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**Subject:** Bookout Oceano Property Sale  
**From:** Robert Forouzandeh (rforouzandeh@rppmh.com)  
**To:** sanschromo@yahoo.com;  
**Cc:** mjbarbeau@rppmh.com;  
**Date:** Tuesday, February 21, 2012 2:08 PM

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Chris,

The Oceano property is confirmed for the trustee sale tomorrow. The minimum bid price is going to be \$189,000. This number is based on taking the appraised price of \$265,000 - \$26,500 (10% standard deduction by the bank on all foreclosures) - \$9,274 for delinquent taxes - \$39,750 for demolition and repair due to the extremely poor condition of the structures on the property. There were no identifiable environmental issues so no deductions were necessary for that.

Let me know if you have any questions.

**Robert B. Forouzandeh**  
Attorney at Law  
Reicker, Pfau, Pyle & McRoy LLP  
1421 State Street, Suite B  
Santa Barbara, CA 93101

Tel: 805-966-2440  
Fax: 805-966-3320  
E-mail: rforouzandeh@rppmh.com  
Website: www.reickerpfau.com

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# COMBINED TAX STATEMENT FOR CALENDAR YEAR 2012

UNION BANK, N.A.  
 Bank Operations Support, V03-489  
 PO BOX 54528  
 LOS ANGELES, CA 90054-0528

FEDERAL I.D. # 94-0304228

THIS STATEMENT REPORTS 1099-DIV (OMB No. 1545-0110),  
 1099-INT (OMB No. 1545-0112), 1099-DIVID (OMB No. 1545-0117),  
 1098 (OMB No. 1545-0901), 1099-MISC (OMB No. 1545-0116),  
 1099-B (OMB No. 1545-0715), 1099-S (OMB No. 1545-0997),  
 1099-A (OMB No. 1545-0877), 1099-C (OMB No. 1545-1424).

William A Bookout  
 470 Price St  
 Pismo Beach CA 93449

TAX PAYER I.D. NUMBER



CORRECTION AS OF 02/11/14

Please make sure that the number above is correct for these accounts, since there are penalties for incorrect numbers.

ACCOUNT NUMBER	ACCOUNT TYPE	IRS DESCRIPTION	IRS BOX #	AMOUNT
* * 2012 FORM 1099-A, ACQN/ABNDN PROP * *				
000000100983501	ACQN/ABNDN PROP	BALANCE OF PRINCIPAL OUTSTANDING	2	\$395,320.40
		FAIR MARKET VALUE OF PROPERTY	4	\$189,000.00
		DATE OF LENDER ACQUISITION OF KNOWLEDGE OF ABANDONMENT 2/22/2012	1	
		UCC FILING @ STATE OF CA LOCATED 1341 DESCRIPTION	6	

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable, this item is required to be reported or taxable income results from this transaction and the IRS determines that it has not been reported.

Form 1098: The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.

Caution: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.

SEE REVERSE SIDE FOR INSTRUCTIONS

**Union Bank**

Subject: Bookout

From: Robert Forouzandeh (rforouzandeh@rppmh.com)

To: sanschromo@yahoo.com;

Cc: mjbarbeau@rppmh.com; kgrant@silcom.com; dlee@rppmh.com;

Date: Monday, February 27, 2012 5:44 PM

Chris,

The Oceano property sold at the trustee sale for \$189,000. Of that amount \$131,323.83 was applied to Mr. Bookout's past-due principal and interest on the loan (as specified in the Proof of Claim). That leaves \$57,676.17 of the trustee sale proceeds to be applied to pay off the attorneys fees and costs incurred by SBBT as a result of Mr. Bookout's default. As you mentioned, SBBT is entitled to credit its attorneys fees and costs incurred as a result of Mr. Bookout's default against the proceeds obtained from the trustee sale. My firm's fees and costs which have been incurred since early 2011 are in excess of \$58,700. This amount does not factor in the fees and costs incurred by Ms. Grant. Although our bill reflects a significant sum, it was driven exclusively by Mr. Bookout's own conduct. As you know Mr. Bookout has a propensity to drive up attorneys fees and costs through his repetitive email and telephone bombardment practices. Had Mr. Bookout not defaulted on the loan and then compounded the problem with his frivolous conduct the majority of these fees would not have been incurred.

Both the full amount of my office's fees and costs along with Ms. Grant's fees and costs must be paid in order to cure the current and ongoing default by Mr. Bookout on the loan. Nonetheless, as a gesture of good faith, SBBT has decided to rescind the Notice of Default on the Pismo Beach property, while reserving the right to seek payment for the remainder of the attorneys fees and costs SBBT incurred as a result of the default. The rescission of the Notice of Default should be completed this week. Due to the fact that the attorneys fees and costs exceed the remaining amount of the trustee sale proceeds, there will be no additional principal pay down on Mr. Bookout's loan, other than the \$131,323.83 amount set forth above.

Accordingly, Mr. Bookout's loan will be re-calculated and re-amortized as follows, with SBBT reserving the right to add the remaining unpaid attorneys fees and costs it incurred pursuant to Mr. Bookout's default:

\$434,589.19 (this was the total amount of principal and interest due including deferred payments and past due amounts as reflected in SBBT's proof of claim)

-

\$5,642.49 (reduction of loan principal as a result of post bankruptcy petition payments made by Mr. Bookout)

-

\$131,323.83 (past due interest and principal amount credited from trustee sale proceeds)

=

\$297,622.87

With 116 payments remaining on the note (with the first being due on March 6, 2012) at an interest rate of 5.25%, this yields a monthly payment amount of \$3,277.21.

I will be providing you with a revised monthly statement for March which reflects these figures shortly.

Please let me know if you have any questions and when you anticipate that Mr. Bookout will be dismissing his bankruptcy petition as you previously indicated that he would be doing once the loan was re-calculated with a lower monthly payment.

