

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:

LYDIA CLADEK, INC.,

Case No. 3:10-bk-02805-PMG

Chapter 11

Debtor.

OFFICIAL COMMITTEE OF UNSECURED CREDITORS OBJECTION TO
MOTION OF CHAPTER 11 TRUSTEE TO SELL SUBSTANTIALLY ALL OF
THE DEBTOR'S PERFORMING ASSETS (D.E. # 152)

Now comes Official Committee of Unsecured Creditors (the "Committee") of Lydia Cladek, Inc. (the "Debtor"), by and through its undersigned Counsel, Jon E. Kane, Esq., and hereby files its Objection to the Chapter 11 Trustee's Motion to Sell Substantially all of the Debtor's Performing Assets (D.E. # 152), and states:

1. On July 2, 2010, Michael Phelan, the Chapter 11 Trustee (Trustee) filed his Motion for (A) An Order (i) Authorizing the Chapter 11 Trustee to Conduct an Auction for the Sale of Substantially all of the Debtor's Performing assets, (ii) Establishing Bidding Procedures, Including Break-up Fee, (iii) Scheduling Dates for the Auction, Sale Hearing, and Objection Deadline and (IV) Approving the Form and Manner of Notices, and (B) an Order (i) Approving the Asset Purchase Agreement, and (ii) Approving the Sale of Substantially all of the Debtor's Performing Assets, Free and Clear of all Liens, Claims, Encumbrances, and Interests (the "Trustee's Motion") (Doc 152).

2. On July 28, 2010, the Court entered its ORDER (A) AUTHORIZING THE CHAPTER 11 TRUSTEE TO CONDUCT AN AUCTION, (B) APPROVING THE

BIDDING PROCEDURES FOR THE AUCTION, INCLUDING PAYMENT OF A BREAK-UP FEE, (C) SCHEDULING DATES FOR THE AUCTION, SALE HEARING, AND OBJECTION DEADLINE AND (C) APPROVING THE FORM AND MANNER OF NOTICES (the "Performing Assets Sale Order") (D.E. # 192).

3. In the Performing Assets Sale Order, the Court approved the Trustee's proposed Bidding Procedures, including payment of a Break-Up Fee (as applicable), subject, however, to the rights of the Committee to raise the Committee Objection by the Committee Objection Deadline (as defined therein).

4. Notwithstanding anything to the contrary contained in the Performing Assets Sales Order, the Committee reserved the right to object (the "Committee Objection") to the sale of the Performing Assets as not being in the best interest of investors, creditors and the estate through and including August 9, 2010 (the "Committee Objection Deadline"), with any hearing on the Committee Objection being held on August 12, 2010 at 4:00 p.m. (prevailing Eastern time) in the courtroom of the Honorable Paul M. Glenn, Chief United States Bankruptcy Judge, in the United Courthouse, Room 4A, located at 300 North Hogan Street, Jacksonville, Florida 32202 ("Courtroom 4A").

5. Prior to and since entry of the Performing Assets Sales Order, the Committee has been diligently seeking information from the Chapter 11 Trustee to determine whether it would be in the best interests of injured investors, creditors and the estate to pursue a proposed plan of reorganization in order to salvage a portion of the Debtor's business by reinvesting the proceeds from collection of accounts, interest and repossession of vehicles, or simply liquidate the accounts as proposed by the Trustee.

While the Trustee has provided some information, the Committee believes that it has not been furnished with all information requested from the Trustee.

6. In the process of gathering the information from the Trustee, however, the Committee has learned that the cash flow analyses and projections relied upon by the Trustee in support of his Motion are flawed, in that: (1) the cash flow projections fail to take into account the substantial rates of interest being paid on the current notes; (2) the current notes are “seasoned” notes with default rates that are substantially less than those projected by the Trustee; (3) the Trustee never sought to purchase and reinvest collected funds into new notes and therefore never sought to rehabilitate the remaining ongoing business of the Debtor; and, thus, (4) never considered the prospect that some portion of the Debtor’s ongoing business could be salvaged and reorganized for the benefit of the estate as a whole.

