 11 case of Namvar pending in the
19 United States Bankruptcy Court for the Central District of California.

20 2.1.63 “**Namvar Committee**” means the official committee for unsecured
21 creditors appointed in the Namvar Case, whose members are Mansoor Alyeshmerni, Marc
22 Asheghian, Elliot Sharaby, Hersei Babajoni and Cathay Bank.

23 2.1.64 “**Namvar Debtor Entities**” means the Namvar Related Entities who are
24 operating under the protection of Chapter 11, including Namco Capital Group, Inc., Dimes, LLC,
25 Namvar, Beshmada, LLC, Beshmada of Delaware, LLC, Namco Financial Exchange, St. Patrick's
26 Day Lease, LLC, Wall Street Mart, L.P., Bundy Dimes, LLC, Bunwil Capital, LLC, Mission Real
27 Associates, LLC, Playa Properties, LLC, Rancho Malibu, LLC and Namwest, LLC.

28

1 2.1.65 “**Namvar Distribution Account**” means the account into which all
2 Distributable Funds will be deposited and disbursed.

3 2.1.66 “**Namvar Equity Interests**” means the equity interests that Namvar held in
4 the Namvar Related Entities as of the Petition Date.

5 2.1.67 “**Namvar Estate**” means the Chapter 11 estate of Namvar.

6 2.1.68 “**Namvar Related Entities**” means the business entities listed in Exhibit
7 “3” to the Disclosure Statement and any other unknown entities in which Namvar owns and
8 interest or controlled as of the Petition Date,

9 2.1.69 “**Namvar Plan**” means the Plan of Reorganization filed by the Committees
10 in the Namvar Case.

11 2.1.70 “**Namvar Trustee**” means R. Todd Neilson, the duly appointed and acting
12 Chapter 11 Trustee in the Namvar Case.

13 2.1.71 “**Net Collections**” means all Cash held or received by Namco Estate and
14 the Namvar Estate from the management, recovery, sale or other liquidation of any property of the
15 Estates, less all reasonable costs incurred in collecting, managing, recovering, selling or otherwise
16 disposing such property, including applicable taxes.

17 2.1.72 “**New Board**” means the board of directors of Reorganized Namco after the
18 Effective Date, whose initial members shall be Marc Asheghian, Abraham B. Assil and Benjamin
19 B. Efraim.

20 2.1.73 “**NLTCo**” means the liquidating trust created pursuant to Plan filed by the
21 Committees in the Namvar Case. NLTCo will receive all NLTCo Property (all assets of the
22 Namvar Estate other than Excluded Assets), liquidate these assets over the Plan Period set forth in
23 the Namvar Plan, transfer the Namco Allocation to Reorganized Namco, and make distributions to
24 persons entitled thereto from the Namvar Allocation in accordance with the terms of the Namvar
25 Plan and the NLTCo Agreement.

26 2.1.74 “**NLTCo Agreement**” means the liquidating trust agreement governing the
27 affairs of NLTCo, which will be in substantially the form contained in the Plan Supplement.

28

1 2.1.75 “**NLTCo Beneficiaries**” means (i) the holders of NLTCo Beneficial
2 Interests, as of any point in time, and (ii) holders of Allowed Claims that shall be satisfied from
3 NLTCo Property in accordance with the terms of the Plan.

4 2.1.76 “**NLTCo Beneficial Interests**” means, collectively, the interests of the
5 holders of Allowed Unsecured Claims in the NLTCo and in all distributions to be made by the
6 NLTCo on account of Allowed Unsecured Claims. The NLTCo Beneficial Interests (a) shall be
7 noted in the books and records of NLTCo, (b) shall not be evidenced by a writing, and (c) may not
8 be transferred, sold, assigned or transferred by will, intestate succession or operation of law.

9 2.1.77 “**NLTCo Distribution Account**” means the account into which all
10 Distributable Funds, as that term is defined in the Namvar Plan, shall be deposited and disbursed.

11 2.1.78 “**NLTCo Property**” means all property of the Namvar Estate other than
12 Excluded Assets.

13 2.1.79 “**NLTCo Expenses**” means all costs, expenses and obligations incurred by
14 NLTCo, the NLTCo Trustee and NLTCo's Professionals in administering the Trust or in any
15 manner incidental or related thereto.

16 2.1.80 “**NLTCo Trustee**” means the liquidating trustee(s) of NLTCo, or any
17 successor trustee designated or selected in accordance with the terms of the Plan and the NLTCo
18 Agreement. Reorganized Namco shall be the NLTCo Trustee.

19 2.1.81 “**Person**” means any individual, corporation, partnership, limited liability
20 company, association, indenture trustee, organization, joint stock company, joint venture, estate,
21 trust, governmental unit or any political subdivision thereof, or any other entity.

22 2.1.82 “**Petition Date**” means December 22, 2008, the date on which an
23 involuntary bankruptcy petition was filed against the Debtor.

24 2.1.83 “**Plan Proponents**” means the Committees.

25 2.1.84 “**Plan**” means the “Plan of Reorganization” filed by the Committees in the
26 Namco Case to which the Disclosure Statement refers (including all exhibits and attachments,
27 each of which is hereby incorporated and made part of the Plan), as modified or amended from
28 time to time in accordance with section 1127 of the Bankruptcy Code.

1 2.1.85 “**Plan Documents**” means, collectively, the Voting Trust Agreement and
2 the other documents attached to the Plan Supplement.

3 2.1.86 “**Plan Period**” means the period from the Effective Date to the Plan
4 Termination Date.

5 2.1.87 “**Plan Supplement**” means the compilation of the Plan Documents to be
6 filed with the Bankruptcy Court.

7 2.1.88 “**Plan Termination Date**” means the seventh (7th) anniversary date of the
8 Effective Date, unless Reorganized Namco elects to extend this date for up to an additional five
9 (5) years, or such earlier date as may be fixed by Reorganized Namco.

10 2.1.89 “**Prime Rate**” means the prime rate of interest quoted in the Wall Street
11 Journal.

12 2.1.90 “**Priority Tax Claim**” means a Claim entitled to priority under section
13 507(a)(8) of the Bankruptcy Code.

14 2.1.91 “**Pro Rata**” means proportionately, so that with respect to a particular
15 Allowed Claim, the ratio of (a)(i) the amount of property distributed on account of such Claim to
16 (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property distributed
17 on account of all Allowed Claims of the Class in which such Claim is included to (ii) the amount
18 of all Allowed Claims in that Class.

19 2.1.92 “**Professionals**” means those Entities (a) employed in the Case under
20 sections 327 or 1103 of the Bankruptcy Code, and (b) entitled, under sections 330, 503(b), 506(b),
21 507(a)(2) of the Bankruptcy Code, to seek compensation for legal, accounting or other
22 professional services and the costs and expenses related to such services from the Debtor or the
23 Estate.

24 2.1.93 “**Recovery Rights**” means any and all manner of causes of action, claims,
25 obligations, suits, debts, judgments and demands whatsoever, whether in law or in equity,
26 including, but not limited to, actions to subordinate Claims under Section 510 of the Bankruptcy
27 Code and to avoidance power actions set forth in Sections 544 through 550, inclusive, of the
28 Bankruptcy Code.

1 2.1.94 “**Rejected Contract List**” means the list attached to the Plan Supplement
2 listing the executory contracts and unexpired leases being rejected under the Plan, as amended up
3 to the Effective Date.

4 2.1.95 “**Rejection Damages Deadline**” means the later of the Claim Deadline, or
5 thirty (30) days after the entry of an order approving the rejection of an executory contract or
6 unexpired lease.

7 2.1.96 “**Reorganized Namco**” means the Namco on and after the Effective Date.

8 2.1.97 “**Schedules**” means the schedules of assets and liabilities, statements of
9 financial affairs, and lists of holders of Claims and Equity Interests filed with the Bankruptcy
10 Court by the Debtor, including any amendments or supplements thereto.

11 2.1.98 “**Secured Claim**” means a Claim secured by a lien on any property of any
12 of the Estate, but only to the extent of the value of the interest of the holder of such Allowed
13 Claim in the interest of the Estate in such property, the calculation of which shall not include any
14 demand for default interest, penalty interest or other similar demands.

15 2.1.99 “**Starpoint Parties**” means Starpoint Properties, LLC, a limited liability
16 company organized under the laws of the State of California; Blackhawk Properties, LLC, a
17 limited liability company, organized under the laws of the State of Delaware; Mill Avenue
18 Properties, LLC, a limited liability company organized under the laws of the State of Delaware;
19 Mill Avenue Properties II, LLC, a limited liability company organized under the laws of the State
20 of Delaware; Mill Avenue Properties III, LLC, a limited liability company organized under the
21 laws of the State of Delaware; Mill Avenue Properties IV, LLC, a limited liability company
22 organized under the laws of the State of Delaware; 450 Roxbury Properties, LLC, a limited
23 liability company organized under the laws of the State of Delaware; 450 Roxbury Properties II,
24 LLC, a limited liability company organized under the laws of the State of Delaware; 450 Roxbury
25 Properties III, LLC, a limited liability company organized under the laws of the State of Delaware;
26 Defendant 450 Roxbury Properties IV, LLC, a limited liability company organized under the laws
27 of the State of Delaware; 450 Roxbury Properties V, LLC, a limited liability company organized
28 under the laws of the State of Delaware; 450 Roxbury Properties VI, LLC, a limited liability

1 company organized under the laws of the State of Delaware; Colfax Properties, LLC, a limited
2 liability company organized under the laws of the State of California; Foothill Ridge Properties,
3 LLC, a limited liability company organized under the laws of the State of California; Virgil
4 Avenue Properties, LLC, a limited liability company organized under the laws of the State of
5 California; and Jennifer Greenhut, an individual residing in the State of California.

6 2.1.100 **“Unclaimed Property”** means any funds or other Property to be
7 distributed to Creditors pursuant to the Plan, which, after an attempted distribution, has not been
8 received by the rightful Creditor. Unclaimed property shall include checks and any other property
9 that have been returned as undeliverable without a proper forwarding address, or which were not
10 mailed or delivered because of the absence of a proper address to which to mail or deliver such
11 property. Such Unclaimed Property that remains unclaimed at the end of one (1) year following
12 the date of an attempted distribution shall be reallocated and paid to other holders of Allowed
13 Claims in accordance with the Plan. After the expiration of one (1) year following the date of an
14 attempted distribution, each Claim with respect to Unclaimed Property shall be treated as if it had
15 been disallowed in its entirety.

16 2.1.101 **“United States Trustee”** means the United States Trustee for the Central
17 District of California.

18 2.1.102 **“Unsecured Claim”** means any Claim against the Debtor that is not an
19 Administrative Claim, Tax Claim, Secured Claim, or Priority Claim.

20 2.1.103 **“Voting Deadline”** means [Date To Be Established By The Bankruptcy
21 Court], or such other deadline established by the Bankruptcy Court for parties in interest entitled
22 to vote to submit their ballots accepting or rejecting the Plan.

23 2.1.104 **“Voting Trust”** means the Voting Trust formed pursuant to the Voting
24 Trust Agreement that will have the right to vote all Namco Stock during the Plan Period.

25 2.1.105 **“Voting Trust Agreement”** means the Voting Trust Agreement attached
26 to the Plan Supplement that will control the right to vote the Namco Stock during the Plan Period
27 and that will provide for the election of the Voting Trust Trustees.

28

1 2.1.106 “**Voting Trust Trustees**” means, during the Plan Period, the individuals
2 selected by the Committees to serve in this position. The initial Voting Trust Trustees will be
3 Marc Asheghian, Abraham B. Assil and Benjamin B. Efraim. If any Voting Trust Trustee resigns,
4 or is otherwise unable to serve in this capacity, the Committees will elect a replacement Voting
5 Trust Trustee by a majority vote.

6 2.1.107 “**Wilshire Bundy Proceeds**” means the sales proceeds generated from the
7 sale of the Wilshire Bundy Property, after the payment of closing costs, commissions and allowed
8 secured claims against this property, which is comprised of the \$27,127,000 held in a joint account
9 by the Trustees and the sum of \$14,796,000 held by the taxing authorities.

10 2.1.108 “**Wilshire Bundy Property**” means all interests in that certain property
11 commonly known as 12121 Wilshire Boulevard, Los Angeles, California.

12 2.1.109 “**Woodman**” means Woodman Partners, LLC.

13 2.2 **Rules of Interpretation.** The following rules of interpretation and construction
14 shall apply to both the Plan and the accompanying Disclosure Statement.

15 2.2.1 Any term used in the Plan that is not defined herein, whether in this Article
16 or elsewhere, or other exhibits hereto, but that is used in the Bankruptcy Code or the Bankruptcy
17 Rules has the meaning ascribed to that term in (and shall be construed in accordance with the rules
18 of construction under) the Bankruptcy Code or the Bankruptcy Rules.

19 2.2.2 Any capitalized term used in the Plan that is not defined herein, or other
20 exhibits hereto, but that is defined and used in the Disclosure Statement has the meaning ascribed
21 to that term in the Disclosure Statement.

22 2.2.3 The words “herein,” “hereof,” “hereto,” “hereunder” and others of similar
23 import refer to the Plan as a whole and not to any particular article, section, subsection or clause
24 contained in the Plan.

25 2.2.4 Unless specified otherwise in a particular reference, a reference to an article
26 or a section is a reference to that article or section of the Plan.

27
28

1 Chapter 11 allows a debtor, and under some circumstances, creditors and others parties-in-
2 interest, such as the Committees, to propose a plan of reorganization. The plan may provide for
3 the debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a
4 combination of both.

5 The Plan that the Committees are proposing is being sent to you in the same envelope as
6 this document. Pursuant to the terms of the Plan, all property that remains in the Namvar Estate as
7 of the Effective Date, unless otherwise stated, will vest in a liquidating trust referred to herein as
8 NLTCO. Both NLTCO and Reorganized Namco will be controlled by a new three member board of
9 directors appointed by both Committees, which is referred to herein as the New Board. The New
10 Board will collect, manage, and over time, sell the assets of both NLTCO and Reorganized Namco,
11 in a manner that yields the most favorable return to creditors. The distributions provided for in
12 the Plan shall be funded from various sources, including the proceeds generated from the sale of
13 assets and from recoveries obtained through the pursuit of Recovery Rights.

14 **READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO**
15 **KNOW AMONG OTHER THINGS:**

- 16 (1) **WHO CAN VOTE OR OBJECT,**
- 17 (2) **WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what your claim will**
18 **receive if the Plan are confirmed), AND HOW THIS TREATMENT**
19 **COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN**
20 **LIQUIDATION,**
- 21 (3) **THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING**
22 **THE BANKRUPTCY CASES,**
- 23 (4) **WHAT THINGS THE BANKRUPTCY COURT WILL LOOK AT TO**
24 **DECIDE WHETHER OR NOT TO CONFIRM THE PLAN,**
- 25 (5) **WHAT IS THE EFFECT OF CONFIRMATION, AND**
- 26 (6) **WHETHER THE PLAN IS FEASIBLE.**

1 **FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ**
2 **THIS DISCLOSURE STATEMENT, THE PLAN, AND THE EXHIBITS TO THESE**
3 **DOCUMENTS IN THEIR ENTIRETY.**

4 This Disclosure Statement cannot tell you everything about your rights. You should
5 consider consulting your own lawyer to obtain more specific advice on how the Plan will affect
6 you and what is the best course of action for you.

7 Be sure to read the Plan as well as this Disclosure Statement. If there are any
8 inconsistencies between the Plan and the Disclosure Statement, the provisions of the Plan will
9 govern. The Code requires a Disclosure Statement to contain “adequate information” concerning
10 the Plan. The Bankruptcy Court has approved this document as an adequate Disclosure Statement,
11 containing enough information to enable parties affected by the Plan to make an informed
12 judgment about the Plan. Any party can now solicit votes for or against the Plan.

13 **THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED**
14 **IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN**
15 **ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE BANKRUPTCY COURT**
16 **LATER CONFIRMS THE PLAN, AND THE EFFECTIVE DATE OCCURS, THEN THE PLAN**
17 **WILL BE BINDING ON THE DEBTOR AND ON ALL CREDITORS AND OTHER PARTIES-**
18 **IN-INTEREST IN THIS CASE.**

19 **3.2 Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**
20 **Time and Place of the Confirmation Hearing.**

21 3.2.1 Confirmation Hearing. The hearing where the Bankruptcy Court will
22 determine whether or not to confirm the Plan filed the Committees will take place on _____
23 __, 2011 at __:__ .m., in Courtroom “1668”, located at 255 **Temple Street, Los Angeles,**
24 **California 90012** before the **Honorable Barry Russell**, United States Bankruptcy Judge.

25 3.2.2 Deadline For Voting For or Against the Plan. If you are entitled to vote, it is
26 in your best interest to timely vote on the enclosed ballot and return the ballot in the enclosed
27 envelope to:
28

1 Melissa Davis (State Bar No. 245521)

2 SHULMAN, HODGES & BASTIAN, LLP

3 8105 Irvine Center Drive, Suite 600

4 Irvine, CA 92618

5 Your Ballot must be received by _____, **2011** or it will not be counted.

6 3.2.3 Deadline For Objecting to the Confirmation of the Plan. Objections to the
7 confirmation of the Plan must be filed with the Bankruptcy Court and served upon no later than
8 _____, **2011**.

9 3.2.4 Identity of Person to Contact for More Information Regarding the Plan. Any
10 interested party desiring further information about the Plan should contact:

11

12 Melissa Davis (State Bar No. 245521)

13 SHULMAN, HODGES & BASTIAN, LLP

14 8105 Irvine Center Drive, Suite 600

15 Irvine, CA 92618

16

17 Telephone: (949) 340-3400

18

19

20

21

22

23

24

25

26

27

28

1 3.3 **Disclaimer.** The financial information that the Committees relied upon in
2 formulating the Plan was obtained from the Debtor, the Debtor's books and records, and from the
3 limited amount of information that was made available to the Committees by the Trustees. The
4 financial projection(s) attached to the Disclosure Statement, which were prepared on based upon
5 the foregoing data, are presented on a cash basis.

6 3.4 To the best of the Committees' knowledge, all of facts stated in the Disclosure
7 Statement are true. However, all creditors reading this document should recognize that Ezri
8 Namvar is the subject of various civil investigations and a criminal indictment. Accordingly, some
9 of the facts and assumptions stated herein could later be determined to be in error by these
10 ongoing investigations. Notwithstanding this possibility, the Committees, which can only present
11 the best information available at this point in time, believe that the Plan, as presently formulated,
12 is both viable and in the best interests of creditors. Accordingly, the Committees urge you to vote
13 to accept the Plan.

14 The Bankruptcy Court has not yet determined whether the Plan is confirmable and makes
15 no recommendation as to whether you should support or oppose the Plan.