**Robert B. Forouzandeh**

Law Offices Chris Gautschi  
177 Riverside Ave F1170  
Newport Beach, CA 92663  
949-2945497 fax 714-2426718

Robert Forouzandeh  
Reicker, Pfau, Pyle & McRoy LLP  
1421 State St.  
Santa Barbara, CA 93101

April 2, 2012

Re: William Bookout Ch 13, SBBT

Dear Mr. Forouzandeh:

The position of Mr. Bookout regarding the landscape rocks and pots he was unable to remove from the site is as follows:

1. In 2007 by bank letter Mr. Bookout was told that the bank considered itself having a secured interest in those materials and that his use or removal of them other than in the ordinary course of business would be considered as conversion of their property; the notice of sale on the Oceano property specified that the materials were part of the sale; the trustee sale deed did not reference the materials;
2. All SBBT's representations to the court and regarding the value of the Oceano property and the reasons the bank lowered the foreclosure sale bid to \$189,000.00 from their own value of the property as of the bankruptcy filing at a value of \$265,000.00 excluded mention of the materials;
3. The materials are worth in excess of \$20,000.00 based on the historical purchase rate by the local buyers of the rock at \$0.65 per pound, and Mr. Bookout has independent evidence of that value;

4. Until right before the first sale, Mr. Bookout was entitled to assume the 2007 threat of conversion and the bank's assertions of security interest in the materials meant he was not allowed to remove them in bulk, and even if he did the bank would still assert a security interest;

5. The materials have been in the actual possession of the bank since the foreclosure sale and in the constructive possession of the bank since March 21 when the stay expired as to the materials;

6. The value of the materials as of the December 27, 2011 petition date is the operative date;

7. Mr. Bookout is entitled to the full market value of the materials as it was on December 27, 2012 and that amount should be deducted from his loan, regardless of what the bank does with the materials;

8. Mr. Bookout is entitled to prosecute a motion to amend his plan to clarify that he has surrendered the materials to the creditor for full value.

9. Mr. Bookout has no objection to the bank selling the materials provided it yields full market value without any sales costs deductions, just as if the items were a vehicle being surrendered in Chapter 13 proceedings, the same rules apply. If the bank values the materials at substantially lower than Mr. Bookout's valuation, then that value should be stated in the bankruptcy claim, and he should have the opportunity to remove the materials over a reasonable time, and the bank should state that it has no interest above its valuation figure in the materials;

10. A provision in his plan allowing him to sell the materials and a payment of the value of the materials through the plan would require a further reduction in the current loan balance equal to that determined value because a confirmed Chapter 13 plan cures all defaults (i.e. it means the debtor is deemed to be current as of the bankruptcy petition date so the entire loan amortization would have to be adjusted otherwise he would be illegally be overcharged). Mr. Bookout has no bankruptcy exemptions which would allow him to remove the materials from the bankruptcy estate, therefore the bankruptcy estate currently owns the materials and the trustee has not yet abandoned her interest.

Very truly yours,

/s/ Chris Gautschi

## **Robert Forouzandeh**

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**From:** Robert Forouzandeh  
**Sent:** Monday, April 02, 2012 5:41 PM  
**To:** 'Chris Gautschi'  
**Cc:** 'Karen Grant'; Mary Jo Barbeau  
**Subject:** RE: 4232012  
**Attachments:** BookoutRobertLT422012Rocks.pdf

Chris,

Your letter is filled with blatant misrepresentations of the law and is not supported by any legal authority.

The undisputed facts are as follows:

1. SBBT did not foreclose upon the landscape rocks. SBBT simply foreclosed upon the Oceano property. As a result, title to the rocks never transferred to SBBT. Thus, SBBT cannot and will not sell the rocks. Simply because SBBT held a security interest in the rocks does not mean that it foreclosed upon the rocks. Since the rocks are personal property and not part of the real property that was sold at the trustee sale, there was no need to include the rocks in the valuation of the Oceano property or credit Mr. Bookout with the value of the rocks or disclose the rocks to the Bankruptcy Court. The duty of disclosure was solely Mr. Bookout's, which he has failed to do.

2. The rocks are the personal property of Mr. Bookout which he left on the property after the trustee sale was completed. SBBT does not want the rocks and will not sell them on behalf of Mr. Bookout. If Mr. Bookout wants to sell his rocks, he can sell them himself. Since February 21, 2012, I have stated to you **on multiple occasions**, that Mr. Bookout is free to enter the Oceano property and remove the rocks and/or any other personal property from the site. Mr. Bookout has failed to do so. The bank wants the rocks removed so that it can sell the property. If Mr. Bookout fails to remove the rocks, SBBT is going to hire someone to come and haul the rocks away. SBBT will not get paid for the rocks and will have to incur costs for this removal.

3. Your contention that Mr. Bookout should be credited with the full value of the rocks is preposterous. First, SBBT does not own the rocks, nor does it want to. Second, even if SBBT did hold title to the rocks, which it does not, as I have stated to you on numerous occasions, SBBT is not in the landscape business and does not deal with the sale of landscape rocks. To assume that SBBT could somehow obtain the wholesale, let alone, retail value for the rocks defies all logic. Why would SBBT go through the effort of selling landscape rocks which do not belong to it and which it did not foreclose upon. Your additional contention that SBBT should just let the rocks sit there for an indefinite period of time so that Mr. Bookout can come and sell the rocks from SBBT's property is equally ridiculous. The bank is currently attempting to sell the Oceano property. The presence of the rocks is interfering with that process and SBBT wants this issue taken care of as soon as possible.

I am going to summarize SBBT's position as follows:

- A. SBBT will not sell any of the personal property, including the rocks, left on the Oceano property by Mr. Bookout.
- B. SBBT will not give any credit to Mr. Bookout for any of the personal property, including the rocks, left on the Oceano property by Mr. Bookout.
- C. SBBT is in the process of getting bids for the removal of the rocks from the Oceano property so that it can sell the Oceano property. The removal bids are simply for hauling away the rock and nothing else. SBBT will be paying for this removal out of its own pocket and will not be getting paid in any way.
- D. Even though Mr. Bookout has already abandoned the personal property and SBBT can dispose of it as it wishes, as a gesture of good faith, if Mr. Bookout wants to sell the rocks or any other personal property that he left behind on the Oceano property, he is free to enter the site after providing me with 24 hours notice prior to his visit to remove any such personal property and do whatever he wishes with the personal property that he left behind.
- E. Once the bid for removal of the rocks is obtained and a date for removal is set, I will contact you and advise you when the rocks will be removed and give Mr. Bookout one final chance to go and remove the rocks himself before they are disposed of. Again, this is simply being done as a gesture of good faith as SBBT is under no duty or obligation to provide notice prior to disposal of personal property left behind on the Oceano property by Mr. Bookout.