7. Over the last month, the Committee has been diligently collecting data from which it could determine whether the Trustee’s Motion would result in a sale of performing assets which would result in the best interests of injured investors, creditors and the estate as a whole. Based upon the data that has been provided by the Trustee and collected by the Committee thus far, it appears that the Trustee’s Motion would result in a detriment to the estate, rather than a benefit.

8. As reflected in the Committee’s initial plan feasibility analysis attached hereto, should the collected funds be reinvested the new notes, properly managed, the estimated return to investors would be substantially more than that obtained by the Trustee’s mere liquidation of the performing assets. From a review of the Trustee’s Motion, it appears that the sale of the performing assets would result in a return to the

estate of roughly \$1,300,000. On the other hand, should the funds be reinvested, the estate can expect a return of approximately \$14,000,000 within a very short period of time.¹

9. The Committee would like to have the opportunity to submit a competing plan of reorganization which would take into account the funds collected by the Trustee to date, as well as those funds which continue to be collected, for reinvestment in new notes, so as to create a reorganized business which could yield a substantial return for the unsecured creditors. Should this Court approve the Trustee's Motion, however, the Committee would be prevented from exercising its rights to submit a plan of reorganization under 11 U.S.C. §1121, et seq., and thus would be deprived of its due process rights afforded under the Bankruptcy Code.

10. There is little, if any, detriment to the estate should the Trustee's Motion be denied and the sale of the performing assets be postponed. According to the cash flow analysis and studies performed by the Committee, the Committee believes that substantially more funds would be collected by the Trustee should he simply retain the accounts and collect them, rather than selling the accounts at a substantial discount.

11. It is the understanding of the Committee that, in preparing his cash flow analysis to determine the appropriate sale price of the performing accounts, the Trustee failed to consider the interest continuing to accrue on the accounts at roughly 29%, and further failed to properly consider the declining rates of default as the account debtors continue to pay down their automobile loans and create equity in their vehicles.

¹ The attached feasibility analysis is a rough estimate / example of the funds generated by the investment into new notes under proper management and industry guidelines, and may be subject to change. Multiple variations of this feasibility analysis have been performed by the Committee, but all studies indicate the prospect for a very substantial return to injured investors and unsecured creditors.

12. Committee has attempted to resolve its differences with the Trustee, but has been unable to do so, thus resulting in this objection.

Memorandum of Law

13. The difficulty with this case is in recognizing the proper line between sales under § 363 before the confirmation of a chapter 11 plan and sales under §1123(a)(5)(D) after confirmation of a chapter 11 plan. See, *In re On-Site Sourcing, Inc.*, 412 B.R. 817 (Bankr. E.D. Va. 2009). There are substantial differences in the procedures between the two sale methods and the creditor protections available. They are concisely stated in *In re Gulf Coast Oil Corp.*:

A § 363(b) sale is generally viewed as quicker. Only a motion and a hearing are required, and most courts apply a “business judgment test” to determine whether to approve the sale. By contrast, confirmation of a chapter 11 plan usually involves (i) preparation, court approval, and distribution of disclosure statement, (ii) voting by creditors to accept or to reject the plan, and (iii) determination by the Court of whether the plan meets statutory confirmation standards.

In re Gulf Coast Oil Corp., 404 B.R. 407, 415 (Bankr.S.D.Tex.2009) (footnotes omitted).

14. As the Court recognized in *Committee of Equity Security Holders v. The Lionel Corp.* (*In re Lionel Corp.*), 722 F.2d 1063 (2nd Cir. 1983):

In fashioning its findings, a bankruptcy judge must not blindly follow the hue and cry of the most vocal special interest groups; rather, he should consider all salient factors pertaining to the proceeding, and accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike. He might, for example, look to such relevant factors as the proportionate value of the asset to the estate as a whole, the amount of elapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plans of reorganization, the proceeds to be obtained from the disposition vis-a-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions and, most importantly perhaps, whether the asset is increasing or decreasing in

value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

Id. At 1070-71.