16 **The foregoing, and the statements and information contained in the Plan and**
17 **Disclosure Statement, do not constitute financial or legal advice. You should therefore**
18 **consult your own advisors if you have questions about the impact of the Plan on your Claims**
19 **or Interests.**

20 The statements and information relating to the Debtor set forth in this document constitute
21 the only statements and information that the Bankruptcy Court has approved for the purpose of
22 soliciting votes to accept or reject the Plan. Therefore, no statements or information that are
23 inconsistent with anything contained in this Disclosure Statement are authorized unless otherwise
24 ordered by the Bankruptcy Court.

25 **You may not rely on the Plan and Disclosure Statement for any purpose other than to**
26 **determine whether to vote to accept or reject the Plan. Nothing contained in the Plan or**
27 **Disclosure Statement constitutes an admission of any fact or liability by any party or may be**
28

1 **deemed to constitute evidence of the tax or other legal effects that the reorganization set**
2 **forth in the Plan may have entities holding Claims or Interests.**

3 Unless another time is expressly specified in this Disclosure Statement, all statements
4 contained in this document are made as of March 15, 2011. Under no circumstances will the
5 delivery of this Disclosure Statement or the exchange of any rights made in connection with the
6 Plan create an implication or representation that there has been no subsequent change in
7 information included in this document. The Committees assume no duty to update or supplement
8 any of the information contained in this document and in fact the Committees do not intend to
9 undertake any such update or supplement.

10 **ARTICLE IV**

11 **BACKGROUND FACTS**

12 4.1 **Introduction.** The Debtor in this case is Ezri Namvar, a fifty-nine year old
13 financier, who is the subject of a criminal indictment for, inter alia, fraud. The relevant part of
14 Namvar's history began approximately twenty-five years ago, when Namvar formed Namco
15 Capital Group, Inc., the entity that would be at the center of what would become a vast financial
16 empire. Over the next twenty-five years, Namvar, through Namco, would borrow funds from
17 hundreds of individuals and entities and then lend these funds to other entities that he controlled,
18 and that he and his family members owned. Over time this network of Namco funded and Namvar
19 controlled entities grew to over four hundred (collectively the "Namvar Related Entities").

20 Most of the Namco money that was advanced to the Namvar Related Entities was
21 reinvested, directly or indirectly, in a myriad of residential and commercial real estate assets
22 throughout the United States. The remaining Namco funds were taken directly by Namvar and the
23 members of his family and used for their personal ends.

24 When Namvar's financial network collapsed in 2008, Namco owed over \$650 million to
25 approximately two hundred and thirty creditor-lenders, and many of the assets acquired with
26 Namco's funds were in the process of being foreclosed upon, or they were in financial distress. A
27 report by the Trustees appointed in the Namco and Namvar cases indicates that the face value of
28 the assets that have already been foreclosed upon is approximately \$424 million and the Trustees

1 anticipate that another \$130 million in real property assets will be lost to foreclosure in the near
2 future. Many of the entities within Namvar's business empire are either in bankruptcy cases (under
3 the control of a trustee), or they are under the control of another third party fiduciary.

4 Although a confluence of factors brought about the downfall of Namvar's financial empire,
5 including the severe recession that began in 2008, the evidence suggests that this result was
6 inevitable. Namvar's businesses were built upon a foundation of greed, familial nepotism and
7 investment incompetence that all but assured a future collapse.

8 The purpose of the Plan filed concurrently herewith is to transfer all of Namvar's property
9 to NLTCO, a liquidating trust that will be controlled by three members of the Committees, who
10 were jointly selected by the Committees to serve in this role. NLTCO's will then collect, manage,
11 control and liquidate Namvar's remaining assets with the objective obtaining the highest possible
12 recovery for Creditors.

13 4.2 **Namco.** Namco was formed in 1983. From the date of its formation through the
14 Petition Date, Namvar was Namco's sole shareholder and he controlled its business affairs as its
15 sole director and chief executive officer (holding the positions of President and Chief Financial
16 Officer). Namvar's brothers and other family members also played various subsidiary roles in
17 Namco's business affairs.

18 The evidence obtained by the Committees indicates that Namco was initially operated as a
19 traditional "hard money lender." The company would borrow money from individuals (referred to
20 herein individually as a "Namco-Lender")¹, at fixed rates of return, and then Namco would loan
21 these funds to third party borrowers (hereinafter a "Borrower"), at higher rates. In most lending
22 transactions, the funds advanced by the Namco-Lenders were not earmarked for a specific loan or
23 investment. Instead, incoming funds were pooled and loaned or invested by Namco, as
24 opportunities were presented, at Namvar's discretion.

25
26 _____
27 ¹ A substantial part of Namco's funding was obtained from members of the Persian and Orthodox
28 Jewish communities located in Los Angeles. Namvar appears to have obtained access to the
resources of this community by exploiting the contacts and goodwill of his father, Eilel Namvar.
The elder Namvar was apparently a well-respected money lender in Tehran who was forced to
leave after the revolution that occurred in Iran in 1979.

1 In a typical transaction, the Namco-Lender would receive a written unsecured promissory
2 note from Namco (“Note” or “Notes”) in return for the funds advanced. However, in some cases
3 Namco would secure, or attempt to secure, the Notes with one or more forms of collateral such as
4 a percentage interest in a deed of trust recorded against one of the properties that Namco either
5 owned or controlled. Namvar also personally guaranteed a number of the loans that Namco
6 obtained from the Namco-Lenders.

7 Although Namco’s lending business model appears to have been successful, at some point
8 in the late 1990’s Namvar began to fundamentally change this model. Instead of merely acting as a
9 lender, Namco began to invest the funds obtained from the Namco-Lenders in real estate projects.
10 When these initial investments were successful, Namco re-allocated substantially all of the
11 growing pool of funds that he was receiving from the Namco-Lenders into real estate assets, by
12 directing the Namvar Related Entities that received these funds to invest in real estate projects
13 throughout the country, or to invest in lower tier entities that owned such assets. As this
14 reallocation continued and the underlying investments continued to yield favorable returns, Namco
15 solicited and obtained larger sums for more and more Namco Lenders. For example, in 2001,
16 loans from Namco-Lenders totaled \$60 million. In contrast, by 2008, this total had increased to
17 \$600 million.

18 By 2002, the profits generated from Namco’s past investments and the ever growing
19 inflow of funds from existing and new Namco-Lenders left Namco with a vast pool of investible
20 capital. Instead of prudently investing these funds, Namco, under Namvar’s leadership, engaged in
21 a buying frenzy, acquiring a huge portfolio of properties without engaging in adequate due
22 diligence. Accordingly, many of the assets that were ultimately acquired with the funds advanced
23 by the Namco-Lenders were overpriced, overleveraged and purchased at the top of the market.
24 When real estate values fell in the latter part of 2007, and in 2008, the devastating effect of
25 Namvar’s irresponsible investment course were exposed..

26 Namvar’s wrongs were not limited to the realm of investment strategy. Instead of investing
27 the ever growing flow of Namco-Lender dollars through entities that were owned by Namco,
28 Namvar formed hundreds of business entities and vested ownership of Namco-funded entities in

1 family members. Since there is no evidence that any of Namvar's family members contributed any
2 capital or services to these entities that would justify these ownership positions, the Namco
3 Committee believes that substantially all of these ownership interests are avoidable, or subject to
4 subordination. Moreover, the Namco Committee believes that many of the distributions made to
5 the holders of these ownerships interests, within the last four to seven years, may be recoverable as
6 fraudulent transfers or recoverable on some other legal theory.

7 As mentioned above, there are over four hundred Namvar Related Entities. Although the
8 Committees believe that Namco's funds were loaned to substantially all of the Namvar Related
9 Entities, directly or indirectly, this Disclosure Statement does not provide a comprehensive entity-
10 by-entity claim analysis. This analysis is still in process. A list of all known Namvar Related
11 Entities is attached hereto as Exhibit "2" and a summary description of the more important
12 Namvar Related Entities is provided below.

13 4.3 **The Namvar Related Entities.** Namvar formed and controlled over four hundred
14 limited liability companies and most of these companies received, directly or indirectly, funds
15 provided by the Namco-Lenders. A list of all *known* Namvar Related Entities appears in Exhibit
16 "2" hereto. In the following subparagraphs the Committee has described the material facts relative
17 to Beshmada, Dimes and Beshmada of Delaware, the three limited liability companies through
18 which the largest percentage of Namco funds appears to have flowed, and the three entities that
19 directly or indirectly control most of the major assets within the Namvar financial empire.

20 4.3.1 **Beshmada, LLC.** Beshmada is a California limited liability company that
21 was formed in 1998. Namvar, who was the manager of Beshmada, controlled its business affairs
22 until November 22, 2009, when Louis A. Cicalese, LLC was appointed to serve as its manager,
23 pursuant to an order of the Bankruptcy Court.

24 Beshmada is owned by Namvar's children in the following percentages: Benjamin Namvar
25 – twenty five percent (25%); Malka Namvar - twenty five percent (25%); Daniel Namvar - twenty
26 five percent (25%); and Shirah Namvar - twenty five percent (25%). The Committees are
27 informed and believe that Namco, not Namvar's children, was the actual source of the capital
28 contributed to Beshmada at its formation, and that Beshmada then used Namco's funds to acquire

1 its assets. If the Committees are correct in this regard, then Namvar’s children received their
2 ownership interests in Beshmada for no consideration, and as a consequence these ownership
3 interests, and all distribution made on account of the same, were at best wholly gratuitous and at
4 worst fraudulent.

5 Beshmada owns interests in forty-seven (47) limited liability companies, three (3) limited
6 partnerships and stock in one publicly held corporation. Exhibit “2” hereto details the complicated
7 ownership “waterfall” that flows down from Beshmada through the lower tier entities to the
8 ultimate real property assets.

9 On June 19, 2010, the Namco Trustee filed an involuntary petition against Beshmada
10 seeking an order forcing this entity into a Chapter 11 case. The Bankruptcy Court granted this
11 petition pursuant to an order for relief entered on July 1, 2010.

12 On November 22, 2009, Louis A. Cicalese, LLC was appointed to serve as the manager of
13 the Beshmada in the place and stead of Namvar pursuant to an agreement approved by the
14 Trustees and by the Bankruptcy Court. Mr. Cicalese, who is the principal of Louis A. Cicalese,
15 LLC, is an attorney and an experienced real estate professional.

16 4.3.2 **Dimes LLC.** Dimes is a California limited liability company that was
17 formed in 1998. Namvar, who was the manager of Dimes, controlled its business affairs until
18 November 22, 2009, when Louis A. Cicalese, LLC was appointed to serve as manager, pursuant to
19 an order of the Bankruptcy Court.

20 Namvar owns a fifty percent (50%) ownership interest in Dimes. The remaining ownership
21 interests in Dimes are split equally between his children, Daniel Namvar (16.67%), Malka Namvar
22 (16.67) and Shirah Namvar (16.67%). As with Beshmada, the Committees are informed and
23 believe that Namvar's children did not pay any consideration for their ownership interests in
24 Dimes and that Namco’s funds were used to capitalize this entity and fund its acquisitions.

25 Dimes owns interests in seventeen (17) limited liability companies and (2) two limited
26 partnerships. Exhibit “2” hereto details the complicated ownership “waterfall” that flows down
27 from Dimes through the lower tier entities to the ultimate real property asset.

28

1 On June 19, 2010, Bradley Sharp, the Trustee in the Namco case, filed an involuntary
2 petition against Dimes seeking an order forcing this entity into a Chapter 11 case. The Bankruptcy
3 Court granted this petition pursuant to an order for relief entered on July 1, 2010.

4 On November 22, 2009, Louis A. Cicalese, LLC was appointed to serve as the manager of
5 the Dimes in the place and stead of Namvar pursuant to an agreement approved by the Trustees
6 and by the Bankruptcy Court.

7 **4.3.3 Beshmada of Delaware.** Beshmada of Delaware is a Delaware limited
8 liability company that was formed in 2005. Namvar, who was the manager of Beshmada of
9 Delaware, controlled its business affairs until November 22, 2009, when Louis A. Cicalese, LLC
10 was appointed to serve as its manager, pursuant to an order of the Bankruptcy Court.

11 Beshmada of Delaware is owned by Namvar's children in the following percentages:
12 Benjamin Namvar – twenty five percent (25%); Malka Namvar - twenty five percent (25%);
13 Daniel Namvar - twenty five percent (25%); and Shirah Namvar - twenty five percent (25%). As
14 with Beshmada of California, the Committees are informed and believe that Namvar's children did
15 not pay any consideration for their ownership interests in Beshmada of Delaware: Namco's funds
16 were used to capitalize this entity.

17 Beshmada of Delaware owns interests in twelve (12) limited liability companies. Exhibit
18 "2" hereto details the ownership "waterfall" that flows down from Beshmada of Delaware through
19 the lower tier entities to the ultimate real property assets.

20 **4.3.4 Other Namvar Related Entities.** As explained above, funds provided by
21 Namco flowed into hundreds of other Namvar Related Entities, either directly, or through one or
22 more entities. Namvar then assigned interests in these entities to himself and members of his
23 family.

24 As more fully explained herein, the Committees intend to file Chapter 11 plans in all of the
25 bankruptcy cases filed by the Namvar Debtor Entities. If these plans are confirmed, all assets of
26 the Namvar Debtor Entities would be transferred into either Namco or NLTCO (the liquidating
27 trust that will be taking title to all property of the Namvar Estate as of the Effective Date). These
28 assets will then be managed and prudently liquidated by the for the benefit of all Creditors.

1 4.4 **Namvar’s Assets.** Namvar’s assets can be placed in three basic categories: Cash;
2 ownership interests in personal property, excluding Recovery Rights, and Recovery Rights. Each
3 category of assets is summarized in the following subparagraphs.

4 4.4.1 **Cash.** The Namvar Trustee and the Namco Trustee are jointly holding the
5 approximate sum of \$27.1 million in cash, in a restricted account. This cash is a part of the sales
6 proceeds derived from the sale of the office building commonly known as 12121 Wilshire Blvd.,
7 Los Angeles, California (the “Wilshire Bundy Proceeds”). The balance of the Wilshire Bundy
8 Proceeds, in the approximate amount of \$14.8 million, were reserved by the Internal Revenue
9 Service and the Franchise Tax Board, when the Namvar brothers, who claimed a right to the sales
10 proceeds, refused to sign a form acknowledging their United States citizenship.

11 The relative rights in the above cash proceeds, as between the Namco Estate and the
12 Namvar Estate, will be resolved through the Inter-estate Settlement reached by the Committees
13 that appears in Article IV, Section 4.10, if the Namco Plan and the Namvar Plan are confirmed by
14 the Court. In sum, these proceeds will be divided between the estates – 85% to the Namco Estate
15 and 15% of the Namvar Estate. The claims being made by other parties to the funds, including
16 members of Namvar’s family, will either be resolved by litigation or through settlement.

17 The Namvar Estate is also holding approximately \$413,000 in restricted cash in another
18 account. The Committees do not know the source of these funds, but their restricted status
19 indicates that one or more third parties is asserting an interest in these funds that will have to be
20 resolved before it is released.

21 4.4.2 **Real Property Interests.** As of the Petition Date, Namvar owned a
22 residence located at 12855 Parkyns Street, Los Angeles, California. This property has since been
23 foreclosed upon. The Namvar Estate does not directly own any other real property.

24 4.4.3 **Personal Property Interests.** Namvar owns the following material
25 personal property assets:

26 A) LLC Interests. Attached hereto as Exhibit “1” is an organization chart that list
27 the entities in which the Namvar Estate owns an interest that still own real property assets. Some
28 of the limited liability companies listed on Exhibit “1” directly own real property assets, others

1 own interests in other limited liability companies that may own such interests. The value of these
2 interests is difficult to assess for a number of reasons including the following:

3 1) The real property assets owned at some level, by the Namvar Related
4 Entities, or by the entities that they own, are encumbered by secured claims in varying amounts
5 and many of these claims are disputed. Until these claims are resolved, it is difficult to quantify
6 what if anything the Namvar Estate will receive from these LLC interests;

7 2) Unsecured claims exist against all or substantially all of the Namvar
8 Related Entities that would have to be paid before any distribution could be up-streamed to the
9 Namvar Estate on account of the LLC Interests; and

10 3) All or substantially all of the capital that the Namvar Related Entities
11 used, directly or indirectly, to acquire the properties of property interests owned by these entities
12 was provided by Namco and the creditors of Namco. Based upon these facts, and the fraudulent
13 actions of Namvar, the Namco Committee takes the position that Namvar, and consequently the
14 Namvar Estate as his successor-in-interest, should have no rights in the Namvar Related Entities
15 or any of the proceeds derived from this source. Alternatively, they contend that any rights held by
16 the Namvar Estate are necessarily subordinate to their rights, as the holder of a debt claim, versus
17 an equity claim. As more fully explained Article IV, Section 4.10 hereof, the settlement reached
18 between the Committees regarding the two bankruptcy estates' relative rights resolves the
19 foregoing allegations.

20 B) Recovery Rights. The litigation claims held by Namvar Estate include, but are
21 not limited to the following:

22 1. Fraudulent Transfer Claims. During the seven year period prior to the
23 Petition Date, Namvar made a series of property transfers to family members and others that are
24 potentially avoidable and subject to recovery under 11 U.S.C. §§ 548, 544 and state law fraudulent
25 conveyance statutes.

26 2. Preferential Transfer Claims. Pursuant to 11 U.S.C. § 547 transfers made
27 by Namvar within ninety days of the Petition date to non-insiders, or made within one year of the
28

1 Petition Date, to insiders, are potentially recoverable are “preferential” transfers, where such
2 transfers were made outside the ordinary course of business.

3 3. Other Claims. Namvar was involved in hundreds of business transactions
4 Prior to the Petition Date. The Namvar Estate is still investigating the potential claims that the
5 Namvar Estate may hold against third parties arising from or relating to these transactions.

6 The Namvar Committee has not been able, as of this writing, to assess and quantify with
7 exactitude the total amount and the recoverability of claims held by Namvar Estate. Much of this
8 work will have to be accomplished after the Effective Date.

9 4.5 **Namvar Liabilities**. According to the claims docket in the Namvar Case,
10 approximately \$1.1 billion in claims have been filed against the Namvar Estate. Of this total,
11 (approximately) \$374 million are listed as “secured”, \$2.0 million are listed as “priority”, \$497
12 million are listed as “unsecured” and \$246 million are listed as “unknown”. Since these claims
13 have not been reviewed, the above figures offer little insight into what the actual Allowed Claims
14 totals will be in each category, and in total, once the claims review and objection process is
15 completed. The Committees believes that much of this work will be performed after the
16 Confirmation Date.

17 4.6 **Events Leading To Chapter 11 Filing**. As the summary above explains, Namvar
18 formed Namco in 1983. During the early years of its existence, Namco operated as a traditional
19 “hard money lender.” Namco would borrow money at fixed rates of return from individuals and
20 loan these funds to third party borrowers at higher rates. In most lending transactions, the funds
21 advanced by the Namco-Lenders were not earmarked for a specific loan or investment.