If you have any questions or dispute any of the facts that I have set forth above, I suggest you call me to talk through them as opposed to sending me letters filled with unsupported facts and theories of law.

Robert

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**From:** Chris Gautschi [<mailto:sanschromo@yahoo.com>]

**Sent:** Monday, April 02, 2012 5:10 PM

**To:** Robert Forouzandeh

**Cc:** Chris Gautschi

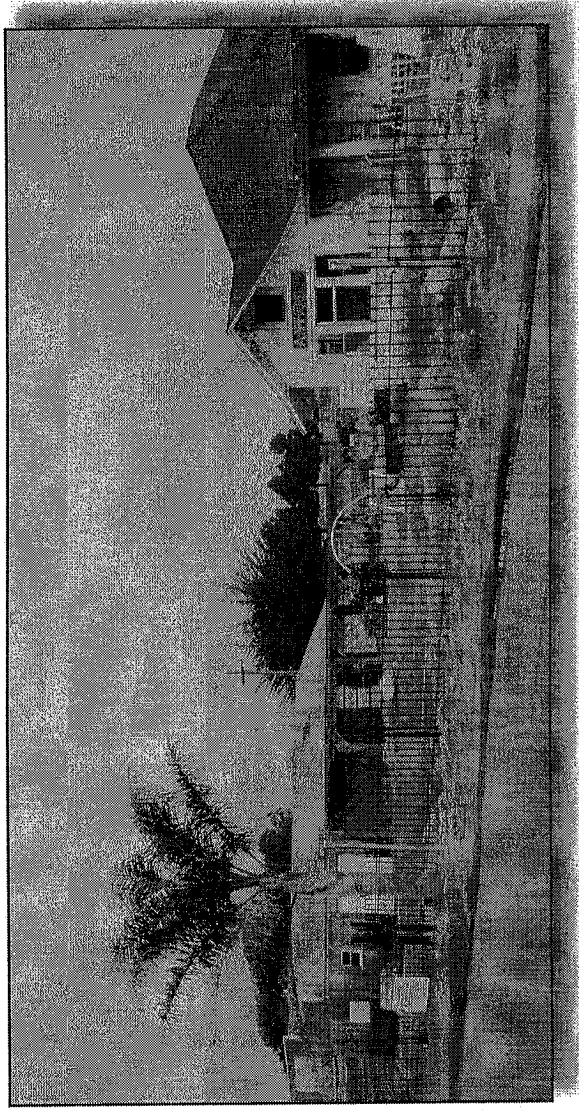
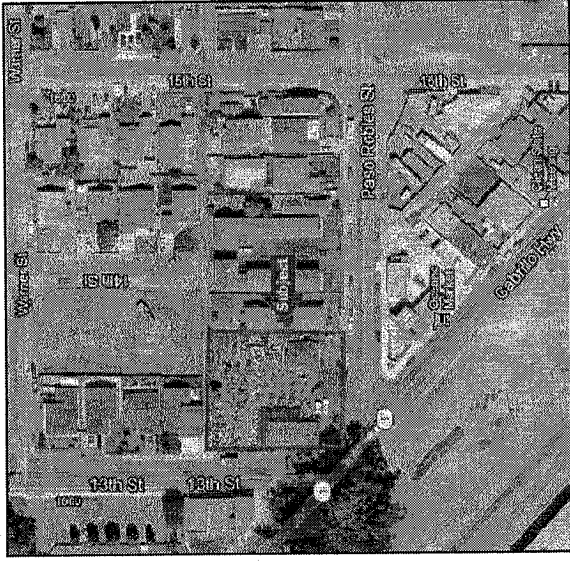
**Subject:** 4232012

Yes, this is what I have been asking for, SBBT's complete list of dates and amounts paid.

The position on the rocks, etc. is in the attached letter. Sorry about spelling mistakes, this is my last task for today and I have to leave and won't be in the office until Wednesday morning.

# COMMERCIAL/INDUSTRIAL BUILDINGS FOR SALE

1341 Paso Robles Street, Oceano, CA



Lender owned commercial/industrial buildings for sale in the unincorporated city of Oceano. Currently three (3) buildings reside on the property with the largest (+/- 1,700 SF) being a warehouse building of metal/wood construction w/2 roll-up doors. Formerly used as a nursery and gift shop, this property lends itself to many uses that can benefit from the large outdoor area. Good visibility to Highway 1 and easy ingress/egress. Check with County of San Luis Obispo for list of allowed uses.

## Property Details

- Building Size: +/- 2,679 SF between 3 buildings
- Land Size: +/- .54 acres
- Construction Type: Metal/Wood
- Zoning: CR (Commercial Retail)
- Roll-Up Doors: 2
- Parking: Private Lot, +/- 8 spaces
- APN #: 062-042-044
- Bank Owned
- Price: \$265,000.00

**Brian LaCabe**

**805.928.2800, ext. 103**

**blacabe@pacificarealestate.com**

**DRE# 01026699**



2520 Professional Parkway, Santa Maria, CA 93458 ♦ Office: (805) 928-2800 Fax: (805) 349-9375 ♦ [www.pacificacommercialrealty.com](http://www.pacificacommercialrealty.com)

Information contained herein has been obtained from the owner of the property or from other sources deemed reliable. We have no reason to doubt its accuracy, but we do not guarantee it.



RECORDING REQUESTED BY

**TITLE COURT SERVICE**

WHEN RECORDED MAIL TO  
and  
MAIL TAX STATEMENTS TO:

SANTA BARBARA BANK & TRUST, N.A.  
490 S. FAIRVIEW AVE., STE 110  
GOLETA, CA 93117

**JULIE RODEWALD**  
San Luis Obispo County – Clerk/Recorder

DG  
3/02/2012  
11:35 AM

Recorded at the request of  
**Title Court Services Inc**

DOC#: **2012011722**



<b>Titles:</b>	<b>1</b>	<b>Pages:</b>	<b>2</b>
<b>Fees</b>			<b>17.00</b>
<b>Taxes</b>			<b>0.00</b>
<b>Others</b>			<b>10.00</b>
<b>PAID</b>			<b>\$27.00</b>

Trustee Sale No. 11-00126-5  
Loan No. 15899

SURVEY MONUMENT FEE \$10.00

### TRUSTEE'S DEED UPON SALE

APN 062-042-044

FILED	FEE PAID	EXEMPT	OUT OF STATE
		<i>JK</i>	

The undersigned grantor declares:

- 1) The Grantee herein was the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was..... \$532,047.05
- 3) The amount paid by the grantee at the trustee sale was ..... \$189,000.00
- 4) The documentary transfer tax is..... \$NONE
- 5) Said property is in the City of Oceano, County of San Luis Obispo.