15. Judge Steen explains the development of the jurisprudence of chapter 11 § 363(b) sales in the Fifth Circuit in *In re Gulf Coast Oil Corp.*, 404 B.R. 407 (Bankr.S.D.Tex.2009). The discussion generally reflects the development of the law through the United States. He concludes that under the existing jurisprudence in the Fifth Circuit:

- The debtor in possession or trustee in a chapter 11 case must consider its fiduciary duties to all creditors and interest holders before seeking approval of a transaction under § 363(b).
- The movant must establish a business justification for the transaction and the bankruptcy court must conclude, from the evidence, that the movant satisfied its fiduciary obligations and established a valid business justification.
- A sale, use, or lease of property under § 363(b) is not *per se* prohibited even though it purports to sell all, or virtually all, of the property of the estate, but such sales (or proposed sales of the crown jewel assets of the estate) are subject to a special scrutiny.
- Parties that oppose § 363(b) transactions on a basis that they constitute a *sub rosa* chapter 11 plan must articulate the specific rights that they contend are denied by the transaction.
- Although the bankruptcy court need not turn every § 363(b) hearing into a mini-confirmation hearing, the bankruptcy court must not authorize a § 363(b) transaction if the transaction would effectively evade the “carefully crafted scheme” of the chapter 11 plan confirmation process, such as by denying §§ 1125, 1126, 1129(a)(7), and 1129(b)(2) rights.
- If the bankruptcy court concludes that such rights are denied, then the bankruptcy court can only approve the transaction if it fashions an appropriate protective measure modeled on those which would attend a reorganization plan.

- Transactions that explicitly release all (or virtually all) claims against the estate, predetermine the structure of a plan of reorganization, and explicitly obligate parties to vote for or against a plan are not authorized under § 363(b)

Id. At 422.

Judge Steen suggests a number of factors to consider when a § 363 motion is brought before the court. He identifies and discusses nine areas of concern presenting them as questions and discussion. The nine areas of concern provide a solid foundation to analyze § 363 sales. They are, without discussion which is itself very helpful:

1. Is there evidence of a need for speed?
2. What is the business justification?
3. Is the case sufficiently mature to assure due process?
4. Is the proposed APA sufficiently straightforward to facilitate competitive bids or is the purchaser the only potential interested party?
5. Have the assets been aggressively marketed in an active market?
6. Are the fiduciaries that control the debtor truly disinterested?
7. Does the proposed sale include all of a debtor's assets and does it include the "crown jewel"?
8. What extraordinary protections does the purchaser want?
9. How burdensome would it be to propose the sale as part of confirmation of a chapter 11 plan?

Id. At 423-424.

16. When the foregoing considerations are examined, in light of the facts as set forth above, the Committee would assert that the Trustee's Motion should not be approved in this instance. There is no legitimate business reason why the Trustee's Motion needs be granted, and the sale of the performing assets must occur immediately.

The accounts continue to be collected and therefore do not diminish in value. Moreover, should the Trustee and the Committee have a dispute over what method might be preferred by the injured investors and creditors as a whole, those concerns can be addressed in completing plans of reorganization – and avenue that will be taken away from the Committee should the Court approve the sale proposed in the Trustee’s Motion.

WHEREFORE, the Committee respectfully requests the entry of an order denying the Chapter 11 Trustee’s Motion to Sell Substantially all of the Debtor’s Performing Assets (D.E. # 152), together with such other and further relief as the Court deems just and proper.

DATED this 9th day of August, 2010.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served electronically via the Court’s CM/ECF system to the Office of the U.S. Trustee, 135 W. Central Boulevard, Suite 620, Orlando, FL 32801 and to those parties registered to receive electronic/notice service on the 9th day of August, 2010.