22 At some point in the late 1990’s, Namvar fundamentally changed Namco's business model.
23 Instead of merely acting as a lender, Namco began to invest the funds obtained from the Namco-
24 Lenders in real estate projects. When these initial investments appeared to offer attractive returns,
25 Namco migrated more of the incoming Namco-Lender dollars away from hard money loans and
26 into direct equity investments, where the underlying assets were real estate. As this shift continued
27 and the investments appeared to offer favorable returns, Namco solicited and obtained larger sums
28

1 for more and more Namco Lenders. For example, in 2001, loans from Namco-Lenders totaled \$60
2 million. In contrast, by 2008, this total had increased to \$600 million.

3 By 2002, the profits generated from Namco's past investments and the ever growing inflow
4 of funds from existing and new Namco-Lenders left Namco with a vast pool of investible capital.
5 Instead of prudently investing these funds, Namco, under Namvar's leadership, engaged in a
6 buying frenzy, acquiring a huge portfolio of properties without engaging in adequate due diligence.
7 Since many of the assets acquired with Namco's funds during the 2001 - 2007 time frame were
8 overpriced and overleveraged, Namvar could not sustain this portfolio without substantial inflows
9 from Namco's lender clients. He also could not recover the funds invested in this portfolio without
10 substantial future price increases. Neither of these presumptions came to fruition.

11 To the contrary, market conditions slowed in 2007 and then suffered a severe downturn in
12 2008. These developments left Namvar with a reduced inflow of lender funds and an inability to
13 sell the properties that he had acquired for the prices paid. Although Namvar could have mitigated
14 the coming disaster by selling properties to available buyers, he failed to pursue this course.
15 Instead, Namvar stubbornly attempted to retain ownership of the totality of the collapsing real
16 estate portfolio. Whether this course was motivated by greed, or it was result of gross negligence,
17 the window of opportunity to mitigate losses was forfeited. By 2008, Namvar's financial empire
18 was in a free-fall. Properties were being foreclosed upon, investor obligations were falling into
19 default and litigation claims were increasing.

20 On December 22, 2009, nine creditors holding approximately \$7.7 million in allegedly
21 delinquent claims filed an involuntary chapter 11 bankruptcy petition against Namco. On the same
22 date six creditors holding approximately \$7.1 million in allegedly delinquent claims filed an
23 involuntary petition against Namvar, Namco's sole shareholder. On January 29, 2009, orders for
24 relief were entered by the Bankruptcy Court placing both Namco and Namvar in Chapter 11.

25 **4.7 Material Events During Namco and Namvar Chapter 11 Cases.** This section of
26 the Disclosure Statement is intended to provide the creditors with a summary of the more material
27 events that have occurred during the pendency of the Debtor's Case. However, since the Namco
28 Case and the Namvar Case were initially subject to joint administration (which was later revoked

1 by the Bankruptcy Court) and since the Namco Trustee and the Namvar Trustee have acted in
2 concert in many instances, this section summarizes the material events that occurred in both cases
3 since the Petition Date.

4 A) December 22, 2008. On December 22, 2008 (the “Petition Date”), nine
5 alleged creditors of Namco (the “Namco Petitioning Creditors”) consisting of Iraj Farhadian,
6 Farhadian Family Trust, Abraham Assil, Marc Asheghian, Wall Street Nevada LLC, The Sunset
7 Trust, Mahnaz Sepehr, Kamran Raminfard, and Satrap Family Trust dated 7/28/1988, filed an
8 involuntary petition Chapter 11 petition against Namco. On this same date, six alleged creditors of
9 Namvar (the “Namvar Petitioning Creditors”) filed an involuntary Chapter 11 petition against
10 Namvar.

11 B) January 15, 2009. On January 15, 2009, the Namco Petitioning Creditors
12 filed a motion seeking the appointment of an interim trustee in the Namco Case pending a ruling
13 on their involuntary petition. A corresponding motion was also filed in the Namvar Case by the
14 Namvar Petitioning Creditors.

15 C) January 21, 2009. On January 21, 2009, the Office of the United States
16 Trustee independently filed separate motions in both the Namco Case and the Namvar Case
17 seeking the appointment of a trustee in each case.

18 D) January 28, 2009. On January 28, 2008, Namco and Namvar consented to
19 the relief prayed for in the involuntary petitions. Pursuant to this consent, both parties entered
20 Chapter 11, initially, as debtors-in-possession. A formal order for relief was entered in each case
21 on January 29, 2009.

22 E) February 2, 2010. On February 2, 2010, the Bankruptcy Court entered an
23 order authorizing the joint administration of the Namco Case and the Namvar Case. However, this
24 order was later vacated by the Bankruptcy Court.

25 F) February 13, 2009. On February 13, 2009 the Office of the United States
26 Trustee appointed a committee to represent the interests of the unsecured creditors in both the
27 Namco and Namvar cases. The Namco Committee was originally made up of five individuals
28 who held claims against Namco and the Namvar Committee was made up of five individuals who

1 held claims against Namvar based on personal guarantees that Namvar signed in favor of Namco
2 obligations and two banks. The Namco Committee was later expanded to seven members,
3 including the trustee for the Namco Exchange, which is in its own bankruptcy case. In or around
4 November and December of 2010, three members of the Namco Committee voluntarily resigned.
5 The Namvar Committee is currently made up of five members, including one bank.

6 G) February, 2009. Shortly after the filing of the involuntary petition against
7 Namco, Howard Grobstein was appointed as Namco's "chief restructuring officer" ("CRO"),
8 replacing Namvar as president. In February of 2009, under pressure from the Namco Committee,
9 Namvar resigned as the sole board member of Namco. Namvar was replaced by three individuals,
10 Isaac Normand, Moiz Talei and Kam Babaoff. Shortly after his appointment, the Namvar Trustee
11 disbanded the newly appointed Board of Namco and named himself as the sole Board member of
12 Namco.

13 H) March 9, 2009. On March 9, 2009, R. Todd Neilson was appointed to serve
14 as Chapter 11 Trustee in the Namvar Case (the "Namvar Trustee").

15 I) March 12, 2009. On March 12, 2009, the Bankruptcy Court authorized the
16 employment of the law firm of Shulman, Hodges & Bastian, LLP to serve as counsel to the
17 Namvar Committee.

18 J) March 19, 2009. On March 19, 2009, the Bankruptcy Court authorized the
19 employment of the law firm of Creim, Macias, Koenig & Frey, LLP to serve as counsel to the
20 Namco Committee.

21 K) April 17, 2009. On April 17, 2009, Namco filed a complaint in the
22 Bankruptcy Court against Starpoint Properties, LLC and a series of related entities (the "Starpoint
23 Defendants") seeking a judgment avoiding certain allegedly fraudulent claims and liens asserted
24 by the Starpoint Defendants against the assets of Namco Estate and the assets of the Namvar
25 Related Entities.

26 L) April 23, 2009. On April 23, 2009, the Namvar Committee and the Namvar
27 Trustee filed a complaint against David Zadeh seeking to avoid and disallow a claim filed by
28 Zadeh in the amount of \$3,534,263.58.

1 M) April 24, 2009. A group of Namvar creditors commenced an effort to
2 remove Todd Nielson as the Namvar Trustee. An election for a new trustee was to take place on
3 April 24, 2009 at the continued Section 341(a) meeting of creditors. After taking the request of
4 the Namvar creditors under consideration, a written opinion was issued by the U.S. Trustee
5 denying the request and retaining Mr. Neilson as Namvar Trustee.

6 N) April 27, 2009. On April 27, 2009, Danning, Gill, Diamond & Kollitz, LLP,
7 was appointed to serve as the general insolvency counsel to the Namvar Trustee.

8 O) April 28, 2009. On April 28, 2009, the law firm of Pachulski, Stang, Ziehl
9 & Jones, LLP was appointed to serve as special counsel to the Namvar Trustee.

10 P) April 29, 2009. Pursuant to a motion filed by the Office of the United States
11 Trustee, on April 29, 2009, the Bankruptcy Court entered an order directing the appointment of a
12 in the Namco Case.

13 Q) May 8, 2009. On May 8, 2009, an order was entered appointing Bradley
14 Sharp as Chapter 11 trustee in the Namco Case.

15 R) May 12, 2009. On May 12, 2009, the law firm of Pachulski, Stang, Ziehl &
16 Jones, LLP was appointed to serve as special counsel to the Namco Trustee.

17 S) June 3, 2009. Namvar filed a motion seeking to convert his case to a
18 proceeding under chapter 7. Prior to the hearing on the motion to convert his case, Namvar and
19 the Namvar Trustee, entered into a stipulation that kept the case in chapter 11, but allowed
20 Namvar to retain 75% of his post-petition income, with 25% of his post-bankruptcy income going
21 to his chapter 11 Estate. On June 3, 2009 Bankruptcy Court approved this stipulation.

22 T) June 16, 2009. On June 16, 2009, the law firm of Jeffer, Mangel, Butler &
23 Marmaro, LLP was appointed to serve as general insolvency counsel to the Namco Trustee.

24 U) June 19, 2009. On June 19, 2009, the Namco Trustee filed an involuntary
25 petition against Beshmada, seeking to place this entity into a Chapter 11 case.

26 V) July 12, 2010. On July 12, 2010, the Namco Trustee filed a notice of
27 dismissal with respect to the adversary proceeding against the Starpoint Defendants, who were
28 asserting claims and liens against property of the Estate.

1 W) July 20, 2009. On July 20, 2009, the Namvar Trustee on the one hand and
2 Nader & Sons, LLC and Sisko Enterprises, LLC ("Nader and Sisko") on the other, entered into a
3 stipulation (the "Residence Stipulation") relating to Nader and Sisko's alleged secured claim
4 against a property owned by the Namvar Estate located at 12885 Parkyns Street, Los Angeles,
5 California ("Parkyns Property"). The Parkyns Property was Namvar's personal residence.

6 The Residence Stipulation states, in summary, that Nader and Sisko loaned Namco
7 the sum of \$12.5 million and obtained a lien against the Parkyns Property as security for this loan.
8 Pursuant to the Stipulation, the Namvar Trustee and Nader and Sisko agreed that the Parkyns
9 Property would be sold free and clear of the lien held by Nader and Sisko. Nader & Sisko's lien
10 would then attach to the proceeds of the sale and thereafter any issues relating to the validity,
11 priority and extent of this lien would either be resolved by the parties, or by the Bankruptcy Court.
12 This stipulation was approved by an order of the Bankruptcy Court entered on August 4, 2009

13 On October 27, 2009 the Bankruptcy Court approved a stipulation between Namvar
14 and the Namvar Trustee over Namvar's continued occupancy of his home. Under the terms of the
15 agreement reached between the Namvar Trustee and Namvar, the Trustee listed the house for sale
16 while Namvar and his family remained there. The Namvar Trustee was unable to find a buyer for
17 the house and eventually determined that its fair market value was less than the total amount of the
18 allowed liens against it and the sale would generate a tax liability for the estate. For these reasons
19 the Namvar Trustee abandoned any interest he had in the home to Namvar. Subsequently, the
20 holder of the first deed of trust on the house foreclosed on their lien and thereafter transferred their
21 interests in the house to a third party. The current holder of title to the house filed a motion in the
22 Bankruptcy Court seeking permission to commence an eviction action in State Court Against
23 Namvar, which was granted. As of the filing of this Disclosure Statement, the Committees do not
24 have any knowledge regarding the status of the action to evict Namvar from the house.

25 X) August 6, 2009. On August 6, 2009, the Namco Trustee and the Namvar
26 Trustee filed a joint motion in the Bankruptcy Court (the "LLC Control Motion"). In the motion,
27 the Trustees explained that Namco had provided over \$650 million in funding to hundreds of
28 limited liability companies that were controlled, directly or indirectly, by Namvar. These limited

1 liability companies are collectively defined herein as the Namvar Related Entities. Since the
2 Namvar Related Entities own most of the major assets that were funded with the funds provided
3 by Namco's creditors, and since Namvar was still technically in charge of these entities in his
4 capacity as managing member, the Trustees sought the following relief. First, they requested an
5 order approving a stipulation appointing Louis A. Cicalese, LLC ("Cicalese") to replace Namvar
6 as the managing member of the Namvar Related Entities. Second, the Trustees requested an order
7 authorizing 1) the employment of Cicalese as a real estate consultant and 2) authorizing Cicalese,
8 in this capacity, to investigate and evaluate the real property assets owned by the Namvar Related
9 Entities. Third and finally, the Trustees requested an order approving a \$750,000 budget to fund
10 the cost of Cicalese's services.

11 Y) September 3, 2009. On September 3, 2009, the Bankruptcy Court granted
12 the LLC Control Motion, on an interim basis with respect to all but five of the Namvar Related
13 Entities. The terms of this agreement has been extended through the current date by the parties
14 thereto, on an interim basis.

15 Z) September 30, 2009. On September 30, 2009, the Bankruptcy Court entered
16 an order fixing November 13, 2009 as the deadline for filing proofs of pre-petition claims in the
17 Namco Case and in the Namvar Case. However, this bar date does not apply to claims between the
18 Namvar Estate and the Namco Estate.

19 AA) November 3, 2009. On November 3, 2009, the Trustees filed a motion
20 seeking approval of a settlement reached with Roya Bocherian (the "Boucherian Agreement").
21 The Boucherian Agreement resolves a dispute between the Namco Trustee and Boucherian
22 relating to certain Promissory Notes ("Notes") and Deeds of Trust ("Deeds") that were owned by
23 Namco pre-petition, but which were assigned to Boucherian as collateral for various loans (the
24 "Boucherian Loans") that Bocherian made to Namco prepetition. Namvar had no interest in the
25 Notes assigned to Bocherian and was not a direct obligor on the Boucherian Loans. However, the
26 Namvar Estate had an interest in this transaction, because Namvar guaranteed the repayment of
27 the Boucherian Loans (the "Namvar Guaranty").
28

1 Pursuant to the terms of the proposed settlement, Namvar agreed to release
2 Bocherian and in return Boucherian released the Namvar Guaranty. The Namco Estate, for its part,
3 agreed to the following obligations and received the following benefits under the Boucherian
4 Agreement: (a) the transfer/assignment of the Collaterally Assigned Notes and Deeds of Trust
5 would be confirmed and otherwise completed, (b) Boucherian would pay the Namco estate
6 \$2,200,000 in exchange for free and clear title to the certain real property located in Tempe,
7 Arizona ("NTL Property"), (c) Boucherian would grant the Namco estate an option to sell the NTL
8 Property and a second real property located in Tempe Arizona ("NTL II Property"), whereby the
9 Namco estate could receive as much as an additional \$4,350,000, and (d) the parties would agree
10 to release each from all claims other than those set forth in the Boucherian Agreement. (See
11 Docket No. 367). The Boucherian Agreement was approved by the Bankruptcy Court pursuant to
12 an order entered on April 1, 2010.

13 BB) February 2, 2010. On February 2, 2010, the Namvar Trustee and Beshmada
14 filed a motion seeking approval of that certain Agreement for Restructuring of Limited Liability
15 Companies (the "Restructuring Agreement") entered into by and among Richard Weintraub and
16 various entities that Weintraub controlled (collectively "Weintraub"). In summary, under the terms
17 of the Restructuring Agreement, Beshmada and Namvar agreed to assign their member interests,
18 or a portion of their member interests, depending on the entity involved, to Weintraub, or to one or
19 more of his affiliates, who are current members in the affected entities. In exchange for these
20 transfers, Weintraub agreed to pay \$3,000,000.00 (the "Purchase Price"). Of this sum \$500,000
21 was payable in cash at closing, and the balance was payable over a five (5) year period, without
22 interest. The unpaid part of the Purchase Price was to be collateralized by the member interests
23 being transferred, by a deed of trust on one of the properties (which currently is unencumbered),
24 and by a personal guaranty provided by Weintraub. (See Docket No. 410). This motion was
25 granted by the Bankruptcy Court over the Committees' objections pursuant to an order entered on
26 March 25, 2010.

27 CC) February 11, 2010. On February 11, 2010, the Namco Trustee, the Namvar
28 Trustee and Beshmada, on the one hand, and Nader and Sisko on the other hand filed a motion

1 seeking Bankruptcy Court approval of a partial settlement agreement (the "Agreement"). The
2 Agreement resolved, in part, the disputes between the parties relating to Nader's and Sisko's
3 (together "Lenders") contention that their claims against Namco were secured by liens against the
4 membership interests that Beshmada, NY 18, LLC, and Namvar held, or pledged, in 127 West
5 25th LLC and 241 Fifth Ave. Hotel, LLC. In summary, the Agreement acknowledges the Lenders'
6 rights against the collateral, but provides that Beshmada and NY 18, LLC will retain a 50%
7 interest in any net recovery obtained by the Lenders. The foregoing settlement was approved by
8 the Bankruptcy Court pursuant to an order entered on July 28, 2010.

9 DD) April 8, 2010. On March 18, 2010, the Namco Trustee and the Namvar
10 Trustee filed a motion seeking authorization to sell the Wilshire Bundy Property (12121 Wilshire
11 Blvd., Los Angeles, California). As more fully explained in the Motion (Docket No. 447),
12 ownership of this property was divided among a series of limited liability companies controlled by
13 Namvar and members of his family (notwithstanding the fact that the funds necessary to acquire
14 the building, excluding the senior debt financing (Wells Fargo Bank) secured against the property,
15 were provided by Namco. Pursuant to an order entered by the Bankruptcy Court on May 21,
16 2010, the above sale motion was initially denied. However, this order was later modified to
17 provide that a continued hearing would be held on the motion to sell on August 23, 2010. Pursuant
18 to an order entered on September 21, 2010, the sale of the Wilshire Bundy Property was approved
19 by the Bankruptcy Court. The proceeds from the sale were in the approximate amount of \$42.0
20 million. Approximately \$27.0 million of these proceeds are being held in a blocked account held
21 in the name of the Trustees pending the resolution of the disputed claims seeking recourse to this
22 fund. The remaining sales proceeds were taken by the Internal Revenue Service and the Franchise
23 Tax Board as a reserve for potential taxes based on the failure of the Namvar brothers to execute
24 forms required by the taxing authorities attesting to their citizenship. The Committees believe
25 these reserves may be returned once the ownership interests in the property are resolved and the
26 question of the Namvar brothers' citizenship is resolved.