FIDELITY NATIONAL TITLE COMPANY (herein called Trustee), as the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to SANTA BARBARA BANK & TRUST, N.A. FORMERLY KNOWN AS PACIFIC CAPITAL BANK, N.A. DOING BUSINESS AS FIRST BANK OF SAN LUIS OBISPO. (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of San Luis Obispo, State of California, described as follows:

LOTS 13,14,15, 16,17 AND 18 IN BLOCK 9 OF THE TOWN OF OCEANO, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP ENTITLED "MAP NO. 2 OF THE TOWN OF OCEANO", RECORDED JANUARY 30, 1899 IN BOOK A, PAGE 148 OF MAPS.

TOGETHER WITH THAT CERTAIN PERSONAL PROPERTY MORE PARTICULARLY DESCRIBED AS FOLLOWS: ALL INVENTORY, CHATTEL PAPER, ACCOUNTS, EQUIPMENT, GENERAL INTANGIBLES AND FIXTURES; WHETHER ANY OF THE FOREGOING IS OWNED NOW OR ACQUIRED LATER; ALL ACCESSIONS, ADDITIONS, REPLACEMENTS AND SUBSTITUTIONS RELATING TO ANY OF THE FOREGOING; ALL RECORD OF ANY KIND RELATING TO ANY OF THE FOREGOING; ALL PROCEEDS RELATING TO ANY OF THE FOREGOING (INCLUDING INSURANCE, GENERAL INTANGILBES AND OTHER ACCOUNTS PROCEEDS)

CAPITALIZED TERMS USED ABOVE WITHOUT DEFINITION HAVE THE MEANING GIVEN THEM IN THE DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING DESCRIBED IN THE NOTICE OF TRUSTEE'S SALE.

This conveyance is pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated October 6, 2003 and executed by WILLIAM A. BOOKOUT, A SINGLE MAN, as Trustor, and recorded on October 10, 2003, as Instrument No. 2003119487 of official records of San Luis Obispo County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

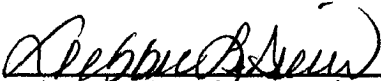
Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on **February 22, 2012**. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being **\$189,000.00** in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

Dated: February 22, 2012

**FIDELITY NATIONAL TITLE COMPANY, Trustee**


  
Debbie LeSieur, Authorized Signor

State of California                                    )ss.  
County of Sacramento                            )ss

On March 1, 2012 before me, J. Catching, Notary Public, personally appeared Debbie LeSieur, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
J. Catching # 1878109  
My Commission Expires January 25, 2014



Law Offices Chris Gautschi  
177 Riverside Ave F1170  
Newport Beach, CA 92663  
949-2945497 fax 714-2426718

Robert Forouzandeh  
Reicker, Pfau, Pyle & McRoy LLP  
1421 State St.  
Santa Barbara, CA 93101

March 19, 2012

Re: William Bookout Ch 13, SBBT

Dear Mr. Forouzandeh:

In reply to your query as to the landscape rocks and pots remaining on the property, it is Mr. Bookout's understanding that the SBBT entity has claimed a perfected security interest in the materials. Attached is a letter dated May 24, 2007 referring to the materials. Therefore he believed that SBBT would liquidate its security and apply proceeds to his loan balance. The wholesale value of the rocks is \$0.65 and there is approximately \$21,000.00 worth of rocks there at the wholesale price. If the bank does not claim a security interest in the materials, then that property would be property of the bankruptcy estate and I would have to ask the trustee what she wants done with the materials. I suppose in the event the SBBT entity does not claim a security interest, it might be possible for Mr. Bookout to sell the materials, and I don't know, in that case, if SBBT would permit him to sell the materials off the current location, provided his business insurance covers that activity. All parties would like the current loan to be out of any default, and that might be a way to do it.

In reviewing your latest effort to settle the matters globally, I need clarification regarding the prior mortgage payments made. To that purpose, I am enclosing a 3 page SBA lender's transcript of account, which I think is what SBBT did August 29, 2011, and I need to know whether this accurately states SBBT's records of what loan

payments were made, and what the applicable interest rates were at each period as indicated.

Very truly yours,

/s/ Chris Gautschi



May 24, 2007

William A. Bookout  
Oceano Nursery  
1341 Paso Robles Street  
Oceano, CA. 93445

FACSMILE (805) 773-0017

Re: First Bank of San Luis Obispo Loan #100983501

Dear Mr. Bookout:

This letter concerns your loan with Pacific Capital Bank.

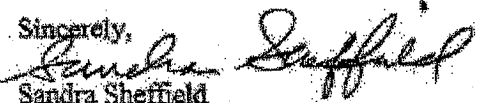
First of all, we understand that you are in the process of liquidating all of your businesses. As you know, the Bank has a blanket security interest in all of your personal property, including the business assets. The Bank is therefore entitled to the proceeds of the liquidation, particularly as it appears that these proceeds will not be used to acquire replacement inventory.

Your use of the collateral proceeds for your personal use would be, in the Bank's view and under the applicable law, conversion of those proceeds. This letter is to request that the going out of business sale proceeds be placed into a bank account, separate from your personal account, so that there is no dispute over the disposition of those proceeds. Please let us know how you will be handling the proceeds so that we can resolve this matter.

In addition, as you know, the Bank is in the process of foreclosing on its real property collateral. As part of its foreclosure process, the Bank requires both an appraisal of the property as well as an environmental review. Under the terms of the applicable deeds of trust, the Bank has the right to enter on and inspect the collateral. Pursuant to this right, Pacific Capital Bank is requesting that you arrange for a convenient date and time, no later than May 30, 2007, when the Bank's appraiser and environmental consultant can enter the properties. Please call (619) 260-4483 to arrange the time.