/s/ Jon E. Kane

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Feasibility Analysis Process

1. Use the trustee-provided projected cash flow for Jul 2010 as the starting figure for the analysis (\$302,526).
2. Add cash in bank as of Jun 30 (\$1,166,549)
3. Add additional cash from forfeitures, seizures, repo sales, or other sources for Jul 2010 (e.g., \$470,712 for sale of one property; other items TBD).
4. Compute repo sales and default recovery by taking the projected repos and defaults from the preceding month for both new and existing notes and multiplying by the appropriate average recovery price (variables, initially set at \$2500 for new notes and \$1000 for existing notes)
5. Subtract estimate of Jul 2010 expenses of \$120,000. In later months, project expenses by applying the specified rate (a variable, initially set at 15%) to the projected cash flow (from line 1 of the spread sheet) for Aug 2010, or to investable cash (from line 2 of the spread sheet) for Sep 2010 and out, when that line replaces the projected cash flow line. Note: the computed expenses for Aug 2010 have been doubled in the formula as a one-time adjustment to provide workforce stability in the transition period until additional notes are purchased.
6. Subtract legal expenses for Jul at a specified dollar value (a variable; initially set as \$50K/mo and applied for 6 months from Jul – Dec 2010). Note: A more accurate projection is needed from the trustee.
7. Sum items 1-6 above to determine the cash available for reinvestment at the end of the month (e.g., \$1,769,787 for July 2010 in the spread sheet example)
8. Determine the number of new notes that can be purchased at the end of the month by dividing the cash available for investment (from item 7 above) by the average purchase price of a new car note (a variable; initially set at \$6000.) Thus, for July 2010 we could purchase 294.96 notes. Note: the \$6000 figure is derived by assuming a 50% discount on the full P&I payment stream from item 9 below.
9. Specify the full P&I payment stream associated with the average purchased note (a variable; initially set as \$12000). Note: The value selected represents a conscious decision to purchase higher cost and quality notes than was the practice in the past. This provides for a higher recovery cost and potentially lower repo rates per best practices of the industry.
10. Project the repos and defaults that will occur for new notes at a specified default rate (a variable; set initially at 30%) by applying this rate to the running total of new notes at the end of the preceding month (from item 13 below) and then dividing by an average 30 month term to estimate the number of repos and defaults for the next month. Note: This rate is based on the industry average of 30.11% for 2009. We assume that dealer buybacks are no cost events within the first 30 days of the contract, insurance payoffs are essentially breakeven events, and

losses due to theft or lack of collateral represent a negligible impact for this feasibility analysis. The number of repos is used to feed the repo sales and default recovery line by estimating the number of vehicles that can be auctioned or resold in the following month.

11. The spread sheet can accommodate separate rates for repos and defaults, but that approach was not used for this example. If it is to be used, there are additional adjustments in formulas and allocations that must be made to maintain spread sheet accuracy and consistency.
12. Project maturation of new notes by applying a factor of (1.0 minus the new note repo rate) to the number of new notes purchased each month. This number will show up as a decrement to the running total of active new notes at the end of the term of the average note (a variable, initially set as 30 months.) Therefore, that percentage of notes purchased in Aug 2010 that pay to maturity will decrement the running total of new notes in Feb 2013.
13. Subtract items 10-12 above from running total at the end of the preceding month (item 8 above) to determine the running total of new notes at the end of the month. (e.g., 368.71 for Jul 2010)
14. Project cash flow for new notes by multiplying the running total of new notes times the payments projected for the average note (In this example, \$400/month when the \$12000 payment stream is divided by the 30 month term.) Thus, 368.71 notes in Aug 2010 produce \$147,486 of cash flow.
15. For the existing, seasoned notes use the number provided by the trustee of 1184 notes as of 21 Jun 2010
16. Project the repos and defaults that will occur for the existing, seasoned notes at a specified default rate (a variable; set initially at 30%) by applying this rate to the number of existing notes as of 21 Jun and then dividing by the remaining 18 month timeline to get a straight line monthly default number. The number of repos and defaults is also used to feed the repo sales and default recovery line by identifying vehicles that can be auctioned or resold in the following month.
17. Project maturation of the existing, seasoned notes by applying a factor of (1.0 minus the seasoned note repo rate) to the number of existing notes (1184 from item 15 above) and then spread that result as a straight line adjustment across the approximately 18 months remaining on these notes. Note: a more precise projection can be derived from the data base of existing notes, but could not be accomplished in time for this analysis.
18. Subtract repos and maturations (items 16 and 17 above) from the starting total of 1184 to get a declining balance of existing, seasoned notes at the end of the month. (e.g., 1118.22 for Jul 2010). In subsequent months use the declining total of existing notes for the previous month as the basis.
19. Project cash flow for the existing notes (including both principle and interest) by multiplying the declining total of existing contracts (from item 18) by the average monthly payment (a variable,