1 EE) April 28, 2010. On April 28, 2010, the Starpoint Parties filed an objection to
2 the Trustees motion to sell the Wilshire Bundy Property. In this objection, the Starpoint Parties
3 alleged:

4 1. They hold a “vendees lien” against the Wilshire Bundy Property and
5 this lien should attach to the Wilshire Bundy Proceeds. This alleged lien is based upon the
6 Starpoint Parties’ claim that they entered into an agreement to purchase the Wilshire Bundy
7 Property from the Namvar Related Entities that alleged they owned this property. According to the
8 Starpoint Parties, they provided a \$624,000 deposit as part of this agreement, and then the Namvar
9 Related Parties . In reliance upon this alleged sale agreement;

10 2. They obtained a judgment against Namvar’s brothers, Ramin
11 Namvar and Houmayoun (“Tony”) Namvar, prior to the Petition Date in the amount of
12 \$8,680,443.20. Based upon this judgment, the Starpoint Parties alleged they obtained the
13 following charging orders:

14 a. Trifish, LLC Charging Order. A charging order against the 33
15 1/3rd interest that Ramin Namvar owns in Trifish, LLC. Trifish, LLC owns 100% of Tribun, LLC.
16 Prior to the sale, Tribun owned a 15% interest in the land underlying the Wilshire Bundy Property.
17 Based upon these allegations, the Starpoint Parties contended that they were entitled to that part of
18 the Wilshire Bundy Proceeds distributable to Ramin Namvar on account of his ownership interest
19 in Trifish;

20 b. Mission Real Associates, LLC Charging Order. A charging order
21 against the 7.5% interest that Tony Namvar owns in Mission Real Associates, LLC. Prior to the
22 sale, Mission Real Associates, LLC owned a 52% interest in the improvements (the building)
23 located on the Wilshire Bundy Property, but not the land. Based upon these alleged facts, the
24 Starpoint Parties contended that they were entitled to that part of the Wilshire Bundy Proceeds
25 distributable to Ramin Namvar on account of his ownership interest in Mission Real Associates.

26 c. Woodman Partners, LLC Charging Order. Tony Namvar and
27 Ramin Namvar each own an 18% interest in Woodman Partners, LLC. Woodman Partners, LLC
28 owns a 50% interest in Tri-fish Associates, LLC. Tri-fish Associates, LLC owns 100% of Wilbun

1 7, LLC and Wilbun owned 14.652% of the Wilshire Bundy Property building. Based upon these
2 alleged facts, the Starpoint Parties alleged that they were entitled to that part of the Wilshire Bundy
3 Proceeds distributable on account of Ramin Namvar's and Tony Namvar's interest in Woodman.

4 As of this writing, the claims asserted by the Starpoint Parties to the Wilshire
5 Bundy Proceeds remain in dispute.

6 FF) April 20, 2010. On April 20, 2010, the Namvar Trustee filed a complaint in
7 the Bankruptcy Court against Daniel Namvar, Malka Namvar, Shirah Namvar, Benjamin Namvar
8 and Woodman Partners, LLC. In this action the Trustee seeks a judgment setting aside the transfer
9 of the membership interests held by the individual defendants in Beshmada, Dimes, Woodman and
10 a series of other limited liability companies that were formed by Namvar, on the grounds that,
11 inter alia, these ownership interests were the result of fraudulent transfers.

12 GG) June 2, 2010. On June 2, 2010, the Bankruptcy Court approved a settlement
13 pursuant to which the Namco Trustee compromised the Namco Estate's rights relating to the
14 property commonly known as 9920 La Cienega Blvd., Los Angeles, California for the sum of \$1.0
15 million.

16 HH) June 30, 2010. On June 30, 2010, the Namco Trustee filed a complaint
17 against Mouris Separzadeh, and eleven other related parties (the "Separzadeh Parties") in the
18 Bankruptcy Court. The Separzadeh Parties hold claims against Namco in varying amounts and
19 claimed lien rights against a property owned by Namwest Town Lakes, LLC, in Arizona, pursuant
20 to the terms of that certain "Collateral Assignment of Deed of Trust" dated May 26, 2005 (the
21 "Assignment"). In the complaint, the Namco Trustee disputes the validity of the Separzadeh
22 Parties' liens rights under the Assignment and seeks a determination from the Bankruptcy Court
23 resolving this dispute.

24 II) July 12, 2010. On July 12, 2010, the Namvar Estate filed a notice with the
25 Bankruptcy Court and attached thereto a motion being filed in the Dimes Case. In summary this
26 motion sought the right to amend the Dimes' operating agreement in order to facilitate the filing of
27 a Chapter 11 case by Malibu Partners, LLC, an entity in which Dimes owned a 50% interest. This
28 amendment to the Dime's operating agreement, and the consequent bankruptcy filing by Malibu

1 Partners, LLC, were deemed necessary to preserve the value of 27 acres of land owned by Malibu
2 Partners, LLC that was subject to a pending foreclosure. Malibu Partners is now operating under
3 the protection of Chapter 11 in a case pending before the Bankruptcy Court.

4 JJ) July 27, 2010. On July 27, 2010, the Trustees filed a joint motion seeking
5 Bankruptcy Court approval of a settlement agreement entered into with Safco Holdings Corp.,
6 Safco Advisory, Inc. and Sutton Way Capital, LLC ("Sutton") (collectively the "Safco Entities")
7 and WN Cliffside, LLC ("WN") (the "Safco Agreement"). The Safco Agreement resolved certain
8 disputes relating a series of transactions entered into prepetition by and among Namco, Beshmada
9 and the Safco Entities. The material facts that relate to these transactions are the following:

10 1) Namco Transactions. As of the Petition Date, the Safco Entities
11 asserted that they were owed approximately \$8.2 million and they further
12 asserted that this obligation was guaranteed by Namvar. After analyzing
13 this claim, the Trustees agreed that the Safco Entities' claim against
14 Namco was valid. However, the parties agreed that Namvar's guarantee
15 would be released.

16 2) Parox Transaction. Within 90 days of the Petition Date, Beshmada
17 transferred the 35% interest that it held in Parox, LLC ("Parox") to Sutton,
18 Namco reduced its claim against Parox by approximately \$5.6 million, and
19 Safco reduced its claims against Namco by the same amount. Under the
20 Safco Agreement, this transaction was set aside and the parties returned to
21 their original positions.

22 3) Mission Bell West Transaction. In September of 2008, Namvar's
23 family trust assigned the 32% interest that it held in an entity called
24 Mission Bell, L.P. to Safco. Mousa Namvar, Namvar's brother, also
25 assigned the 18% interest that he held in Mission Bell, LP to Safco. In
26 return, Safco paid Namvar and Mousa the sum of \$550,000 (split between
27 them). The Trustees have determined that the shopping center owned by
28

1 Mission Bell, LP has no value. Accordingly, they are not seeking to avoid
2 these transfers.

3 4) Mission Bell East Transaction. In September of 2008, WN
4 transferred the interest that it held in an entity called Mission Bell East,
5 LP, which owns the other half of the shopping center referenced above, to
6 Safco. In return for this transfer, Safco released \$950,000 of the claim that
7 it held against Namco. The Trustees have determined that this transfer did
8 not deplete the value of Namco or WN, because the transferred interest
9 does not have any recoverable value. Accordingly, the Trustees are not
10 seeking to set it aside.

11 5) Ontario Mall Transaction. In May of 2007, an entity controlled by
12 Safco sold a property in Ontario, Oregon. To facilitate this sale, Safco had
13 Namco provide financing to the buyer in this transaction from funds that
14 Safco had "on deposit" with Namco. In September of 2008, Namco
15 assigned the note and trust deed relating to the foregoing transaction to
16 Safco. For the reasons set forth in the motion, the Trustees have decided
17 not to seek the avoidance of this transfer.

18 6) Target Transaction. In May of 2005, Safco sold certain property in
19 Bakersfield, California to a third party and required Namco to provide the
20 buyer of this land \$700,000 of financing, again, from funds that Safco had
21 "on deposit" with Namco. In September of 2008, Safco insisted that
22 Namco transfer the note and deed of trust associated with the foregoing
23 transaction to Safco. For the reasons set forth in the motion, the Trustees
24 have decided not to seek the avoidance of this transfer.

25 7) Marriott Transaction. In April of 2007, the Safi Trust purchased a
26 10% interest in Namari, LLC, an entity that owned an interest in the
27 Marriott Hotel in downtown Los Angeles. The approximate \$2.5 million
28 dollar purchase price paid for this interest was "paid" by reducing the sum

1 that Namco owed to the Safi Entities by \$2.5 million. For the reasons set
2 forth in the motion, the Trustees have decided not to seek the avoidance of
3 this transfer.

4 8) Pecos Shopping Center Transaction. In 2005, Pecos Capital, LLC,
5 an entity in which Beshmada owned a 25% interest, acquired the Pecos
6 Shopping Center in Nevada. Safco owned a 50% interest in Pecos Capital.
7 Based upon certain funding that Safco provided in connection with this
8 transaction, Safco is receiving a \$200,000 allowed claim against Namco
9 under the Safco Agreement.

10 The foregoing motion was approved by an order entered by the Bankruptcy Court on
11 September 2, 2010.

12 KK) August 23, 2010. On August 23, 2010, the Namvar Trustee filed a
13 complaint in the Bankruptcy Court against Hooshang "Sean" Namvar. In this complaint, the
14 Trustee is seeking to recover 200 shares of Nam 5, Ltd., an Israeli corporation that Namvar
15 transferred to Hooshang Namvar on December 18, 2008 (four days before the Petition Date). Nam
16 5, Ltd. owns substantial property in Israel and it was capitalized by a \$15 million loan from
17 Namco.

18 LL) September 10, 2010. On September 10, 2010, the Bankruptcy Court entered
19 an order approving a settlement entered into by and among the Namco Trustee and Soleiman
20 Naim and Fereshteh Kohanim ("Naim and Kohanim"). The material facts relating to the settlement
21 are the following. Naim and Kohanim asserted a second priority lien against the commercial
22 building owned by Namco located at 1929 Pico Blvd, Los Angeles, California and they further
23 asserted that this lien secured their interests in a note originally executed by Namco in favor of
24 Namco Financial, Inc. in the original principal amount of \$2.0 million. Pursuant to the settlement
25 approved by this order, Naim and Kohanim agreed to accept a payment of \$600,000 on account of
26 their disputed secured claim against the 1929 Pico Blvd. property, along with stipulated unsecured
27 claims against the Namco Estate. The \$600,000 secured claim is payable either from the rents
28 collected from the 1929 Pico Blvd. property or from the sale of the property.

1 MM) October 26, 2010. On October 26, 2010, the Namco Trustee filed a
2 complaint against, inter alia, Namvar's brothers and sisters, seeking a judgment for damages and
3 equitable subordination. In summary, this action seeks to recover the funds and the benefits that
4 the Namvar family wrongfully obtained from Namco and to subordinate any claims or interests
5 held by these parties against Namco or the Namvar Related Entities. The Namco Trustee recently
6 filed an amended complaint in this adversary. The Committees are informed and believe that the
7 amended complaint has been served on some, if not all of the Namvar family members.

8 NN) November 23, 2010. On November 23, 2010, the Namco Trustee filed a
9 complaint against Simon Shakib and Nevada K, LLC seeking a judgment in the approximate
10 amount of \$4.0 million. According to the complaint, the defendants received this sum from Namco
11 and failed to repay the same.

12 OO) December 21, 2010. On December 21, 2010, the Trustees filed a motion
13 seeking approval a settlement with a group of creditors referred to as "Pirian Parties." In summary,
14 these parties held percentage interests in a deed of trust recorded against a property owned by
15 Namco located at 1929 Pico Blvd., Los Angeles, California. In summary, the settlement resolved
16 the secured claims asserted by the Pirian Parties for the reduced sum of \$990,000. If the motion is
17 approved by the Bankruptcy Court, this sum, along with \$600,000 payable under a related
18 settlement, will be paid from the sales proceeds obtained from the sale of the Pico Boulevard
19 property.

20 In addition to the adversary proceedings specifically discussed above, in January of this
21 year, the Trustees filed a substantial number of additional lawsuits against various parties seeking,
22 inter alia, the recovery of funds, the recovery of property and judgments avoiding alleged liens.

23 4.8 **Employment of Professionals and Appointment of Trustees**

24 4.8.1. **Namvar Case Professionals**. The Bankruptcy Court has approved the
25 employment of the following professionals in the Namco Case:

26 A) Danning, Gill, Diamond & Kollitz, LLP has been employed as general
27 insolvency counsel by the Namvar Trustee;
28

1 B) Pachulski, Stang, Ziehl & Jones, LLP has been employed as special counsel by
2 the Namvar Trustee;

3 C) Ezra Brutzkus Gubner LLP has been employed as special counsel by the
4 Namvar Trustee;

5 D) LECG has been employed by the Namco Trustee to provide accounting
6 services;

7 E) Shulman, Hodges & Bastian LLP has been employed as general insolvency
8 counsel to the Namvar Committee;

9 F) Jones Day, LLP has been employed as tax counsel by the Namvar Trustee;

10 G) Peitzman Weg & Kempinsky LLP, has been employed as counsel by the
11 Namvar Trustee;

12 H) Neufeld, Marks, Gralnek & Maker, LLP, has been employed as counsel by the
13 Namvar Trustee; and

14 I) Alvarez & Marsal Real Estate Advisory Services, LLC, has been employed as
15 financial advisors to the Namvar Committee.

16 4.8.2 **Namco Case Professionals.** The Bankruptcy Court has approved the
17 employment of the following professionals in the Namco Case:

18 A) Jeffer, Mangels, Butler & Mitchell, LLP has been employed as general
19 insolvency counsel by the Namco Trustee.

20 B) Pachulski, Stang, Ziehl & Jones, LLP has been employed as special counsel by
21 the Namco Trustee.

22 C) Ezra Brutzkus Gubner LLP, has been employed as special counsel by the Namco
23 Trustee;

24 D) LECG has been employed by the Namco Trustee to provide accounting services;

25 E) Creim Macias Koenig & Frey LLP, has been employed as general insolvency
26 counsel to the Namco Committee.

27 F) The Lobel Firm, LLP has been employed as special counsel to the Namco
28 Committee;

1 G) FTI Consulting has been employed by the Namco
2 Committee as its financial advisor; and

3 H) Development Specialists, Inc. has been employed by the Namco Trustee.

4 4.9 **The Proposed Inter-estate Settlement Between The Estates.** In order to obtain
5 the highest possible recovery for their respective creditor constituencies, the Namvar Estate and
6 the Namco Estate must seek recourse against a common recovery source - the Namvar Related
7 Entities. These circumstances place the two estates in potential conflict, since a recovery by one
8 estate from this common source necessarily reduces the recovery available for the other. In an
9 effort to prevent a recovery-race and a series of entity-by-entity litigation contests, the two
10 Committees spent a considerable period of time negotiating a compromise.

11 In these settlement discussions, the position asserted by the Namco Committee can be
12 summarized as follows. Namco advanced over \$650 million to the Namvar Related Entities either
13 directly, or through Namvar, as a conduit, and these funds were used to acquire, directly or
14 indirectly, substantially all of the assets currently owned by these entities. Based upon these
15 advances, the Namco Estate has the right to assert direct *debt* claims against each of these entities.
16 In contrast to Namco's debt claims, the Namvar Estate's claims against the other Namvar Related
17 Entities are, at best, *equity* level rights that were acquired for no consideration.

18 Under the Namco Committees' view, in any priority contest between the claims held by
19 the Namco Estate against the Namvar Related Entities versus the claims of the Namvar Estate
20 against these entities, the Namco Estate's claims should have first recourse, since debt claims have
21 priority over equity. The Namco Committee also contends that the members of its constituency
22 were defrauded by Namvar and consequently they have the right to assert direct claims against the
23 Namvar Estate for all damages attributable to this fraud. Accordingly, in the assessment of the
24 Namco Committee, these claimants should have the right to participate in any funds that are
25 ultimately distributed from the Namvar Estate.

26 If the Namco Committees' legal position regarding the priority of their recovery rights was
27 accepted by the Bankruptcy Court, then any recovery by the Namvar Estate against each of the
28 Namvar Related Entities would have to await the payment of the \$650 million in claims that these

1 entities owe to Namco. Since the value of the assets owned by the Namvar Related Entities is less
2 than this sum, the Namvar Estate would recover nothing under this claim priority arrangement.
3 Moreover, to the extent a recovery was ultimately obtained by the Namvar Estate from the
4 Namvar Related Entities, the Namco Creditors could then seek the right to participate in this
5 recovery on account of their direct claims against Namvar for fraud, etc.

6 The Namvar Committee, for its part, does not agree with the Namco Committees'
7 perspective on the two estates' relative recovery rights. The Namvar Committee cannot dispute the
8 fact that Namco was indeed the primary capital provider for all of the Namvar Related Entities.
9 The Namvar Committee is also inclined, based upon the evidence obtained to date, to believe that
10 Namvar and his family members acquired their ownership interests in the Namvar Related Entities
11 for little if any consideration. On the other hand, it is undisputed that that many of creditors of the
12 Namvar Estate either provided funding to Namvar, or they provided funds to other entities based
13 upon Namvar's guarantee, or based upon lien rights granted to them by Namvar, as agent for the
14 Namvar Related Entities. The debt-versus-equity dichotomy urged by the Namco Committee in
15 negotiations, whatever its legal merits, would clearly have an unfair effect upon the good faith
16 creditors of Namvar.

17 In their effort to reach a resolution with respect to the foregoing conflicting claims and
18 priorities, the Committees were, at the outset, in agreement on two core principals. First, engaging
19 in an endless series of entity-by-entity litigation contests over the amount and relative priority of
20 their respective claims against the Namvar Related Entities would severely harm the interests of
21 both creditor constituencies: A negotiated settlement was the only rational course. Second, any
22 settlement should align both constituencies' interests so that future litigation and recovery efforts
23 against the Namvar Related Entities would be coordinated and mutually beneficial. Based upon
24 these principles and after due consideration of all relevant factors, the Committees negotiated the
25 following Inter-estate Settlement:

26 A) Reorganized Namco, under the control of the New Board, shall be the duly
27 appointed and acting liquidating trustee of NLTCO during the Plan Period, or until its resigns this
28 position;

1 B) If for any reason NLTCO is required to terminate its existence under either
2 present or future tax regulations before it has fully liquidated and distributed its assets to its
3 Creditors in accordance with the Namvar Plan, then all such remaining assets shall be transferred to
4 Reorganized Namco. Reorganized Namco will then complete the process of collecting and
5 liquidating these assets and it will distribute the proceeds to the Creditors of Namvar in accordance
6 with the terms of the Namvar Plan.

7 C) All Net Collections from property of the Estates, whether now held or
8 hereafter received, shall be allocated as follows: Eighty-five percent (85%) to Reorganized Namco
9 (the "Namco Allocation") and fifteen percent (15%) to NLTCO; and

10 D) Any Creditor holding an Allowed Claim against Namco, who has filed this
11 same claim against the Namvar Estate, must elect to either waive its claim against the Namco
12 Estate, or to waive its claim against the Namvar Estate. Stated otherwise, a claimant with a single
13 claim, who is seeking recourse against both Estates on this claim, must elect to receive payments
14 under this Plan, or under the Namvar Plan. Such a claimant cannot participate in the distributions
15 payable to Creditors under both Plans.