We hope that these matters can be resolved quickly and with a minimum of effort, as the Bank wants to avoid having to involve legal counsel. On the other hand, given the extended period your loans have been in default, we have to move quickly.

Sincerely,

  
Sandra Sheffield  
Vice President

OMB NO: 3246-0132  
Expiration Date: 3/31/2005

**U.S. SMALL BUSINESS ADMINISTRATION**  
**Lender's Transcript of Account**

Name of Borrower: William A Bookout DBA Oceano Nursery		Loan Number: 664-186-4009
Name of Lender: Pacific Capital Bank, N.A.		Amount of Loan: \$450,000.00 Int. Day Basis: ACT/365

**Repayment Terms as Stated in the Note:**

Note dated October 6, 2003; Maturity date is 18 years from date of Note (October 6, 2021); Initial interest rate is 6.00% per year, adjusted monthly (the "change period"); Prime Rate plus 2.00%; Principal and interest payments of \$3,411.73 every month, beginning one month from the month this Note is dated; A change in Terms Agreement dated February 5, 2005; 3 interest only payments beginning February 6, 2005. Principal and interest payment to resume on May 6, 2005; Per Forbearance and Workout Agreement dated June 30, 2007; Principal and interest payments due October 2006 through July 2007 are Deferred. Next payment of Principal and interest is due August 6, 2007. Effective July 6, 2007 the interest rate is changed to 6.00% fixed

Payments must be made on the same day as the date of this Note in the months they are due

DATE	AMOUNT DISBURSED	AMOUNT REPAID	APPLICATION OF PAYMENT		INT RATE	INTEREST PAID		PRINCIPAL BALANCE
			PRINCIPAL	INTEREST		FROM	TO	
10/10/03	\$385,246.89	\$0.00	\$0.00	\$0.00	6.0000%			\$385,246.89
10/14/03	\$65,753.11	\$0.00	\$0.00	\$0.00	6.0000%			\$450,000.00
11/06/03	\$0.00	\$3,411.73	\$1,457.06	\$1,954.67	6.0000%	10/10/03	11/06/03	\$446,542.94
12/12/03	\$0.00	\$3,412.99	\$758.60	\$2,654.39	6.0000%	11/06/03	12/12/03	\$447,784.34
01/12/04	\$0.00	\$3,412.99	\$1,131.14	\$2,281.85	6.0000%	12/12/03	01/12/04	\$446,663.20
02/09/04	\$0.00	\$3,412.99	\$1,357.17	\$2,055.82	6.0000%	01/12/04	02/09/04	\$445,288.03
03/10/04	\$0.00	\$3,412.99	\$1,217.01	\$2,195.98	6.0000%	02/09/04	03/10/04	\$444,079.02
04/06/04	\$0.00	\$3,412.99	\$1,442.01	\$1,970.98	6.0000%	03/10/04	04/06/04	\$442,637.01
05/10/04	\$0.00	\$3,412.99	\$939.08	\$2,473.91	6.0000%	04/06/04	05/10/04	\$441,697.93
06/07/04	\$0.00	\$3,412.99	\$1,379.07	\$2,033.92	6.0000%	05/10/04	06/07/04	\$440,317.96
07/01/04	\$0.00	\$0.00	\$0.00	\$0.00	6.2500%			\$440,317.96
07/12/04	\$0.00	\$3,409.43	\$842.92	\$2,566.51	6.2500%	06/07/04	07/12/04	\$439,478.04
08/18/04	\$0.00	\$3,409.43	\$625.10	\$2,784.33	6.2500%	07/12/04	08/18/04	\$438,849.94
09/01/04	\$0.00	\$0.00	\$0.00	\$0.00	6.5000%			\$438,849.94
09/08/04	\$0.00	\$3,470.85	\$1,871.77	\$1,599.08	6.6000%	08/18/04	09/08/04	\$436,978.17
10/01/04	\$0.00	\$0.00	\$0.00	\$0.00	6.7500%			\$436,978.17
11/23/04	\$0.00	\$7,129.11	\$1,056.32	\$6,072.79	6.7500%	09/08/04	11/23/04	\$435,921.85
12/01/04	\$0.00	\$0.00	\$0.00	\$0.00	7.0000%			\$435,921.85
01/01/05	\$0.00	\$0.00	\$0.00	\$0.00	7.2500%			\$435,921.85
01/18/05	\$0.00	\$7,129.11	\$2,420.57	\$4,708.54	7.2500%	11/23/04	01/18/05	\$433,501.28
01/25/05	\$0.00	\$124.12	\$0.00	\$124.12	7.2500%	01/18/05	01/25/05	\$433,501.28
02/15/05	\$0.00	\$1,511.90	\$0.00	\$1,511.90	7.2500%	01/25/05	02/15/05	\$433,501.28
03/01/05	\$0.00	\$0.00	\$0.00	\$0.00	7.5000%			\$433,501.28
03/08/05	\$0.00	\$2,410.97	\$0.00	\$2,410.97	7.5000%	02/15/05	03/08/05	\$433,501.28
04/01/05	\$0.00	\$0.00	\$0.00	\$0.00	7.7500%			\$433,501.28
06/08/05	\$0.00	\$2,776.17	\$0.00	\$2,776.17	7.7500%	03/08/05	04/03/05	\$433,501.28
08/01/05	\$0.00	\$0.00	\$0.00	\$0.00	8.0000%			\$433,501.28
07/01/05	\$0.00	\$0.00	\$0.00	\$0.00	8.2500%			\$433,501.28
07/22/05	\$0.00	\$11,474.59	\$1,397.19	\$10,077.40	8.2500%	04/03/05	07/22/05	\$432,104.09
07/25/05	\$0.00	\$3,758.59	\$3,465.50	\$293.00	8.2500%	07/22/05	07/25/05	\$428,638.50
08/23/05	\$0.00	\$256.98	\$0.00	\$256.98	8.2500%	07/25/05	07/27/05	\$428,638.50
08/01/05	\$0.00	\$0.00	\$0.00	\$0.00	8.5000%			\$428,638.50
10/01/05	\$0.00	\$0.00	\$0.00	\$0.00	8.7500%			\$428,638.50
11/01/05	\$0.00	\$0.00	\$0.00	\$0.00	9.0000%			\$428,638.50

Duplicate of SBA Form 1149 (3-00)  
RIFP 604 5050  
Previous Editions Obsolete  
(This form is a necessary part of the  
SBA GUARANTEE purchase package.)