set initially as \$275/mo.) (e.g., \$289,422 for Aug 2010.) Note: a pivot table analysis of the raw data file of existing contracts projected a much larger total of \$434,342 for Aug 2010, even after allowances for repo and recovery. Furthermore, the pivot table cash flow projection shown at line 31 of the spread sheet is substantially larger than the trustees' projected cash flow. Pending resolution, the projection described above using active notes and an average payment is assumed to be a reasonable substitute.

20. Sum together new and existing notes to get a forecast of total active contracts at the end of the month. (e.g., 1413.19 for Jul 2010). This number could be used to drive detailed expense computations, but is used here as a measure of portfolio size only.
21. Project total investment cash flow (P&I) by summing cash flow for new and existing notes from items 14 and 19 above. (e.g., \$436,908 for Aug 2010).
22. The investment cash flow at the end of the preceding month is then transferred up to line #2 as the investable cash available for the following month (e.g., the total at the end of Jul 2010 of \$307,511 becomes the line #2 entry for investable cash available for Aug 2010.) Note: this computation of investable cash (including principle and interest) based on the number of active contracts from the preceding month replaces the trustees' projected cash flow (line 1) for Aug 2010 and out.
23. Repeat this process each month, reinvesting all available funds in additional notes in a timely fashion to maximize return on investment.
24. To determine various payout options, select the month when reinvestment will end and set new notes purchased in that month to zero and in all months to the right. This will allow the available cash to move to the bottom line for payout (e.g., for the two year investment scenario set new notes purchased in Jul 2012 and beyond to zero.)

Assumptions:

1. The analysis assumes a start date of July 2010 for illustrative purposes in order to show a contrast with a contemporaneous liquidation option. Reinvestment obviously cannot occur until the reorganization plan is presented and approved by the court and majority of creditors.
2. Analysis assumes repos are sold and defaults recovered and those funds are and then reinvested in new notes within one month. This requires close attention to back office operations to assure cash is reinvested as rapidly as possible to maximize return on investment.
3. Operating loss carry forward of ~\$65M will be used to offset future income tax liability until the carry forward is consumed. Consultation with the trustee and tax accountants are essential to fully utilize this valuable asset.
4. Notes purchased in the future will be of higher quality and longer term as is industry best practice. The baseline note assumes a principle of ~\$9000 at 29% interest for a payment stream of \$12000 and average monthly payment of \$400/mo.