16 The Committees believe that the foregoing compromise resolves the relative claims and
17 priorities of the two estates in a manner that is consistent with the best interests of all Creditors
18 and that avoids the substantial litigation costs that could result without this settlement. This
19 settlement also aligns the economic interests of both Estates and vests the pursuit of these interests
20 in a single representative entity that is controlled by creditors of both estates. Finally, this
21 settlement requires a Namco creditor who is asserting claims against both estates to pick the pot
22 from which they will be paid, thereby avoiding potentially duplicative recoveries.

23 **ARTICLE V**

24 **SUMMARY OF THE PLAN OF REORGANIZATION**

25 5.1 **Summary of the Plan.** The purpose of this document is to set forth the
26 Committees' proposed reorganization plan. The core objective underlying the Plan is to maximize
27 the distribution payable to Creditors. The Plan seeks to accomplish this objective through the
28 following means:

1 A) Establishing Control Over The Assets of Namco and Namvar. Prior to the
2 Petition Date, Namvar controlled his own assets and he controlled the affairs of Namco as its sole
3 shareholder, director and senior executive officer. After the Petition Date, the Namvar Trustee was
4 granted control over Namvar's assets and the Namco Trustee was granted control over Namco's
5 assets. Under the Plan, all of the assets of the Namvar Estate, except Excluded Assets, will be
6 transferred to the NLTCO, a liquidating trust, and all of the assets of the Namco Estate will pass to
7 Reorganized Namco. Reorganized Namco will be controlled by a three member board of directors
8 that will be appointed by the Committees. Reorganized Namco will also serve as the NLTCO
9 Trustee. Accordingly, three individuals jointly appointed by the Committees will control both
10 NLTCO and Reorganized Namco.

11 B) Centralizing Corporate Governance. As explained above, under the terms of the
12 Namco Plan and the Namvar Plan, a common board of directors will control the affairs of both
13 NLTCO and Reorganized Namco. This central governance structure will reduce costs, promote
14 efficiencies and insure that the interests of the Creditors of both Estates are maximized through the
15 pursuit of a common asset recovery and disposition strategy.

16 C) Pursuing A Prudent Asset Disposition Strategy. Substantially all of the assets
17 owned by the Namvar Related Entities are real estate assets. The Committees recognize that selling
18 these assets under adverse conditions could severely reduce the recovery obtainable by the
19 Creditors. Accordingly, the Plan structure provides NLTCO with the time – up to five years with a
20 three year extension if necessary – to accomplish the sale of the portfolio of assets. This sale
21 period will enable the Creditors to obtain the highest yield possible for the remaining assets that
22 were purchased, directly or indirectly, with their funds;

23 D) Reducing Overhead Costs. At the present time, the professional fees being
24 incurred by the Namvar and the Namco Estates, and the estates of the other Namvar Debtor
25 Entities, are running at rate of approximately \$1.0 million per month. This expenditure level is
26 unsustainable and it is depleting the assets of these entities. The Plan structure has been designed
27 to reduce this cost burden;

28

1 E) Singular Collection Structure. Many of the Recovery Rights held by the Estates
2 are interrelated and overlapping. The coordinated structure that the Committees have designed into
3 the Namvar Plan and the Namco Plan will insure that these rights are pursued in coordinated and
4 mutually beneficial manner. As more fully explained in the Namco Disclosure Statement, the New
5 Board of Namco will vest the power to pursue the Recovery Rights held by the both the Namco
6 Estate and by the Namvar Estate in a Special Litigation Master. This individual will be empowered
7 to pursue these rights without oversight by Reorganized Namco. However, Reorganized Namco
8 will have the right to object to certain actions taken by this individual and seek relief in the
9 Bankruptcy Court; and

10 F) Providing Transparent Management. The Plan structure places *creditor-*
11 *appointed and creditor-responsive* fiduciaries at the helm of NLTCo and Reorganized Namco and
12 then requires these fiduciaries to provide periodic reports to the Creditors. This structure insures
13 responsiveness and transparency.

14 5.2. **Unclassified Claims Under The Plan.** Pursuant to section 1123(a)(1) of the
15 Bankruptcy Code, Administrative Claims, Gap Claims, Claims for Professional Fees and Priority
16 Tax claims against the Debtor are not classified for purposes of voting on, or receiving
17 distributions under, the Plan. Holders of such Claims are not entitled to vote on the Plan. All such
18 Claims are instead treated separately in accordance with the requirements set forth in section
19 1129(a)(9)(A) of the Bankruptcy Code.

20 5.2.1 Administrative and Gap Claims. On the later of the Effective Date, or as
21 soon thereafter as practical, or the date on which the Administrative Claim or a Gap Claim is
22 allowed, the Debtor will pay to each Creditor holding an Allowed Administrative Claim or an
23 Allowed Gap Claim, unless that Creditor agrees to different treatment, Cash equal to the unpaid
24 portion of such Allowed Administrative Claim or Allowed Gap Claim; *provided, however*, that
25 Allowed Administrative Claims and Allowed Gap Claims representing obligations incurred in the
26 ordinary course of business or otherwise assumed by the Debtor pursuant to this Plan and unpaid
27 as of the Effective Date, shall be assumed on the Effective Date and paid or performed by the
28 NLTCo Trustee when due in accordance with the terms and conditions of the particular

1 agreements governing such obligations.

2 5.2.2 Bar Date For Administrative Claims. All applications for final
3 compensation of Professionals for services rendered and for reimbursement of expenses incurred
4 on or before the Effective Date, and any other request for compensation by any Entity for making
5 a substantial contribution in the Case, and all other requests for payment of an Administrative
6 Claim incurred before the Effective Date under sections 507(a)(2) or 503(b) of the Bankruptcy
7 Code (except only for Claims under 28 U.S.C. § 1930) shall be filed no later than sixty (60) days
8 after the Effective Date.

9 Any Administrative Claim required to be filed within the foregoing deadlines that is not
10 filed within such deadlines shall be forever barred and the Debtor shall be discharged of any
11 obligation on such Claim. Any Creditor that is required to file a request for payment of such
12 Claim and who does not file such request by the applicable bar date shall be forever barred from
13 asserting such Claim against the Estate or the Debtor, or their property.

14 5.2.3 Payment of Allowed Administrative Claims of Professionals. The Allowed
15 Administrative Claims of Professionals shall be paid in accordance with section 1129(a)(9)(A) of
16 the Bankruptcy Code by the Debtor. However, as more fully explained in the feasibility section of
17 the Disclosure Statement, if insufficient Cash is available on the Effective Date to pay these
18 claims, which are substantial, the Committees will negotiate longer term pay-outs with the
19 professionals.

20 5.2.4 Payment of Priority Tax Claims. Each holder of an Allowed Priority Tax
21 Claim against the Debtor shall receive, on the Effective Date, in full satisfaction, release, and
22 discharge of such Allowed Priority Tax Claim, at the election of the Debtor, either: (i) Cash
23 payment in the amount of the holder's Allowed Priority Tax Claim; (ii) deferred Cash payments
24 over a period not to exceed five (5) years, from the date of assessment of a value as of the
25 Effective Date, equal to the Allowed amount of such claim; or (iii) such other terms as may be
26 agreed upon by such holder and the Debtor. The rate of interest to be paid on Priority Tax Claims
27 paid out over five (5) years shall be equal to the underpayment rate specified in 26 U.S.C. § 6621
28 (determined without regard to 26 U.S.C. § 6621(c)) as of the Effective Date.

1 Holders of Allowed Priority Tax Claims shall not be entitled to receive any
 2 payment on account of post-Petition Date interest on, or penalties with respect to or arising in
 3 connection with, such Priority Tax Claims, except as allowed by the Court, and all Claims or
 4 demands by holders of Priority Tax Claims for post-Petition Date interest or penalties thereon,
 5 except as may be allowed by the Court, shall be disallowed by the Plan and the Final Confirmation
 6 Order, and the holders of Priority Tax Claims shall not assess or attempt to collect interest or
 7 penalties from the Estate or its property.

8 **5.3. Manner of Classification of Claims.** Except for Claims of a kind specified in
 9 sections 507(a)(2), 507(a)(3) or 507(a)(8) of the Bankruptcy Code, all Claims against the Debtor
 10 and with respect to all property of the Debtor and their Estate, are defined and hereinafter
 11 designated in respective Classes. The Plan is intended to deal with all Claims against the Debtor,
 12 of whatever character, whether known or unknown, whether or not with recourse, whether or not
 13 contingent or unliquidated, and whether or not previously allowed by the Court pursuant to section
 14 502 of the Bankruptcy Code. Only holders of Allowed Claims, however, will receive any
 15 distribution under the Plan. For purposes of determining Pro Rata distributions to holders of
 16 Allowed Claims under the Plan, Disputed Claims shall be included in the Class in which such
 17 Claims would be included if they were Allowed Claims.

18 **5.4. Classification of Claims.** Pursuant to section 1122 of the Bankruptcy Code, the
 19 classes of Claims and Interests against the Debtor are set forth below. A Claim is placed in a
 20 particular Class only to the extent such Claim is an Allowed Claim in that Class and such Claim
 21 has not been paid, released, or otherwise settled or paid prior to the Effective Date. The following
 22 classes of Claims and Interests are provided for in the Plan:

Class	Claimants	Security	Status	Voting Rights
1	Starpoint Parties	An alleged “vendees lien” against the Wilshire Bundy Proceeds that is disputed	Unimpaired	Not entitled to vote

1	2	The holders of allowed	Unsecured	Unimpaired	Not entitled to
2		Other Priority Claims			vote
3	3	The holders of all	Unsecured	Impaired	Entitled to vote
4		unsecured claims that			
5		are not entitled to			
6		priority			
7	4	Ezri Namvar	N/A	Impaired	Entitled to vote

8 **5.5. Treatment of Classified Claims Under The Plan.**

9 5.5.1 Class 1. To the extent the Class 1 Claimants' are determined to hold an
10 Allowed Secured Claim against the Wilshire Bundy Proceeds, this claim will be paid in full on the
11 later of Effective Date, or on the first business day following the date that a Final Order is entered
12 granting such claimants an Allowed Secured Claim.

13 5.5.2 Class 2. Allowed Other Priority Claims in the Class 2 shall be paid in full in
14 Cash on the Effective Date, unless the holder of such a claim agrees to different treatment.

15 5.5.3 Class 3. Each Class 3 claimant holding an Allowed Unsecured Claim shall
16 receive a pro rata share of the NLTCO Beneficial Interests. The holders of such interests shall have,
17 in summary, the following distributional rights on account of such NLTCO Beneficial Interests:

18 A) A quarterly distribution equal to their pro rata share of Distributable
19 Funds, up to the amount of each claimant's Allowed Unsecured Claim. Since Distributable Funds
20 may not be available every quarter, particularly during the first year of the Plan Period, it is not
21 only possible, but likely that no distributions will be made during certain quarters due to the
22 unavailability of funds. NLTCO's objective will be to pay out funds to Creditors as quickly as
23 possible, after setting aside appropriate reserves.

24 B) Each claimant shall receive a semi-annual and annual report from
25 the NLTCO Trustee describing NLTCO's efforts to preserve, maintain and liquidate all NLTCO
26 Property for the benefit of all creditors holding Allowed Claims. The semi-annual report shall be
27 transmitted to the claimants with forty-five (45) days after the six and twelve month anniversary
28 dates of the Effective Date.

1 C) The payments to be made to the Class 3 claimants pursuant to the
2 Plan shall be the sole source of distributions payable to such class of claimants.

3 5.5.4 Class 4. Any remaining property in the Namvar Estate shall revert in
4 the Debtor as of the Effective Date.

5 ARTICLE VI

6 CONFIRMATION PROCEDURES

7 6.1. **Introduction. The law with respect to confirmation of a plan of reorganization**
8 **is very complex. Accordingly, creditors concerned with issues regarding confirmation of the**
9 **Plan should consult with their own attorneys.** The following discussion is intended solely for
10 the purpose of providing basic information concerning certain confirmation issues. The
11 Committees cannot and do not represent that the discussion contained below is a complete
12 summary of the law on this topic.

13 Many requirements must be met before the Bankruptcy Court may confirm the Plan. Some
14 of the requirements discussed in this Disclosure Statement include acceptance of the Plan by the
15 requisite number of holders of Claims, whether the Plan pays such holders at least as much as they
16 would receive in a liquidation of the Debtor under chapter 7 of the Bankruptcy Code, and whether
17 confirmation of the Plan is likely to be followed by the need for further financial reorganization.
18 These requirements, however, are not the only requirements for confirmation, and the Bankruptcy
19 Court will not confirm the Plan unless and until it determines that the Plan satisfies all applicable
20 requirements, including requirements not referenced in this Disclosure Statement.

21 6.2. **Who May Vote or Object to Confirmation of the Plan.** Any party in interest
22 with standing may support or object to the confirmation of the Plan. Even entities that may not
23 have a right to vote may still have a right to support or object to Confirmation of the Plan.

24 6.3. **Who may Vote to Accept or Reject the Plan.** A holder of a Claim generally has a
25 right to vote for or against the Plan if its Claim is both “allowed” for purposes of voting and
26 classified in an impaired Class (the Committee believes that Classes 3 and 4 are impaired under
27 the Plan).

28

1 **6.4. What is an Allowed Claim or Interest for Voting Purposes.** As noted above, a
2 creditor's Claim must be "allowed" for purposes of voting in order for such creditor to have the
3 right to vote on the Plan. Generally, for voting purposes, a Claim is deemed "allowed" if: (i) a
4 proof of Claim was timely filed; or (ii) if no proof of Claim was filed, the Claim is identified in the
5 Schedules as other than "disputed," "contingent," or "unliquidated." In any case, when an
6 objection to a Claim has been filed, the Claim holder cannot vote unless the Bankruptcy Court,
7 after notice and hearing, either overrules the objection or allows the Claim for voting purposes.

8 **6.5. What is an Impaired Claim.** As noted above, a Claim which is allowed for voting
9 purposes only has the right to vote on the Plan if it is in a Class that is impaired under the Plan and
10 if it will receive or retain any consideration under the Plan. A Class is impaired if the Plan alters
11 the legal, equitable, or contractual rights of the members of that Class. The Committee believes
12 that the following Classes are impaired under the Plan and entitled to vote: Classes 3 and 4.

13 **6.6. Who is not Entitled to Vote.** The holders of the following types of Claims are not
14 entitled to vote on the Plan: (a) Claims that have been disallowed; (b) Claims that are subject to a
15 pending objection and which have not been allowed for voting purposes; (c) Claims entitled to
16 priority pursuant to Bankruptcy Code sections 507(a)(2), (a)(3), and (a)(8); (d) and Claims in
17 Classes that are unimpaired (Classes 1 and 2). Claims entitled to priority pursuant to Bankruptcy
18 Code sections 507(a)(2), (a)(3), and (a)(8) are not entitled to vote because such Claims are
19 required to receive certain treatment specified by the Bankruptcy Code and are thus not classified
20 under the Plan.

21 **6.7. Votes Necessary to Confirm the Plan.** The Bankruptcy Court cannot confirm the
22 Plan unless, among other things: (a) at least one impaired Class has accepted the Plan without
23 counting the votes of any insiders within that Class; and (b) either all impaired Classes have voted
24 to accept the Plan, or the Plan is eligible to be confirmed by cramdown with respect to any
25 dissenting impaired Class as discussed below.

26 **6.8. Votes Necessary for a Class to Accept the Plan.** As to Classes of Claims entitled
27 to vote on the Plan, the Bankruptcy Code defines acceptance of a plan by a class of creditors as
28

1 acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of
2 the Claims of that class that have timely voted to accept or reject a plan.

3 **6.9. Treatment of Non-accepting Classes.** As noted above, even if all impaired classes
4 do not accept the proposed Plan, the Court may nonetheless confirm the Plan if the non-accepting
5 classes are treated in the manner required by the Bankruptcy Code. The process by which non-
6 accepting classes are forced to be bound by the terms of the Plan is commonly referred to as
7 “cramdown.” The Bankruptcy Code allows the Plan to be “crammed down” on non-accepting
8 classes of claims or interests if it meets all consensual requirements except the voting requirements
9 of 1129(a)(8) and if the Plan does not “discriminate unfairly” and is “fair and equitable” toward
10 each impaired class that has not voted to accept the Plan as referred to in 11 § U.S.C. 1129(b) and
11 applicable case law.

12 **6.10. The Confirmation Hearing.** The Bankruptcy Code requires the Court, after notice,
13 to hold a confirmation hearing. The Confirmation Hearing in respect of the Plan has been
14 scheduled for _____, 2011 at _____ Pacific Standard Time before the Honorable
15 Barry Russell, United States Bankruptcy Judge for the Central District of California, Los Angeles
16 Division, Courtroom 1668, United States Bankruptcy Court, 255 Temple Street, Los Angeles,
17 California. The Confirmation Hearing may be adjourned from time to time by the Court without
18 further notice except for an announcement of the adjourned date made at the Confirmation
19 Hearing.

20 Any objection to confirmation must be made in writing and specify in detail the name and
21 address of the objector, all grounds for the objection and the amount of the Claim(s) or other
22 Interest(s) held by the objector. Any such objection must be filed with the Court and served so
23 that it is received by the Court and the following parties and the other parties requesting notice in
24 these cases on or before _____, 2011 at 4:00 P.M., Pacific Standard Time: (a)
25 Shulman, Hodges & Bastian, LLP, 8105 Irvine Center Drive, Suite 600, Irvine, California 92618,
26 Attention: Leonard M. Shulman, Esq. and Melissa Davis, Esq.(b) The Lobel Firm, LLP, 840
27 Newport Center Drive, Suite 750, Newport Beach, California 92660, Attention: William N. Lobel,
28 Esq. and Mike D. Neue, Esq.; (c) Creim, Macias, Koenig & Frey, LLP, 633 West Fifth Street, 51st

1 Floor, Los Angeles, California 90071, Attention: Stuart I. Koenig, Esq.; and (d) The Office of the
2 United States Trustee, 725 South Figueroa, Suite 2600, Los Angeles, California, 90017.

3 Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014 and orders
4 of the Court.

5 6.11. **Confirmation.** At the Confirmation Hearing, the Court will confirm the Plan only
6 if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the
7 requirements for confirmation of a plan are that the plan is (i) accepted by all impaired classes of
8 Claims and Interests or, if rejected by an impaired class, that the plan “does not discriminate
9 unfairly” and is “fair and equitable” as to such class, (ii) feasible and (iii) in the “best interests” of
10 creditors and equity interest holders that are impaired under the Plan.

11 6.12. **Acceptance.** Classes 3 and 4 of the Plan are Impaired under the Plan. Classes 1 and
12 2 of the Plan are unimpaired and, therefore, are conclusively presumed to have voted to accept the
13 Plan. Thus, only Classes 3 and 4 are entitled to vote to accept or reject the Plan. To the extent any
14 Impaired Class(es) entitled to vote on the Plan reject(s) the Plan, the Committees may seek the
15 nonconsensual confirmation of the Plan under Section 1129(b) of the Bankruptcy Code with
16 respect to such rejecting Class(es). In addition, the Committees reserve their rights to amend the
17 Plan with respect to any such rejecting Class(es).