See Reverse Side for Instructions

CMB NO: 3245-0132  
Expiration Date: 3/31/2005

**U.S. SMALL BUSINESS ADMINISTRATION  
Lender's Transcript of Account**

Name of Borrower: William A Bookout DBA Oceano Nursery		Loan Number: 664-196-4009
Name of Lender: Pacific Capital Bank, N.A.	Amount of Loan: \$450,000.00	Int. Day Basis: ACT/365

**Repayment Terms as Stated in the Note:**

Note dated October 6, 2003; Maturity date is 18 years from date of Note (October 6, 2021); Initial interest rate is 6.00% per year, adjusted monthly (the change period); Prime Rate plus 2.00%; Principal and interest payments of \$3,411.73 every month, beginning one month from the month this Note is dated; A change in Terms Agreement dated February 5, 2005; 3 interest only payments beginning February 6, 2005. Principal and interest payment to resume on May 6, 2005; Per Forebearance and Workout Agreement dated June 30, 2007; Principal and interest payments due October 2006 through July 2007 are Deferred. Next payment of Principal and Interest is due August 6, 2007. Effective July 6, 2007 the interest rate is changed to 6.00% fixed  
Payments must be made on the same day as the date of this Note in the months they are due

DATE	AMOUNT DISBURSED	AMOUNT REPAID	APPLICATION OF PAYMENT		INT RATE	INTEREST PAID		PRINCIPAL BALANCE
			PRINCIPAL	INTEREST		FROM	TO	
11/29/05	\$0.00	\$4,100.00	\$0.00	\$4,100.00	9.0000%	07/27/05	09/07/05	\$428,638.50
01/01/06	\$0.00	\$0.00	\$0.00	\$0.00	9.2500%			\$428,638.50
01/17/06	\$0.00	\$4,209.14	\$0.00	\$4,209.14	9.2500%	08/07/05	10/18/05	\$428,638.50
02/01/06	\$0.00	\$0.00	\$0.00	\$0.00	9.5000%			\$428,638.50
02/24/06	\$0.00	\$12,562.00	\$0.00	\$12,562.00	9.5000%	10/18/05	02/12/06	\$428,638.50
03/23/06	\$0.00	\$12,740.46	\$8,814.20	\$4,126.26	9.5000%	02/12/06	03/23/06	\$420,024.30
04/01/06	\$0.00	\$0.00	\$0.00	\$0.00	9.7500%			\$420,024.30
06/01/06	\$0.00	\$0.00	\$0.00	\$0.00	10.0000%			\$420,024.30
07/01/06	\$0.00	\$0.00	\$0.00	\$0.00	10.2500%			\$420,024.30
07/08/07	\$0.00	\$22,274.46	\$0.00	\$22,274.46	6.0000%	03/23/06	10/02/06	\$420,024.30
07/12/07	\$0.00	\$5,000.00	\$0.00	\$5,000.00	6.0000%	10/02/06	11/15/06	\$420,024.30
07/17/07	\$0.00	\$5,000.00	\$0.00	\$5,000.00	6.0000%	11/15/06	12/27/06	\$420,024.30
07/20/07	\$0.00	\$4,600.00	\$0.00	\$4,600.00	6.0000%	12/27/06	02/03/07	\$420,024.30
07/30/07	Deferral - 10 months P & I (October 2006 to July 2007)							
08/10/07	\$0.00	\$4,121.06	\$0.00	\$4,121.06	6.0000%	02/03/07	03/08/07	\$420,024.30
10/04/07	\$0.00	\$4,121.06	\$0.00	\$4,121.06	6.0000%	03/09/07	04/12/07	\$420,024.30
12/03/07	\$0.00	\$4,121.06	\$0.00	\$4,121.06	6.0000%	04/12/07	05/16/07	\$420,024.30
12/12/07	\$0.00	\$4,121.06	\$0.00	\$4,121.06	6.0000%	05/16/07	06/19/07	\$420,024.30
02/29/08	\$0.00	\$4,121.06	\$0.00	\$4,121.06	6.0000%	06/19/07	08/12/07	\$420,024.30
03/28/08	\$0.00	\$4,200.00	\$0.00	\$4,200.00	6.0000%	08/12/07	10/10/07	\$420,024.30
05/01/08	\$0.00	\$4,200.00	\$0.00	\$4,200.00	6.0000%	10/10/07	12/10/07	\$420,024.30
05/20/08	\$0.00	\$5,200.00	\$0.00	\$5,200.00	6.0000%	12/10/07	02/25/08	\$420,024.30
06/23/08	\$0.00	\$4,200.00	\$0.00	\$4,200.00	6.0000%	02/25/08	04/28/08	\$420,024.30
07/30/08	\$0.00	\$4,200.00	\$0.00	\$4,200.00	6.0000%	04/28/08	06/28/08	\$420,024.30
08/02/08	\$0.00	\$4,200.00	\$0.00	\$4,200.00	6.0000%	06/28/08	08/25/08	\$420,024.30
09/30/08	\$0.00	\$4,200.00	\$1,889.86	\$2,530.04	6.0000%	08/25/08	10/01/08	\$418,384.34
11/03/08	\$0.00	\$4,121.06	\$1,881.80	\$2,259.28	6.0000%	10/01/08	11/03/08	\$416,482.54
12/03/08	\$0.00	\$4,121.06	\$2,067.12	\$2,053.94	6.0000%	11/03/08	12/03/08	\$414,425.42
01/12/09	\$0.00	\$4,121.06	\$1,396.07	\$2,724.99	6.0000%	12/03/08	01/12/09	\$413,029.35
03/09/09	\$0.00	\$4,121.06	\$318.93	\$3,802.13	6.0000%	01/12/09	03/09/09	\$412,710.42
04/08/09	\$0.00	\$4,121.06	\$2,085.78	\$2,035.28	6.0000%	03/09/09	04/08/09	\$410,624.84
04/21/09	\$0.00	\$4,121.06	\$3,243.56	\$877.50	6.0000%	04/08/09	04/21/09	\$407,381.68
05/11/09	\$0.00	\$4,121.06	\$2,781.72	\$1,339.34	6.0000%	04/21/09	05/11/09	\$404,589.35
06/10/09	\$0.00	\$4,121.06	\$2,125.78	\$1,895.28	6.0000%	05/11/09	06/10/09	\$402,473.59

Duplicate of SBA Form 1149 (3-00)  
REP SOP 5050  
Previous Editions Obsolete  
(This form is a necessary part of the  
SBA GUARANTEE purchase package.)