Yr 2		10	11	12	1	2	3	4	5	6	7	8	9	10
Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
475,138	483,359	491,891	500,749	509,952	519,515	529,457	539,797	550,556	561,755	591,504	621,448	652,914		
37,629	39,254	40,899	42,563	44,247	45,953	47,681	49,433	51,210	53,013	35,110	36,969	38,841		
71,271	72,504	73,784	75,112	76,493	77,927	79,419	80,970	82,583	84,263	88,726	93,217	97,937		
441,496	450,109	459,006	468,200	477,706	487,540	497,719	508,260	519,182	530,504	537,888	565,200	593,817		
73.58	75.02	76.50	78.03	79.62	81.26	82.95	84.71	86.53	88.42	89.65	94.20	98.97		
7.81	8.47	9.13	9.81	10.49	11.18	11.88	12.59	13.31	14.04	14.79	15.54	16.32		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0	0	0	0	0	0	0	0	0	0	0	0	0		
846.62	913.17	980.54	1,048.77	1,117.90	1,187.98	1,259.05	1,331.17	1,404.39	1,478.76	1,553.62	1,632.28	1,714.93		
338,647	365,288	392,216	419,507	447,159	475,190	503,620	532,467	561,755	591,504	621,448	652,914	685,973		
19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04		
526.22	460.44	394.67	328.89	263.11	197.33	131.56	65.78	0.00	0.00	0.00	0.00	0.00		
144,711	126,622	108,533	90,444	72,356	54,267	36,178	18,089	0	0	0	0	0		
164,316	138,537	118,389	97,448	80,783	65,717	51,885	31,555	19,747	13,382	8,478	4,779	2,570		
1372.84	1373.62	1375.21	1377.66	1381.01	1385.31	1390.60	1396.95	1404.39	1478.76	1553.62	1632.28	1714.93		
483,359	491,891	500,749	509,952	519,515	529,457	539,797	550,556	561,755	591,504	621,448	652,914	685,973		

Yr 2		10	11	12	1	2	3	4	5	6	7	8	9	10
Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
475,138	483,359	491,891	500,749	509,952	519,515	529,457	539,797	550,556	561,755	591,504	621,448	652,914		
37,629	39,254	40,899	42,563	44,247	45,953	47,681	49,433	51,210	53,013	35,110	36,969	38,841		
71,271	72,504	73,784	75,112	76,493	77,927	79,419	80,970	82,583	84,263	88,726	93,217	97,937		
441,496	450,109	459,006	468,200	477,706	487,540	497,719	508,260	519,182	530,504	537,888	565,200	593,817		
73.58	75.02	76.50	78.03	79.62	81.26	82.95	84.71	86.53	88.42	89.65	94.20	98.97		
7.81	8.47	9.13	9.81	10.49	11.18	11.88	12.59	13.31	14.04	14.79	15.54	16.32		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0	0	0	0	0	0	0	0	0	0	0	0	0		
846.62	913.17	980.54	1,048.77	1,117.90	1,187.98	1,259.05	1,331.17	1,404.39	1,478.76	1,553.62	1,632.28	1,714.93		
338,647	365,288	392,216	419,507	447,159	475,190	503,620	532,467	561,755	591,504	621,448	652,914	685,973		
19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73	19.73		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04	46.04		
526.22	460.44	394.67	328.89	263.11	197.33	131.56	65.78	0.00	0.00	0.00	0.00	0.00		
144,711	126,622	108,533	90,444	72,356	54,267	36,178	18,089	0	0	0	0	0		
164,316	138,537	118,389	97,448	80,783	65,717	51,885	31,555	19,747	13,382	8,478	4,779	2,570		
1372.84	1373.62	1375.21	1377.66	1381.01	1385.31	1390.60	1396.95	1404.39	1478.76	1553.62	1632.28	1714.93		
483,359	491,891	500,749	509,952	519,515	529,457	539,797	550,556	561,755	591,504	621,448	652,914	685,973		