18 6.13. **Best Interest Test.** For a plan to be confirmed, the Court must determine that the
19 Plan satisfies what is commonly known as the “best interests of creditors test” in 11 U.S.C. §
20 1129(a)(7). To satisfy this test, the Court must find that each holder of a Claim or Equity Interest
21 has either: (i) accepted the Plan; or (ii) will receive or retain under the Plan property of a value, as
22 of the Effective Date, that is not less than the value such holder would receive or retain if the
23 Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

24 The starting point in determining whether the Plan meets the “best interests” test typically
25 begins with a determination of the amount of proceeds that would be generated from the
26 liquidation of the Debtors’ assets in the context of a Chapter 7 liquidation (such amount, the
27 “**Liquidation Proceeds**”). The Liquidation Proceeds must then be reduced, at minimum, by a
28 number of costs including the costs that would be incurred in the liquidation process such as

1 Chapter 7 trustee's fees and the fees and expenses of the professionals retained by the Chapter 7
2 trustee. Other less certain deductions may also be appropriate, such as the continuing cost
3 associated with retaining the assets of the estate in the bankruptcy process, including U.S.
4 Trustee's fees, reporting costs, and the cost of complying with the requirements that apply in that
5 procedural system.

6 Once the net Liquidation Proceeds figure is reached, the distribution payable from this sum
7 to each class of creditors is then determined. This floor distribution is then compared to the
8 distribution payable to creditors and interest holders under the proposed Chapter 11 plan. This
9 comparison must establish that distribution payable to each holder of a claim or interest under the
10 proposed plan will be "not less than the value" of the distribution payable to these claimants and
11 interests holders from the Liquidation Proceeds.

12 In this case, the process of developing an accurate baseline Liquidation Proceeds figure for
13 the Best Interest Test is not possible for the following reasons:

14 A) Liquidation Value - Cash. Substantially all of the cash that the Namvar
15 Estate is holding, or in which it claims an interest, is derived from the sale of real property that was
16 owned by other entities. Although the Namvar Estate's claims a right to all or part of these funds
17 based upon Namvar's interest in the entities that owned the now sold properties, as explained
18 herein this asserted interest is subject to dispute by various other claimants, including the Namco
19 Estate. The Plan's offered by the Committees resolves the disputes between the Namco Estate and
20 the Namvar Estate, leaving only the claims asserted by other parties, most of whom are members
21 of Namvar's family. In a Chapter 7, it is entirely possible that all of the funds claimed by the
22 Namvar Estate could be eliminated through litigation costs or through an adverse legal ruling;

23 B) Liquidation Value - Interests In Namvar Related Entities. Namvar holds
24 title, as least nominally, to many of limited liability interests listed in Exhibit "2" hereto. Some of
25 the property owned by these Namvar Related Entities, or some of the property owned by the lower
26 tier entities owned by these Namvar Entities has value. However, before the Namvar Estate can
27 obtain any part of this value, the debt claims held against the Namvar Related Entities that own
28 these properties must be resolved and paid, and as explained herein, the Namco Committee

1 contends that the Namco Estate's claims falls within this payment category. Any valuation figure
2 placed on Namvar's interests in the Namvar Related Entities would have to take into account the
3 amount of debt claims that would have to be paid from the properties owned by these entities and
4 resolve the many disputed claims that are seeking payment from this source as well. The
5 Committees believe that any such analysis would be little more than a guess.

6 C) Liquidation Value – Recovery Rights. As explained herein, the Namvar
7 Estate holds fraudulent transfer claim, preference claims and other claims against a number of third
8 parties. Neither the Committees nor the Trustees have placed a value on the potential recoveries
9 obtainable on account of these claims, net of the associated legal fees and costs. Accordingly, a
10 liquidation value benchmark for this asset does not exist.

11 Based upon the nature of the assets owned by the Namvar Estates, the satisfaction of the
12 Best Interest Test turns upon whether or not NLTCO, acting under the control of three individuals
13 jointly appointed by the Committees to serve the interests of the Creditors, can obtain a recovery
14 on the remaining assets of the Namvar Estate that *is at least equal to* (not less than) the recovery
15 that a Chapter 7 trustee could obtain on these same assets. For the following reasons, the
16 Committees would submit that the answer to this inquiry is in the affirmative:

17 1) NLTCO and a hypothetical Chapter 7 Trustee will be pursuing the
18 same basic objectives (the recovery, management and liquidation of all
19 estate assets) and they will have the same resources available to pursue
20 these objectives. Given these commonalities, the only material difference
21 between the two liquidating structures is the selection of the individuals
22 who will perform this role. In a Chapter 7, the trustee who performs the
23 liquidation is generally selected randomly from a fixed panel that contains
24 individuals with varying levels of skill and competency. In contrast, under
25 the Plan NLTCO will be controlled by Reorganized Namco and
26 Reorganized Namco will be controlled by three individuals who were
27 jointly selected by the Committees. The Committees know these
28 individuals, they are familiar with their skills and experiential

1 backgrounds and they believe that they can and will secure for the
2 Creditors a recovery that is at least as favorable as what the Creditors
3 could expect from a Chapter 7 trustee;

4 2) A Chapter 7 Trustee is charged with collecting and liquidating the
5 assets of the estate. His or her ability to defer sales until conditions are
6 more favorable, if it exists at all, is limited. In contrast, NLTCo will have
7 the flexibility to develop and implement a longer term disposition strategy.
8 This latitude should yield a return for creditors that is equal to, if not more
9 favorable than what would be possible in a Chapter 7;

10 3) Under the Plan, NLTCo can seek a final decree and avoid the
11 payment of fees to the Office of the United States Trustee, which takes a
12 percentage of every dollar distributed. In contrast, in a Chapter 7, the
13 trustee must pay these fees;

14 4) Under the Plan, control over all litigation and settlements will be
15 vested in NLTCo. Once the NLTCo Trustee approves a favorable
16 settlement, NLTCo will not have to spend the time and money seeking
17 Bankruptcy Court approval of this settlement. In contrast, any Chapter 7
18 trustee must incur these fees and costs prior to entering into any settlement
19 of substance; and

20 5) Under the centralized governance concept provided for in the Plan,
21 NLTCo and Reorganized Namco will seek to obtain control over the
22 estates of all of the other Namvar Debtor Entities. If NLTCo and
23 Reorganized Namco can achieve this end, the cost of maintaining multiple
24 bankruptcy estates and the associated layers of administrative fees will be
25 eliminated, yielding a greater return for creditors than they would receive
26 in a Chapter 7.

27 In summary, the Plan satisfies the Best Interests Test.
28

1 6.14. **Feasibility.** Confirmation of a Chapter 11 plan requires the plan proponent to show
2 that the completion of the plan is feasible. In the words of the statute, "Confirmation of the plan is
3 not likely to be followed by the liquidation, or the need for further financial reorganization, of the
4 debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is
5 proposed in the plan." 11 U.S.C. § 1129(a)(11). To address this requirement, a disclosure
6 statement for a plan of reorganization typically provides information (including relevant financial
7 information) regarding the debtor's future business operations, including projections detailing
8 future profits, and the assumptions that underlie those projections. Due to the nature of this case,
9 the amount of information of this nature that is required to satisfy the feasibility burden is more
10 limited.

11 After the Effective Date, all of Namvar's property, with limited exceptions, will be
12 transferred to NLTCo. Thereafter, the NLTCo will focus on 1) preserving, managing and over
13 time, disposing of Namvar's property; and 2) pursuing litigation to recover on the Recovery
14 Rights where this litigation will yield a positive net return of creditors. Within the context of this
15 business plan, there are two core feasibility issues presented: 1) The amount of cash needed on the
16 Effective Date to pay the administrative and priority claims that must be paid on this date pursuant
17 to the Code; and 2) the amount of cash that will be needed to pursue the collection of the Recovery
18 Rights. Each of these issues is discussed separately below.

19 A) Effective Date Cash Needs. Based upon the current level of Administrative
20 Claims and Priority Claims against the Namvar Estate, these claims are projected to total
21 approximately \$10.2 million on the Effective Date. As the budget attached hereto as Exhibit "4"
22 confirms, the Committees expect to have sufficient funds from of the next proceeds payable from
23 property sales, the Wilshire Bundy Proceeds, litigation recoveries and cash-on-hand to meet pay
24 these claims. However, if insufficient funds are available, the Committees will negotiate longer
25 term payout arrangements with the holders of these claims to enable the Plan to be confirmed;
26 and/or delay the Effective Date for up to a year if such negotiations do not resolve this payment
27 issue.

28

1 B) Post-Effective Date Cash Needs. The Trusts' post-Effective Date cash
2 needs will, initially, be limited to 1) the professional fees incurred in the wind-up of Chapter 11
3 (the "Bankruptcy Fees"); 2) the professional fees and incurred pursuing the recovery of the
4 Accounts Receivable and Recovery Rights (the "Litigation Fees"); 3) the funds needed to pay the
5 limited fees payable to NLTCo Trustee; and 4) possible cash calls from the Namvar Related
6 Entities that NLTCo and Reorganized Namco will be taking control over in the future. The fees
7 attributable to the first two categories of expenses will be paid from cash on hand and cash from
8 collections obtained on Recovery Rights. If insufficient cash is on hand to pay these expenses,
9 then NLTCo will negotiate contingency fee arrangements with the attorneys employed to pursue
10 the litigation efforts and it will enter into deferred payment arrangements with the law firms
11 working on the bankruptcy case. This will allow existing litigation to continue and new cases to be
12 filed that should generate recoveries. These recoveries will then be used to pay existing expenses
13 and to create a cash reserve. Once sufficient cash reserves are established, the NLTCo will
14 restructure the payment arrangements with counsel pursuing the collection of the Accounts
15 Receivable and Recovery Rights in order to insure maximum cost-efficiencies.

16 In summary, the only material cash need that NLTCo will have to address is the Effective
17 Date payments owed to the holders of administrative claims. Although sufficient cash may be
18 available to pay these claims in full on this date, if the Committees anticipate that there will be an
19 Effective Date cash shortage, the Committees will, as explained above, negotiate longer payout
20 arrangements with the professionals, who, in substantial measure, hold these claims. Thereafter,
21 the cost burden associated with collection efforts will be addressed through, if necessary,
22 contingency fee arrangements. The availability of these options insures the feasibility of the Plan.

23 **6.15. Bankruptcy Code Section 1129(a)(15).** Bankruptcy Code Section 1129(a)(15)
24 provides that, in a case in which the debtor is an individual and in which the holder of an allowed
25 unsecured claim objects to the confirmation of the plan, the plan shall only be confirmed if one of
26 the following is satisfied: "(A) the value, as of the effective date of the plan, of the property to be
27 distributed under the plan on account of such claim is not less than the amount of such claim; or
28 (B) the value of the property to be distributed under the plan is not less than the projected

1 disposable income of the debtor...to be received during the 5 year period for which the plan
2 provides payments, whichever is longer.” 11 U.S.C. §1129(a)(15). Even if a holder of an allowed
3 unsecured claim objects to confirmation of the Plan, thereby making Code Section 1129(a)(15)
4 applicable to this case, the Committees would submit that the requirements of Code Section
5 1129(a)(15) are satisfied for the following reasons:

6 1) Namvar is currently under criminal indictment. If he is convicted, he may
7 not be able to generate any disposable income;

8 2) Given the criminal and civil claims that Namvar is facing, his age, and the
9 adverse publicity regarding the fraud he is alleged to have engaged in, Namvar will almost
10 certainly fail to generate sufficient income to meet even his most basic needs. Accordingly, no
11 disposable income will be available for creditors; and

12 3) The value of the property that will be distributed under the Plan, will
13 exceed any limited “disposable income” that will be generated by Namvar within the five years
14 after the Effective Date.

15 ARTICLE VII

16 IMPLEMENTATION OF THE PLAN AND EXECUTION OF ITS TERMS

17 7.1. **Removal of Namvar Trustee.** As of the Effective Date, the Namvar’s Trustee’s
18 appointment shall terminate and all power over the Namvar Estate and its assets shall vest in the
19 NLTCo Trustee.

20 7.2. **Transfer of NLTCo Property To NLTCo.** On the Effective Date, title to and
21 possession of all NLTCo Property shall be deemed transferred and delivered to NLTCo, without
22 further act or action under any applicable agreement, law, regulation, order or rule of law.

23 7.3. **Purposes of NLTCo.** NLTCo’s purpose and objectives include, but are not limited
24 to the following: (i) to take control over, manage and over time sell or otherwise dispose of all
25 NLTCo Property for the highest return reasonably obtainable; (ii) to pursue all Recovery Rights
26 through collection efforts, including through litigation in any court of competent jurisdiction, and
27 to obtain the most favorable recovery on the same, with due consideration of all relevant factors,
28 including cost; (iii) to cause all net proceeds of the NLTCo Property to be deposited into the

1 NLTCo Distribution Account; (iii) to initiate actions to resolve any remaining issues regarding the
2 allowance and payment of Claims including, as necessary, initiation and/or participation in
3 proceedings before the Bankruptcy Court; (iv) to take such other actions as are necessary or useful
4 to maximize the value of NLTCo Property; (v) to make the payments and distributions to creditors
5 and holders of NLTCo Beneficial Interests as required by the Plan; and (vi) to enforce all rights
6 with respect to the NLTCo Property.

7 It is intended that NLTCo will be classified for U.S. federal income tax purposes as a
8 "liquidating trust," with the primary objective of liquidating the NLTCo Property and distributing
9 the net proceeds thereof, with no objective to continue or engage in the conduct or a trade or
10 business in accordance with Treasury Regulation 301.7701-4(d), and, notwithstanding anything to
11 the contrary in the Plan, all actions taken by NLTCo or any person acting on behalf of the NLTCo
12 shall be consistent with such primary objective.

13 7.4. **Trust Agreement.** Copies of the NLTCo Agreement shall be contained in the Plan
14 Supplement. The NLTCo Agreement shall, among other matters, create NLTCo, identify the
15 Reorganized Namco as the initial trustee of NLTCo, identify the compensation of NLTCo, and
16 specify the authorities and powers of the NLTCo Trustee, consistent with this Plan.

17 7.5. **Operations of NLTCo.** From and after the Effective Date, NLTCo may use,
18 acquire and dispose of NLTCo Property held in NLTCo, and take any of the actions set forth in
19 this Article or in the NLTCo Agreement without the approval of the Bankruptcy Court and free of
20 the restrictions of the Bankruptcy Code, the Bankruptcy Rules or the prior orders of the
21 Bankruptcy Court, other than restrictions expressly imposed by the Plan, the Confirmation Order
22 or the NLTCo Agreement, provided that NLTCo is administered so that it qualifies as a
23 liquidating trust under Treasury Regulation § 301.7701-4(d).

24 Under the Plan, and subject to the NLTCo Agreement, the NLTCo Trustee shall have the
25 power and authority to perform the following acts with respect to the NLTCo Property:

- 26 (1) Perfect and secure all right, title and interest in NLTCo Property;
27 (2) Reduce the NLTCo Property to cash and hold the same;

1 (3) Determine when to sell NLTCo Property and on what terms, and sell and
2 convert the NLTCo Property to cash and distribute the net proceeds in accordance with the Plan
3 and the NLTCo Agreement;

4 (4) Manage and protect NLTCo Property;

5 (5) Grant options to purchase, contract to sell and sell NLTCo Property, or any part
6 or parts thereof, for such purchase price and for cash or on such terms as the NLTCo Trustee
7 deems appropriate;

8 (6) Exchange and re-exchange NLTCo Property or any part or parts thereof for
9 other personal property;

10 (7) Release, convey or assign any right, title or interest in or about NLTCo
11 Property;

12 (8) Pay and discharge any costs, expenses, collection fees or obligations deemed
13 necessary to preserve NLTCo Property, or any part thereof;

14 (9) Purchase insurance to protect NLTCo Property, as well as to protect the NLTCo
15 Trustee from liability for such risks and in such amounts as the NLTCo Trustee shall determine is
16 appropriate;

17 (10) Deposit funds of NLTCo and draw checks and make disbursements thereof;

18 (11) Employ and have such professionals, including, without limitation, attorneys
19 and accountants, and such other agents, consultants and employees on behalf of NLTCo as the
20 NLTCo Trustee shall deem necessary; provided, however, that NLTCo's authority to pay such
21 professionals shall be governed by the provisions of the NLTCo Agreement; provided, further,
22 that notwithstanding the foregoing, NLTCo must disclose to the Bankruptcy Court, in advance,
23 with notice to the Office of the United States Trustee, and any other person that specifically
24 requests notice of post-Effective Date matters brought before the Bankruptcy Court, the identity of
25 any insider (as such term is defined in Section 101 (31) of the Bankruptcy Code) of the NLTCo
26 Trustee that such trustee intends to employ at the expense of NLTCo. Nothing contained herein
27 shall prohibit the NLTCo Trustee from retaining counsel or any other Professional that has been
28 retained by the Committees, the Namco Estate or the Namvar Estate.

1 (12) Except as expressly required by the Plan, determine when distributions should
2 be made to the NLTCo Beneficiaries;

3 (13) Exercise any and all powers granted to the NLTCo Trustee by any agreements
4 or by common law or any statute which serves to increase the extent of the powers granted to the
5 Liquidating Trustee hereunder;

6 (14) Take any action required or permitted by the Plan;

7 (15) Negotiate, renegotiate and enter into contracts and execute obligations
8 negotiable and non-negotiable;

9 (16) Sue and be sued; provided, however, that any suit commenced after the
10 Effective Date against NLTCo, or against the NLTCo Trustee acting in its capacity as trustee of
11 NLTCo, must be commenced in the Bankruptcy Court; provided, further, that the Court may
12 abstain from hearing any such suit;

13 (17) Pursue claims and Recovery Rights and NLTCo Property transferred to the
14 Trust;

15 (18) Institute, settle or compromise or abandon on behalf of NLTCo all claims and
16 Recovery Rights which could be brought by NLTCo, or the Committees under the Bankruptcy
17 Code, and prosecute or defend all appeals on behalf of the Debtor, as representative of the Estate
18 within the meaning of section 1123(b)(3)(B) of the Bankruptcy Code;

19 (19) Object to Claims;

20 (20) Settle, compromise or adjust, by arbitration or otherwise, any claims, disputes
21 or controversies in favor of or against NLTCo;

22 (21) Waive or release rights of any kind;

23 (22) Appoint, remove and act through agents, managers and employees and confer
24 upon them such power and authority as may be necessary or advisable;

25 (23) File all income and informational tax returns and forms of NLTCo and the
26 reserve for Disputed Claims as required by law, and pay all taxes required to be paid by NLTCo or
27 the reserve for Disputed Claims; and
28

1 (24) In general, without in any manner limiting any of the foregoing, deal with the
2 NLTCo Property, or any part or parts thereof, and the affairs of NLTCo, in all other ways as
3 would be lawful for any person owning the same to deal therewith, whether similar to or different
4 from the ways above specified, at any time or times hereafter;

5 (26) Enforce all of the provisions of this Plan and any order of the Bankruptcy
6 Court for the benefit of NLTCo and NLTCo Beneficial Interests; and

7 (27) Take all actions necessary to close the Chapter 11 Case.