See Reverse Side for Instructions

OMB NO: 3245-0132  
Expiration Date: 3/31/2005

**U.S. SMALL BUSINESS ADMINISTRATION**  
**Lender's Transcript of Account**

Name of Borrower: William A Bookout DBA Oceano Nursery		Loan Number: 664-106-4009	
Name of Lender: Pacific Capital Bank, N.A.		Amount of Loan: \$480,000.00	Int. Day Basis: ACT/365

**Repayment Terms as Stated in the Note:**

Note dated October 6, 2003; Maturity date is 18 years from date of Note (October 6, 2021); Initial interest rate is 6.00% per year, adjusted monthly (the "change period"); Prime Rate plus 2.00%; Principal and interest payments of \$3,411.73 every month, beginning one month from the month this Note is dated; A change in Terms Agreement dated February 5, 2005; 3 interest only payments beginning February 6, 2005; Principal and interest payment to resume on May 6, 2005; Per Forebearance and Workout Agreement dated June 30, 2007; Principal and interest payments due October 2008 through July 2007 are Deferred. Next payment of Principal and interest is due August 6, 2007. Effective July 6, 2007 the interest rate is changed to 6.00% fixed  
Payments must be made on the same day as the date of this Note in the months they are due

DATE	AMOUNT DISBURSED	AMOUNT REPAID	APPLICATION OF PAYMENT		INT RATE	INTEREST PAID		PRINCIPAL BALANCE
			PRINCIPAL	INTEREST		FROM	TO	
06/30/08	\$0.00	\$4,121.06	\$2,787.86	\$1,328.20	6.0000%	06/10/09	06/30/09	\$399,875.72
07/02/09	\$0.00	\$4,121.06	\$3,969.66	\$131.40	6.0000%	06/30/09	07/02/09	\$395,686.06
09/01/09	\$0.00	\$4,121.06	\$153.35	\$3,967.71	0.0000%	07/02/09	09/01/09	\$395,532.71
10/05/09	\$0.00	\$4,121.06	\$1,910.42	\$2,210.64	0.0000%	09/01/09	10/05/09	\$393,622.29
11/13/09	\$0.00	\$4,121.06	\$1,597.56	\$2,523.50	0.0000%	10/05/09	11/13/09	\$392,024.73
12/31/09	\$0.00	\$4,121.06	\$1,027.82	\$3,093.24	0.0000%	11/13/09	12/31/09	\$380,986.91
01/26/10	Loan Defaulted							

I Certify this to be a True Copy of Transcript of Account  
 Signature: Sandra Sheffield Title: Vice President Date: August 29, 2011

Division of SBA Form 1149 (3-03)  
REF SOP 5050  
Previous Editions Obsolete  
(This form is a necessary part of the  
SBA GUARANTEE purchase package.)



Schedule of Amounts Owing  
Loan # 100983501 - Bookout

Rate	Rate Change Date	Payment Due Date	Principal Balance	Amort payment	Amount paid	Late Fees
5.25%	12/01/09	01/06/10	\$400,962.89	\$3,743.71	\$0.00	\$187.19
5.25%	01/01/10	02/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	02/01/10	03/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	03/01/10	04/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	04/01/10	05/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	05/01/10	06/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	06/01/10	07/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	07/01/10	08/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	08/01/10	09/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	09/01/10	10/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	10/01/10	11/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	11/01/10	12/06/10	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	12/01/10	01/06/11	\$400,962.89	\$3,816.71	\$0.00	\$190.84
5.25%	01/01/11	02/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	02/01/11	03/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	03/01/11	04/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	04/01/11	05/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	05/01/11	06/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	06/01/11	07/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	07/01/11	08/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	08/01/11	09/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	09/01/11	10/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
		10/11/11	Debtor Payment		(\$4,121.06)	
		11/04/11	Debtor Payment		(\$4,121.06)	
5.25%	10/01/11	11/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87
5.25%	11/01/11	12/06/11	\$400,962.89	\$4,077.32	\$0.00	\$203.87

Regular payments past due \$86,152.63

Deferred and defaulted payments past due\* \$45,171.20

Total arrearage past due \$131,323.83

Total due at 12/27/11 \$434,589.19  
726 days @ \$57.67  
(1/1/10 - 12/27/11)  
Less PPP of \$8,242.12

\* Oct 2006 - July 2007 per  
Forbearance & Workout  
Agreement of July 2007

A-23

**Karen Grant**

---

**From:** "Robert Forouzandeh" <rforouzandeh@rppmh.com>  
**To:** "Chris Gautschi" <sanschromo@yahoo.com>  
**Cc:** "Mary Jo Barbeau" <mjbarbeau@rppmh.com>; "Karen Grant" <kgrant@silcom.com>; "Diana Lee" <dlee@rppmh.com>  
**Sent:** Monday, February 27, 2012 6:44 PM  
**Subject:** Bookout

Chris,

The Oceano property sold at the trustee sale for \$189,000. Of that amount \$131,323.83 was applied to Mr. Bookout's past-due principal and interest on the loan (as specified in the Proof of Claim). That leaves \$57,676.17 of the trustee sale proceeds to be applied to pay off the attorneys fees and costs incurred by SBBT as a result of Mr. Bookout's default. As you mentioned, SBBT is entitled to credit its attorneys fees and costs incurred as a result of Mr. Bookout's default against the proceeds obtained from the trustee sale. My firm's fees and costs which have been incurred since early 2011 are in excess of \$58,700. This amount does not factor in the fees and costs incurred by Ms. Grant. Although our bill reflects a significant sum, it was driven exclusively by Mr. Bookout's own conduct. As you know Mr. Bookout has a propensity to drive up attorneys fees and costs through his repetitive email and telephone bombardment practices. Had Mr. Bookout not defaulted on the loan and then compounded the problem with his frivolous conduct the majority of these fees would not have been incurred.