	12 Jun-13	1 Jul-13	2 Aug-13	3 Sep-13	4 Oct-13	5 Nov-13	6 Dec-13	7 Jan-14	8 Feb-14	9 Mar-14	10 Apr-14	11 May-14	12 Jun-14
1,126,751	1,166,943	1,206,616	1,247,951	1,291,003	1,335,846	1,382,560	1,431,225	1,481,927	1,534,754	1,589,798	1,647,157	1,706,930	1,706,930
68,018	70,422	72,934	75,414	77,997	80,688	83,490	86,410	89,452	92,620	95,922	99,362	102,947	102,947
169,013	175,041	180,992	187,193	193,650	200,377	207,384	214,684	222,289	230,213	238,470	247,074	256,039	256,039
1,025,757	1,062,324	1,098,558	1,136,172	1,175,349	1,216,157	1,258,666	1,302,951	1,349,089	1,397,161	1,447,251	1,499,446	1,553,837	1,553,837
170.96	177.05	183.09	189.36	195.89	202.69	209.78	217.16	224.85	232.86	241.21	249.91	258.97	258.97
28.17	29.17	30.17	31.20	32.28	33.40	34.56	35.78	37.05	38.37	39.74	41.18	42.67	42.67
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42.31	48.70	49.59	50.53	51.51	52.51	53.55	54.62	55.73	56.88	58.07	59.30	60.57	60.57
2,517.35	3,016.54	3,119.88	3,227.51	3,339.62	3,456.40	3,578.06	3,704.82	3,836.88	3,974.50	4,117.89	4,267.32	4,423.05	4,423.05
1,166,943	1,247,951	1,247,951	1,291,003	1,335,846	1,382,560	1,431,225	1,481,927	1,534,754	1,589,798	1,647,157	1,706,930	1,769,221	1,769,221
2917.36	3016.54	3119.88	3227.51	3339.62	3456.40	3578.06	3704.82	3836.88	3974.50	4117.89	4267.32	4423.05	4423.05
1,166,943	1,206,616	1,247,951	1,291,003	1,335,846	1,382,560	1,431,225	1,481,927	1,534,754	1,589,798	1,647,157	1,706,930	1,769,221	1,769,221
\$26,275,055.26												43,900,041.52	
reinvested as of end of year 3												reinvested as of e	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00													0.00
(payout in year 3)													(payout in year 3)

Yr 5	1 Jul-14	2 Aug-14	3 Sep-14	4 Oct-14	5 Nov-14	6 Dec-14	7 Jan-15	8 Feb-15	9 Mar-15	10 Apr-15	11 May-15	12 Jun-15
	1,769,221	1,726,772	1,684,403	1,641,183	1,597,059	1,551,974	1,505,866	1,458,670	1,410,318	1,360,741	1,309,863	1,257,607
	106,683	110,576	107,923	105,275	102,574	99,816	96,998	94,117	91,167	88,145	85,046	81,866
	265,383	259,016	252,660	246,177	239,559	232,796	225,880	218,800	211,548	204,111	196,479	188,641
	1,610,521	1,578,332	1,539,665	1,500,280	1,460,074	1,418,994	1,376,984	1,333,986	1,289,937	1,244,774	1,198,430	1,150,832
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	44.23	43.17	42.11	41.03	39.93	38.80	37.65	36.47	35.26	34.02	32.75	31.44
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	61.89	62.75	65.94	69.28	72.79	76.47	80.34	84.41	88.69	93.18	97.89	102.85
	4,316.93	4,211.01	4,102.96	3,992.65	3,879.94	3,764.66	3,646.67	3,525.80	3,401.85	3,274.66	3,144.02	3,009.73
	1,726,772	1,684,403	1,641,183	1,597,059	1,551,974	1,505,866	1,458,670	1,410,318	1,360,741	1,309,863	1,257,607	1,203,890
	4316.93	4211.01	4102.96	3992.65	3879.94	3764.66	3646.67	3525.80	3401.85	3274.66	3144.02	3009.73
	1,726,772	1,684,403	1,641,183	1,597,059	1,551,974	1,505,866	1,458,670	1,410,318	1,360,741	1,309,863	1,257,607	1,203,890
nd of year 4	1,610,520.86	1,578,332.36	1,539,665.49	1,500,280.39	1,460,074.33	1,418,994.22	1,376,984.20	1,333,985.68	1,289,937.22	1,244,774.39	1,198,429.61	1,150,831.99
4)												16,702,810.75
												(payout in year 5)
												16,702,810.75

Total payout =