8 7.6. **The New Board and NLTCo Trustee.** The NLTCo Trustee shall be Reorganized
9 Namco. Reorganized Namco will be operating under the control of the New Board, which shall be
10 comprised of the following individuals, all of whom were jointly appointed to serve in this role by
11 the Committees:

12 A) Abraham B. Assil. Mr. Assil was born and raised in Tehran in 1949. In 1963, he
13 immigrated to Israel. At the age of 17 he immigrated to the United States where he attended high
14 school and college. After college, Mr. Assil worked as a real estate agent in New York, until 1973,
15 when he returned of Tehran to start a business. From 1973 to 1980, Mr. Assil owned and operated
16 a real estate and construction company in Tehran that built, managed and sold apartment buildings
17 and condominiums. After the revolution in Iran in 1979, Mr. Assil was forced to leave the country,
18 and relinquish most of his assets.

19 After returning to the United States, Mr. Assil obtained a California real estate
20 license, and over time acquired a substantial portfolio of commercial and multi-family buildings in
21 California, Arizona and Nevada, which he continues to own and manage. In total, Mr. Assil has
22 over 40 years of experience in the commercial and residential real estate fields.

23 B) Benjamin B. Efrain. Mr. Efrain has over thirty years of experience in the real
24 estate and building industry. His experience includes building over one hundred million dollars of
25 residential, multi-family, mixed-use and commercial projects in California, Colorado and New
26 Mexico.

27 Mr. Efrain has served on the board of the Multi-Family Housing Council of the
28 Building Industry Association, and he is a co-founder of the United Builders Association (which

1 later merged with the National Association of Homebuilders). He has served on the governing
2 boards of a number of home owner associations, and is a member of the board of directors of
3 Shalom Institute and Camp JCA Shalom of Southern California.

4 Mr. Efraim was raised and educated in Iran, Switzerland and the United States. In
5 1980 he received his Bachelors of Science degree in Business Administration, from Menlo
6 College School of Business Administration. Mr. Efraim is licensed by the State of California as a
7 real estate broker and as a general contractor.

8 C) Marc M. Asheghian, CPA. Mr. Asheghian's professional Career as a CPA
9 began with Peat Marwick, Mitchell & Co. in 1982, where he served as Senior Tax Specialist in
10 Peak Marwick's Los Angeles Banking Real Estate and Insurance Group. Subsequent to Peat
11 Marwick, Mr. Asheghian joined Laventhal & Horwath as Tax Manager representing a variety of
12 clients in Manufacturing, High Tech, Real Estate and Mortgage Banking industries.

13 In 1988, Mr. Asheghian established the firm of Marc M. Asheghian & Company,
14 representing clients in the Manufacturing, Real Estate, Construction, Mortgage Banking, High-
15 Tech, Law, Medicine, Entertainment and Governmental Sectors. In 1998, Mr. Asheghian merged
16 this company into The Tax Consultancy Group, Inc., a new company in that was formed to
17 provide clients tax and accounting advice that he co-founded.

18 Mr. Asheghian has founded a number of companies outside the accountancy field.
19 In 1991 he established Excel Capital, LLC. To date Excel has advised and participated in over
20 \$250 million in Private Placements and equity participation in various companies. Mr. Asheghian
21 is currently the managing partner of MJM Investment Co., LLC. a private investment company
22 that makes equity investments in commercial and residential real estate.

23 Mr. Asheghian holds a bachelors degree in Business Administration and a Masters
24 degree in Business Taxation from University of Southern California.

25 The members of the Board shall be subject to the same standards applicable to
26 corporate directors under the California Corporations Code, except to the extent that the Plan
27 provides otherwise. However, where a typical corporate director under California Corporations
28 Code is charged with acting in the best interests of the shareholders, the Board will be charged

1 with implementing the terms of the Plan during the Plan period, and the Board's duty, within and
2 subject to the parameters of the Plan, shall run to the Namco Creditors and the Namvar Creditors.

3 Although Reorganized Namco will be the Liquidating Trustee of NLTCO, and it
4 will be under the control of the above three board members, certain powers that would ordinarily
5 be vested in a corporate board of directions are being assigned to a third party under the terms of
6 the Namco Plan. This third party, who is referred to as the Special Litigation Master, will be
7 authorized and empowered to take the following actions after the Effective Date with respect to
8 both the Recovery Rights transferred to NLTCO and the recovery rights transferred to Reorganized
9 Namco:

10 A) Investigate all claims and Recovery Rights;

11 B) Pursue all claims and Recovery Rights that the Special Litigation Master
12 believes have legal merit and that offer sufficient recovery potential to justify the cost of pursuing
13 litigation;

14 B) Settle, compromise or abandon claims and Recovery Rights, without seeking
15 the approval of the Bankruptcy Court;

16 C) Employ counsel or other agents to assist in the investigation, pursuit,
17 compromise or abandonment of claims or Recovery on any terms that are commercially
18 reasonable;

19 D) Retain or terminate any existing counsel or agents that were employed by the
20 Namco Estate or Namco Trustee to pursue claims or Recovery Rights; and

21 E) Submit a budget to Reorganized Namco and require the payment of
22 the reasonable costs necessary to perform the foregoing tasks.

23 The Special Litigation Master shall keep New Board of Reorganized Namco apprised of all
24 material actions that he or she is taking to effectuate the above charge. However, Reorganized
25 Namco shall not have the right or power to overrule or interfere with any decision made by the
26 Special Litigation Master, subject to the following caveats:

27 A) The New Board may file a motion opposing any material decision by the
28 Special Litigation Master regarding the settlement of a Recovery Right or a failure to pursue a

1 Recovery Right. In ruling upon any such opposition, the decision of the Special Litigation Master
2 shall be accorded deference under California's business judgment standard; and

3 B) If the Special Litigation Master submits a litigation budget to the New
4 Board and the New Board opposes the same, the matter shall be submitted to the Bankruptcy
5 Court for a determination. In such a dispute the respective positions of the New Board and the
6 Special Litigation Matter shall be accorded equal weight.

7 The Special Litigation Master shall be designated by the Committees, but this appointment
8 shall be subject to the approval of the Bankruptcy Court. Any successor Special Litigation Master
9 shall be designated in the same manner and shall also be subject to the approval of the Bankruptcy
10 Court. The Special Litigation Master's identity, background, compensation and terms of
11 employment shall be set forth in the Plan Supplement.

12 The compensation payable NLTCo Trustee is set forth in the NLTCo Trust Agreement.

13 7.7 **Resignation or Replacement NLTCo Trustee.** The NLTCo may resign or be
14 terminated at any time in accordance with the terms of the NLTCo Agreement. Upon such
15 resignation or termination, the NLTCo Trustee shall be entitled to receive any unpaid
16 compensation or expense reimbursement owing to the NLTCo Trustee in accordance with the
17 terms of the NLTCo Agreement.

18 In case of the resignation, termination, death or inability to act of the NLTCo Trustee, a
19 successor liquidating trustee may be appointed by the Committees acting by majority vote,
20 without Bankruptcy Court approval in accordance with the terms of the NLTCo Agreement,
21 whereupon such successor liquidating trustee shall assume all duties and obligations from the
22 resigned or terminated NLTCo Trustee. The successor liquidating trustee of NLTCo shall be
23 vested with all the rights, privileges, powers and duties of the initial NLTCo Trustee. Each
24 succeeding liquidating trustee may in like manner resign and another may in like manner be
25 appointed in its place.

26 7.8 **Payment of Trust Expenses.** NLTCo Expenses, which shall include the
27 compensation payable to the NLTCo Trustees, shall be paid, or adequate reserves shall be created
28 for the payment of such expenses, prior to any distribution to the NLTCo Beneficiaries.

1 7.9 **Approval of Inter-estate Settlement.** In their effort resolve all potentially
2 conflicting claims and priorities between the Estates, the Committees have negotiated and entered
3 into the following good faith settlement (the “Inter-Estate Settlement”), which shall be binding on
4 the Estates and all Creditors as of the Effective Date:

5 A) Reorganized Namco, under the control of the New Board, shall be the duly
6 appointed and acting liquidating trustee of NLTCo during the Plan Period, or until its resigns this
7 position;

8 B) If for any reason NLTCo is required to terminate its existence under either
9 present or future tax regulations before it has fully liquidated and distributed its assets to its
10 Creditors in accordance with the Namvar Plan, then all such remaining assets shall be transferred to
11 Reorganized Namco. Reorganized Namco will then complete the process of collecting and
12 liquidating these assets and it will distribute the proceeds to the Creditors of Namvar in accordance
13 with the terms of the Namvar Plan.

14 C) All Net Collections from property of the Estates, whether now held or
15 hereafter received, shall be allocated as follows: Eighty-five percent (85%) to Reorganized Namco
16 (the “Namco Allocation”) and fifteen percent (15%) to NLTCo; and

17 D) Any Creditor holding an Allowed Claim against Namco, who has filed this
18 same claim against the Namvar Estate, must elect to either waive its claim against the Namco
19 Estate, or to waive its claim against the Namvar Estate. Stated otherwise, a claimant with a single
20 claim, who is seeking recourse against both Estates on this claim, must elect to receive payments
21 under this Plan, or under the Namvar Plan. Such a claimant cannot participate in the distributions
22 payable to Creditors under both Plans.

23 The Committees believe that the foregoing compromise resolves the relative claims and
24 priorities of the two estates in a manner that is consistent with the best interests of all Creditors
25 and that avoids the substantial litigation costs that could result without this settlement. This
26 settlement also aligns the economic interests of both Estates and vests the pursuit of these interests
27 in a single representative entity that is controlled by creditors of both estates. Finally, this
28

1 settlement requires a Namco creditor who is asserting claims against both estates to pick the pot
2 from which they will be paid, thereby avoiding potentially duplicative recoveries.

3 7.10. **Plan Distribution System.** The Plans the Committees have filed in the Namco
4 Case and in the Namvar Case establish a coordinated collection and distribution system. Pursuant
5 to this system, Reorganized Namco will act as the collection and disbursing agent for the Creditors
6 of Namco and it will also perform this role for the Creditors of the Namvar Estate, in its capacity
7 as the Liquidating Trustee of NLTCO (the liquidating trust being formed pursuant to the Namvar
8 Plan).

9 In its capacity as Reorganized Namco, Namco will collect, manage and over time sell or
10 otherwise dispose of all assets of the Namco Estate. Pursuant to the terms of the Inter-Estate
11 Settlement, eighty-five percent (85%) of the Net Collections generated from Reorganized
12 Namco's collection, management and disposition effort will remain with Reorganized Namco (the
13 "Namco Allocation"). The balance of the Net Collections, fifteen percent (15%) (the "Namvar
14 Allocation"), will be transferred to NLTCO.

15 In its capacity as the liquidating trustee of NLTCO, Reorganized Namco will collect,
16 manage and over time sell or otherwise dispose of all assets of the former Namvar Estate (which
17 will be transferred to NLTCO on the Effective Date of the Namvar Plan). Pursuant to the terms of
18 the Inter-Estate Settlement, fifteen percent (15%) of the Net Collections generated from NLTCO's
19 collection, management and disposition effort will remain with NLTCO (the "Namvar
20 Allocation"). The balance of the Net Collections, eight-five percent (85%) (the "Namco
21 Allocation"), will be transferred to Reorganized Namco.

22 Under the Plan in this case, NLTCO will deposit the Namvar Allocation into its operating
23 account. These funds will then be used to pay operating costs, Administrative Claims, Priority Tax
24 Claims, and the claims of all creditors holding claims senior in right or priority to the claims of
25 general unsecured claimants. The net funds remaining after these deductions, defined as
26 Distributable Funds under the Plan, will then be transferred, quarterly, to the Namvar Distribution
27 Account. NLTCO will then make distributions to the Class 3 claimants (comprised of Allowed
28 Unsecured Claims) from this account, pro rata.

1 7.11. **Claims Estimation Rights.** On the Confirmation Date, the Committees shall be
2 vested with standing to file a motion under 11 U.S.C. § 502(c), and they shall be authorized and
3 empowered to seek in such motion the estimation, for distribution purposes, of any Disputed
4 Claim seeking recourse to, or claiming an interest in, any asset of the Namco Estate or the Namvar
5 Estate. After the Bankruptcy Court estimates a Disputed Claimant's rights in, or against an asset of
6 the Estates through this procedure, the Committees shall have the right to use any funds or assets
7 not deemed subject to the rights of the Disputed Claimant, to pay the Allowed Claims under the
8 terms of the Plan, including Allowed Administrative Claims. Upon the filing of a Section 502(c)
9 motion by the Committees, all pending actions being pursued by the Trustees that would interfere
10 with, or that seek relief with respect to, the subject matter of the Section 502(c) motion, shall be
11 stayed, pending a ruling on the Section 502(c) motion. This procedure shall apply to the estimation
12 of claims seeking recourse to the Wilshire Bundy Proceeds.

13 7.12. **Loans Between Reorganized Namco and NLTCo.** Reorganized Namco is
14 authorized to loan funds to NLTCo, secured by a lien against funds payable on account of the
15 Namvar Allocation, on commercially reasonable terms, to the extent necessary to pay Effective
16 Date claims and expenses, or to fund post-Effective operating costs. Similarly, Reorganized
17 Namco is authorized to borrow funds from NLTCo, and it is authorized to secure this loan with a
18 lien against funds payable on account of the Namco Allocation, on commercially reasonable
19 terms, to the extent necessary to pay Effective Date claims and expenses, or to fund post-Effective
20 operating costs.

21 7.13. **No Payment of Transfer-Related Fees to the United States Trustee.** NLTCo
22 shall not be required to pay any fees to the United States Trustee based on any transfers of NLTCo
23 Property to NLTCo or from NLTCo.

24 7.14. **No Payment of Transfer-Related Fees to the Namvar Trustee.** NLTCo shall not
25 be required to pay any fees to the Namvar Trustee based on any transfers of NLTCo Property to or
26 from NLTCo.

27 7.15. **Books and Records of Trust.** The NLTCo Trustee, and to the extent of payments
28 and distributions by any Disbursing Agent, the Disbursing Agent, shall maintain an accounting of

1 receipts and disbursements of the Trust. The NLTCo Trustee shall maintain the books and records
2 of NLTCo, or provide storage for such book and records, for the longer of six (6) years, or while
3 NLTCo is in existence, provided that the Court may, upon application by the NLTCo Trustee,
4 authorize the NLTCo to destroy all of NLTCo's books and records at such time as NLTCo has no
5 further need for such books and records. NLTCo's books and records shall be open to inspection
6 by the Committees at all reasonable times.

7 **7.16. Limitations on Liability.** The NLTCo Trustee shall not be liable for any act it may
8 do or fail to do as the liquidating trustees hereunder while acting in good faith and in the exercise
9 of its best judgment. The NLTCo shall not be liable in any event for any claims, liabilities or
10 damages based upon or arising out of any conduct of the NLTCo Trustee in the course of its
11 activities as liquidating trustee, unless such claims, liabilities or damages arise from NLTCo's
12 gross negligence or willful misconduct.

13 The NLTCo Trustee, and the members of the New Board of Reorganized Namco shall not
14 be liable for any indebtedness, liability or obligation incurred or entered into on behalf of the
15 NLTCo, including, without limitation, indebtedness, liabilities or obligations under agreements,
16 undertakings or commitments entered into or executed on behalf of NLTCo by the NLTCo
17 Trustee or by any person employed by the NLTCo Trustee or NLTCo, it being expressly
18 understood that all such indebtedness, liabilities and obligations of, and claims against NLTCo,
19 shall be the sole responsibility of NLTCo and shall be satisfied only from NLTCo, or such portion
20 thereof as shall, under the terms of any agreement, be stated to be liable therefore. No claim or
21 cause of action may be asserted against the NLTCo Trustee, or any member of the New Board on
22 account of any indebtedness, liability or obligation entered into on behalf of NLTCo, whether by
23 legal or equitable proceedings, or by virtue of any bankruptcy or non-bankruptcy statute, rule or
24 regulation.

25 Any undertaking, contract or agreement entered into in writing by NLTCo may, except as
26 otherwise provided by the Plan or the NLTCo Agreement, expressly disclaim the personal liability
27 of NLTCo Trustee and the members of the New Board.

28

1 7.17. **No Credit Reporting.** The NLTCo shall have no duty or responsibility to provide
2 any person with any credit or other information with respect to NLTCo except as provided in the
3 Plan or the NLTCo Agreement.

4 7.18. **United States Federal Income Tax Treatment of the Holders of NLTCo**
5 **Beneficial Interests.** For all United States federal income tax purposes, the transfers by the
6 Debtor or Namvar Estate to NLTCo shall be treated by the Debtor, Namvar Estate, NLTCo and
7 the NLTCo Beneficiaries as a transfer of the NLTCo Property by the Debtor to the NLTCo
8 Beneficiaries followed by a transfer of the NLTCo Property by such NLTCo Beneficiaries to the
9 Trust. The NLTCo Beneficiaries shall be treated as the grantors and deemed owners of NLTCo for
10 United States federal income tax purposes. The NLTCo Trustee and the NLTCo Beneficiaries are
11 required to value their interests in the NLTCo Property consistently with the values placed upon
12 the NLTCo Property by NLTCo, and to use such valuations for all purposes. The NLTCo
13 Agreement shall provide for consistent valuations of the NLTCo Property by the NLTCo Trustee
14 and the NLTCo Beneficiaries, and shall provide that NLTCo will determine the fair market value
15 of the NLTCo Property within thirty (30) days after the Effective Date, and send such
16 determination to each NLTCo Beneficiary. By its acceptance of a NLTCo Beneficial Interest, each
17 recipient of such an interest will be conclusively deemed to agree to use such valuations for all
18 purposes, including, without limitation, in computing any gain recognized upon the exchange of
19 such holder's claim for purposes of determining any United States Federal income tax, and shall be
20 required to include those items of income, deductions and tax credits that are attributable to its
21 NLTCo Beneficial Interest in computing its taxable income.

22 7.19. **Termination of the Trust.** NLTCo shall continue in effect until the earlier of: (a)
23 the date that all NLTCo Property has been liquidated, all proceeds have been converted to cash or
24 distributed in kind, all NLTCo Expenses have been paid, all claims to be paid under the Plan for
25 which the NLTCo Trustee is obligated to make distributions on have been paid, all distributions to
26 be made with respect to the NLTCo Beneficial Interests have been made, all litigation to which
27 NLTCo is a party have been concluded by dismissal or an order issued by the court in which such
28 litigation is pending and such order has become "final" (consistent with the definition of Final

1 10.1.2 No request for revocation of the Confirmation Order under section 1144 of
2 the Bankruptcy Code shall have been made, or, if made, shall remain pending; and

3 10.1.3 All actions, documents and agreements necessary to implement the Plan
4 shall have been effectuated or executed.

5 10.2 **Waiver of Conditions.** Each of the conditions set forth above may be waived in
6 whole or in part by the Plan Proponents in their sole and absolute discretion, without any notice to
7 parties in interests or the Bankruptcy Court, and without a hearing. The Plan Proponents' waiver
8 of any one condition shall not be deemed a waiver of any other condition.

9 **ARTICLE XI**

10 **EFFECT OF CONFIRMATION OF THE PLAN**

11 11.1 **Jurisdiction of Bankruptcy Court.** Until the Effective Date, the Bankruptcy
12 Court shall retain jurisdiction over the Debtor, its assets and the Namvar Estate. Thereafter,
13 jurisdiction of shall be limited to the subject matters set forth in Article XII of the Plan.

14 11.2 **Binding Effect.** Except as otherwise provided in section 1141(d) of the Bankruptcy
15 Code, on and after the Effective Date, the provisions of the Plan shall bind any holder of a Claim
16 against the Debtor and such holder's respective successors and assigns, whether or not the Claim
17 of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

18 11.3 **Exculpation.** The Debtor, the Committees, their individual members, and their
19 representatives, Professionals, advisors, attorneys, financial advisors, investment bankers or agents
20 (solely with respect to the work, services, conduct and opinions rendered in connection with the
21 Case, or in performance of their obligations in the Namco Case) shall neither have nor incur, and
22 are hereby released from, any Claim, obligation, cause of action or liability to one another or to
23 any holder of a Claim or an Interest, or any other party in interest, or any of its members,
24 representatives, advisors, attorneys, financial advisors, investment bankers, agents, or affiliates, or
25 any of its successors or assigns, for any act or omission in connection with, relating to, or arising
26 out of, the Namvar Case, the pursuit of Confirmation of the Plan, the consummation of this Plan,
27 or the administration of this Plan or the property to be distributed under the Plan, except for (i)
28 claims which arise or relate to actions or omissions occurring prepetition, and (ii) willful

1 misconduct or gross negligence at any time.

2

3

4

ARTICLE XII

5

JURISDICTION

6

12.1 **Retention of Jurisdiction.** Notwithstanding the entry of the Confirmation Order
7 and the occurrence of the Effective Date, the Court shall retain, after the Effective Date, exclusive
8 jurisdiction of all matters arising out of, arising in or related to, the Namvar Case, to the fullest
9 extent permitted by applicable law, including, without limitation, jurisdiction to:

10

12.1.1 Allowance of Claims or Interests. The Court shall retain jurisdiction to
11 allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or
12 unsecured status of any Claim (whether filed before or after the Effective Date and whether or not
13 contingent, disputed or unliquidated), including the compromise, settlement and resolution of any
14 request for payment of any Administrative Claim, Gap Claim or Priority Claim, the resolution of
15 any objections to the allowance or priority of Claims and the resolution of any dispute as to the
16 treatment necessary to reinstate a Claim pursuant to this Plan, and to hear and determine any other
17 issue presented hereby or arising hereunder, including during the pendency of any appeal relating
18 to any objection to such Claim (to the extent permitted under applicable law).

19

12.1.2 Executory Contract Proceedings. The Court shall retain jurisdiction to act
20 with respect to proceedings regarding the rejection of any executory contract or unexpired lease of
21 the Debtor pursuant to sections 365 and 1123 of the Bankruptcy Code and Article IX of the Plan,
22 and to determine the allowance and proper classification of any Claims arising from the resolution
23 of any such proceedings.

24

12.1.3 Plan Interpretation. The Court shall retain jurisdiction to resolve
25 controversies and disputes regarding the interpretation of the Plan, the Confirmation Order, and
26 the NLTCo Agreement.

27

12.1.4 Plan Implementation. The Court shall retain jurisdiction to implement and
28 enforce the provisions of the Plan, the Confirmation Order, and NLTCo Agreement, and otherwise

1 to enter orders in aid of confirmation and implementation of the Plan, including, without
2 limitation, appropriate orders to protect the NLTCo Agreement from any action or other
3 proceeding that may be initiated by any Creditor or Interest Holder.

4 12.1.5 Plan Modification. The Court shall retain jurisdiction to modify the Plan
5 pursuant to section 1127 of the Bankruptcy Code and the applicable Bankruptcy Rules.

6 12.1.6 Adjudication of Controversies. The Court shall retain jurisdiction to
7 adjudicate such contested matters and adversary proceedings as may be pending or subsequently
8 initiated in the Court including, but not limited to, objections to Claims, or actions relating to
9 taxes, brought by the Debtor or the NLTCo Trustee.

10 12.1.7 Injunctive Relief. The Court shall retain jurisdiction to issue any injunction
11 or other relief appropriate to implement the intent of the Plan, and to enter such further orders
12 enforcing any injunctions or other relief issued under the Plan or pursuant to the Confirmation
13 Order.

14 12.1.8 Correct Minor Defects. The Court shall retain jurisdiction to correct any
15 defect, cure any omission or reconcile any inconsistency or ambiguity in the Plan, the
16 Confirmation Order or any document executed or to be executed in connection therewith,
17 including, without limitation, the NLTCo Trustee, as may be necessary to carry out the purposes
18 and intent of the Plan, provided that the rights of any holder of an Allowed Claim or Allowed
19 Interest are not materially and adversely affected thereby.

20 12.1.9 Post-Confirmation Orders Regarding Confirmation. The Court shall retain
21 jurisdiction to enter and implement such orders as may be appropriate in the event the
22 Confirmation Order is, for any reason, stayed, reversed, revoked, modified or vacated.

23 12.1.10 Final Decree. The Court shall retain jurisdiction to enter a final decree
24 closing the Case.

25 12.2 **Failure of the Bankruptcy Court to Exercise Jurisdiction**. If the Bankruptcy
26 Court abstains from exercising or declines to exercise jurisdiction over any matter arising under,
27 arising in or related to the Namvar Estate, including with respect to the matters set forth in this
28 Article, this Article shall not prohibit or limit the exercise of jurisdiction by any other court having

1 competent jurisdiction with respect to such subject matter.

2

3

4

ARTICLE XIII

5

MODIFICATION; MISCELLANEOUS

6 13.1 **Binding Effect of Plan.** The provisions of this Plan and Confirmation Order shall
7 be binding upon and inure to the benefit of the Debtor, the Estate, any holder of any Claim or
8 Interest treated herein or any Person named or referred to in this Plan, and each of their respective
9 heirs, executors, administrators, representatives, predecessors, successors, assigns, agents, officers
10 and directors, and, as to the binding effect, to the fullest extent permitted under the Bankruptcy
11 Code and other applicable law, each other Person affected by this Plan and the Confirmation
12 Order.

13 13.2 **Withdrawal of this Plan.** The Plan Proponents reserve the right, at any time prior
14 to the substantial consummation (as that term is defined in section 1101(2) of the Bankruptcy
15 Code) of this Plan, to revoke or withdraw this Plan. If this Plan is revoked or withdrawn or if the
16 Confirmation Date does not occur, this Plan shall be null and void and have no force and effect. In
17 such event, nothing contained herein shall be deemed to constitute a waiver or release of any
18 claims or interests by or against the Plan Proponents or any other Person, constitute an admission
19 of any fact or legal conclusion by the Debtor or any other Person or to prejudice in any manner the
20 rights of the Plan Proponents or any Person in any further proceeding involving the Plan
21 Proponent.

22 13.3 **Plan Modification.** The Plan Proponents may alter, amend, or modify this Plan
23 under section 1127 of the Bankruptcy Code or as otherwise permitted at any time before the
24 Confirmation Date. After the Confirmation Date and before the substantial consummation of this
25 Plan, and in accordance with the provisions of section 1127(b) of the Bankruptcy Code and the
26 Bankruptcy Rules, the Plan Proponents, the NLTCo Trustee and any party in interest may, so long
27 as the treatment of holders of Claims under this Plan is not adversely affected, institute
28 proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any

1 inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order and any other
2 matters as may be necessary to carry out the purposes and effects of this Plan. However, prior
3 notice of such proceedings shall be served in accordance with Bankruptcy Rule 2002.

4 13.4 **Inconsistency.** To the extent there is an inconsistency or ambiguity between any
5 term or provision contained in the Disclosure Statement and the Plan, the Plan shall control.

6 13.5 **Headings Do Not Control.** In interpreting this document, the headings of
7 individual sections are provided for convenience only, and are not intended to control over the text
8 of any section.

9 13.6 **No Transfer Taxes.** Pursuant to section 1146(c) of the Bankruptcy Code, no
10 transfer or sale by the Debtor that has occurred during the Case shall be subject to any stamp tax,
11 transfer tax or similar tax.

12 13.7 **Taking Action.** After the Effective Date, to the extent the Plan requires an action
13 by the Debtor, the action shall be taken by the NLTCo Trustee, as representative and on behalf of
14 the Estate.

15 13.8 **Limitation of Liability.** Neither the Debtor, the Namvar Trustee, the Committees ,
16 their individual members, or any of their respective officers, directors, employees, trustees,
17 members, or agents, nor any Professionals employed by one or more of them, shall have or incur
18 any liability to any person for any act taken or omission made in good faith in connection with or
19 related to: (a) the business judgment of the Debtor and any affiliated entities, including, but not
20 limited to, the filing of the Namvar Case; (b) the post-Petition Date administration of the Namco
21 Case, including, but not limited to, the formulation, implementation, confirmation, or
22 consummation of the Plan, the Disclosure Statement, the business operations of the Debtor,
23 liquidation of the Debtor' assets, the negotiation and implementation of any settlement agreement
24 or any security contract, instrument, release, or other agreement or document created in connection
25 with the Plan, or regarding any distributions made pursuant to the Plan, other than a claim based,
26 in whole or in part, upon a breach of a written contract.

27 13.9 **United States Trustee's Fees.** All fees payable to the Office of the United States
28 Trustee after the Effective Date shall be paid by the Trusts except as otherwise provided herein.

1 **13.10 Governing Law.** Except to the extent that the Bankruptcy Code or Bankruptcy
2 Rules or other federal laws are applicable, and subject to the provisions of any other agreement or
3 document entered into in connection with the Plan, the construction, implementation and
4 enforcement of this Plan and all rights and obligations arising under the Plan shall be governed by,
5 and construed and enforced in accordance with, the laws of the State of California, without giving
6 effect to conflicts of law principles which would apply the law of a jurisdiction other than the
7 State of California or the United States of America.

8 **13.11 Notice.** Any notice required or permitted to be provided under this Plan shall be in
9 writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand
10 delivery, or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

11
12 To the Plan Proponents:

13 Leonard M. Shulman (State Bar No. 126349)
14 Melissa Davis (State Bar No. 245521)
15 SHULMAN, HODGES & BASTIAN, LLP
16 8105 Irvine Center Drive, Suite 600
17 Irvine, CA 92618
18 Telephone: (949) 340-3400
19 Facsimile: (949) 340-3000

20 Attorneys for Official Committee
21 of Unsecured Creditors for EZRI NAMVAR

22 William N. Lobel (State Bar No. 093202)
23 Mike D. Neue (State Bar No. 179303)
24 THE LOBEL FIRM, LLP
25 840 Newport Center Drive, Suite 750
26 Newport Beach, California 92660
27 Telephone: (949) 999-2860
28 Facsimile: (949) 999-2870

 Stuart I. Koenig (State Bar No. 102764)
 CREIM, MACIAS, KOENIG & FREY, LLP
 633 West Fifth Street, 51st Floor
 Los Angeles, CA 90071
 Telephone: (213) 614-1944
 Facsimile: (213) 614-1961

 Attorneys for Official Committee
 of Unsecured Creditors for NAMCO CAPITAL GROUP, INC.

1 13.12 **Filing of Additional Documents.** On or before substantial consummation of this
2 Plan, the Liquidating Trustees shall issue, execute, deliver, and file with the Bankruptcy Court or
3 record any agreements and other documents, and take any action as may be necessary or
4 appropriate to effectuate, consummate and further evidence the terms and conditions of this Plan,
5 including by making such supplemental disclosures or notices as the NLTCo Trustee deems useful.

6 13.13 **No Attorneys' Fees.** No attorneys' fees will be paid by the Namco Trustee or the
7 Liquidating Trustees with respect to any Claim or Interest, except as expressly specified herein or
8 allowed by a Final Order of the Bankruptcy Court.

9 13.14 **Successors and Assigns.** The rights, benefits and obligations of any Person named
10 or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor,
11 administrator, successor or assign of such Person.

12 13.15 **Preservation of Rights of Setoff.** The Debtor may, but shall not be required to,
13 setoff against any Claim, and the payments or other distributions to be made pursuant to this Plan
14 in respect of such Claim, claims of any nature whatsoever that the Debtor may have against the
15 holder of such Claims; but neither the failure to do so nor the Allowance of any Claim hereunder
16 shall constitute a waiver or release by the Debtor of any such claim that the Debtor may have
17 against such holder.

18 13.16 **Defenses with Respect to Claims.** Except as otherwise provided in this Plan,
19 nothing shall affect the rights and legal and equitable defenses of the Debtor with respect to any
20 Claims, including all rights in respect of legal and equitable defenses to setoffs or recoupments
21 against Claims.

22 13.17 **No Injunctive Relief.** No Claim or Interest shall under any circumstances be
23 entitled to specific performance or other injunctive, equitable, or other prospective relief.
24
25
26
27
28

1 13.18 **No Admissions.** Notwithstanding anything herein to the contrary, nothing
2 contained in this Plan shall be deemed an admission by the Plan Proponents with respect to any
3 matter set forth herein, including, without limitation, liability on any Claim or Interest or the
4 propriety of any classification of any Claim or Interest.

5 DATED: March __, 2011 OFFICIAL COMMITTEE OF UNSECURED
6 CREDITORS FOR EZRI NAMVAR

7
8 By: SIGNATURE ATTACHED
Marc Asheghian, Chairman

9 DATED: March __, 2011 OFFICIAL COMMITTEE OF UNSECURED
10 CREDITORS FOR NAMCO CAPITAL
11 GROUP, INC.

12 By: SIGNATURE ATTACHED
13 Abraham B. Assil, Chairman

14 **Presented by:**
15 /s/ Melissa R. Davis
Leonard M. Shulman
16 Melissa Davis
SHULMAN, HODGES & BASTIAN, LLP

17
18 Attorneys for Official Committee of
Unsecured Creditors for Namco Capital Group, Inc.

19
20 SIGNATURE ATTACHED
William N. Lobel
21 Mike D. Neue
22 THE LOBEL FIRM, LLP

23 SIGNATURE ATTACHED
Stuart I. Koenig
24 CREIM, MACIAS, KOENIG & FREY, LLP

25 Attorneys for Official Committee of
26 Unsecured Creditors for Namco Capital Group, Inc.

27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

13.18 **No Admissions.** Notwithstanding anything herein to the contrary, nothing contained in this Plan shall be deemed an admission by the Plan Proponents with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of any classification of any Claim or Interest.

DATED: March __, 2011

OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR EZRI NAMVAR

By: 
Marc Asheghian, Chairman

DATED: March __, 2011

OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR NAMCO CAPITAL GROUP, INC.

By: _____
Abraham B. Assil, Chairman

Presented by:

Leonard M. Shulman
Melissa Davis
SHULMAN, HODGES & BASTIAN, LLP

Attorneys for Official Committee of
Unsecured Creditors for Namco Capital Group, Inc.

William N. Lobel
Mike D. Neue
THE LOBEL FIRM, LLP

Stuart I. Koenig
CREIM, MACIAS, KOENIG & FREY, LLP


Attorneys for Official Committee of
Unsecured Creditors for Namco Capital Group, Inc.

1
2 13.18 No Admissions. Notwithstanding anything herein to the contrary, nothing
3 contained in this Plan shall be deemed an admission by the Plan Proponents with respect to any
4 matter set forth herein, including, without limitation, liability on any Claim or Interest or the
5 propriety of any classification of any Claim or Interest.

6 DATED: March __, 2011 OFFICIAL COMMITTEE OF UNSECURED
7 CREDITORS FOR EZRI NAMVAR

8 By: _____
9 Marc Ashghian, Chairman

10 DATED: March __, 2011 OFFICIAL COMMITTEE OF UNSECURED
11 CREDITORS FOR NAMCO CAPITAL
12 GROUP, INC.

13 By: 
14 Abraham B. Asstl, Chairman

14 Presented by:

15 _____
16 Leonard M. Shulman
17 Melissa Davis
18 SHULMAN, HODGES & BASTIAN, LLP

19 Attorneys for Official Committee of
20 Unsecured Creditors for Namco Capital Group, Inc.

21 _____
22 William N. Lobel
23 Mike D. Neue
24 THE LOBEL FIRM, LLP

25 _____
26 Stuart I. Koenig
27 CREIM, MACIAS, KOENIG & FREY, LLP

28 Attorneys for Official Committee of
Unsecured Creditors for Namco Capital Group, Inc.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

13.18 **No Admissions.** Notwithstanding anything herein to the contrary, nothing contained in this Plan shall be deemed an admission by the Plan Proponents with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of any classification of any Claim or Interest.

DATED: March __, 2011

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR EZRI NAMVAR

By: _____
Marc Asheghian, Chairman

DATED: March __, 2011


OFFICIAL COMMITTEE OF UNSECURED
CREDITORS FOR NAMCO CAPITAL
GROUP, INC.

By: _____
Abraham B. Assil, Chairman

Presented by:

Leonard M. Shulman
Melissa Davis
SHULMAN, HODGES & BASTIAN, LLP

Attorneys for Official Committee of
Unsecured Creditors for Namco Capital Group, Inc.



William N. Lobel
Mike D. Neue
THE LOBEL FIRM, LLP

Stuart I. Koenig
CREIM, MACIAS, KOENIG & FREY, LLP

Attorneys for Official Committee of
Unsecured Creditors for Namco Capital Group, Inc.

**LIST OF EXHIBITS TO NAMVAR
DISCLOSURE STATEMENT
[FILED UNDER SEAL PURSUANT TO
CONFIDENTIALITY AGREEMENT]**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit No.	Title
1	Organization Chart depicting ownership interests in Namvar Related Entities.
2	Entity "waterfall" detailing ownership interests of Namvar Related Entities and their relationship to the underlying real property assets
3	List of all known real property with interests held by Namco, Namvar, Beshmada, Beshmada of Delaware, Dimes, and the children of Ezri Namvar
4	Effective Date Cash - Sources & Uses.