Both the full amount of my office's fees and costs along with Ms. Grant's fees and costs must be paid in order to cure the current and ongoing default by Mr. Bookout on the loan. Nonetheless, as a gesture of good faith, SBBT has decided to rescind the Notice of Default on the Pismo Beach property, while reserving the right to seek payment for the remainder of the attorneys fees and costs SBBT incurred as a result of the default. The rescission of the Notice of Default should be completed this week. Due to the fact that the attorneys fees and costs exceed the remaining amount of the trustee sale proceeds, there will be no additional principal pay down on Mr. Bookout's loan, other than the \$131,323.83 amount set forth above.

Accordingly, Mr. Bookout's loan will be re-calculated and re-amortized as follows, with SBBT reserving the right to add the remaining unpaid attorneys fees and costs it incurred pursuant to Mr. Bookout's default:

\$434,589.19 (this was the total amount of principal and interest due including deferred payments and past due amounts as reflected in SBBT's proof of claim)  
-  
\$5,642.49 (reduction of loan principal as a result of post bankruptcy petition payments made by Mr. Bookout)  
-  
\$131,323.83 (past due interest and principal amount credited from trustee sale proceeds)  
=  
\$297,622.87

With 116 payments remaining on the note (with the first being due on March 6, 2012) at an interest rate of 5.25%, this yields a monthly payment amount of \$3,277.21.

I will be providing you with a revised monthly statement for March which reflects these figures shortly.

Please let me know if you have any questions and when you anticipate that Mr. Bookout will be dismissing his bankruptcy petition as you previously indicated that he would be doing once the loan was re-calculated with a lower monthly payment.

**Robert B. Forouzandeh**  
Attorney at Law  
Reicker, Pfau, Pyle & McRoy LLP  
1421 State Street, Suite B  
Santa Barbara, CA 93101.

**EXHIBIT** B-23

3/15/2012

Detailed Loan Billing Statement

This Statement is provided for information purposes only and does not constitute a demand for payment. All demands for Payment have been submitted as part of Santa Barbara Bank & Trust's Claim filed with the United States Bankruptcy Court.

Loan Number 100983501

Bill Bookout - DBA Oceano Nursery  
470 Price St.  
Pismo Beach CA 93449

Jan 19, 2012

Page 1

If you have any questions regarding this billing statement, please contact Robert Forouzandeh at 805-966-2440.

Detailed Billing Statement

Previous Balance	400,962.89	Opening Period Date	12/27/2011
New Balance	400,962.89	Closing Period Date	01/19/2012
Current Interest Rate	5.2500	Advances	0.00
Post Petition Principal Amount	2,601.78	Payments	0.00
Post Petition Interest Amount	1,787.86	Credit Limit	0.00
Addl Principal	0.00	Total Hold Amount	0.00
Insurance	0.00	Available Balance	0.00
Escrow Due	0.00	Interest Paid YTD	0.00
Post Petition Past Due Amount	4,077.32	Late Charge YTD	0.00
Post Petition Late Charges Due	0.00		
Other Fees Due	0.00		
<b>TOTAL AMOUNT DUE</b>	<b>8,466.96</b>	Late Fee after 02/16/2012	219.49
<b>DUE DATE</b>	<b>02/06/2012</b>	Amt Due after 02/16/2012	<b>8,686.45</b>

ACCOUNT ACTIVITY

DATE	TRAN DESCRIPTION	PRINCIPAL/OTHER	INTEREST	BALANCE
12/27/11	Balance Forward			400,962.89
01/19/12	No Activity for period	0.00	0.00	400,962.89

Detailed Billing Statement

Bill Bookout  
Account Number 100983501

Payment Amt	4,389.64
Escrow Due	0.00
Past Due Amt	4,077.32
Late Charges	0.00
Fees Due	0.00

Santa Barbara Bank & Trust, NA  
PO Box 60839  
Santa Barbara, CA 93160-0839

Tot Amt Due	8,466.96
Due Date	02/06/2012

Date: 01/19/2012

Adjustable Rate Notice

This Statement is provided for information purposes only and does not constitute a demand for payment. All demands for Payment have been submitted as part of Santa Barbara Bank & Trust's Claim filed with the United States Bankruptcy Court.

Bill Bookout - DBA Oceano Nursery  
470 Price St.  
Pismo Beach, CA 93449

Account Number:

100983501

The following information is provided concerning changes to your Adjustable interest rate and Loan Payment in accordance with the terms of your loan. If you have questions regarding this information, please contact Robert Forouzandeh at 805-966-2440.

Previous Index Value:	3.2500
Previous Interest Rate:	5.2500
Previous Loan Payment:	4,077.32
Current Loan Balance:	400,962.89
Projected Balance:	400,962.89
New Interest Rate Effective Date:	01/01/2012
Current Index Value:	3.2500
Rate Margin:	2.0000
New Interest Rate:	5.2500
New Payment Effective Date:	02/06/2012
New Loan Payment:	4,389.64

Detailed Loan Billing Statement

This Statement is provided for information purposes only and does not constitute a demand for payment. All demands for Payment have been submitted as part of Santa Barbara Bank & Trust's Claim filed with the United States Bankruptcy Court.

Loan Number 100983501

Bill Bookout - DEB Oceano Nursery  
470 Price St.  
Pismo Beach CA 93449

Feb 27, 2012

Page 1

If you have any questions regarding this billing statement, please contact Robert Forouzandeh at 805-966-2440.

Detailed Billing Statement

Previous Balance	395,320.40	Opening Period Date	02/20/2012
New Balance	297,622.87	Closing Period Date	02/27/2012
Current Interest Rate	5.2500	Advances	0.00
Post Petition Principal Amount	2,035.76	Payments	0.00
Post Petition Interest Amount	1,241.45	Credit Limit	0.00
Addl Principal	0.00	Total Hold Amount	0.00
Insurance	0.00	Available Balance	0.00
Escrow Due	0.00	Interest Paid YTD	0.00
Post Petition Past Due Amount	0.00	Late Charge YTD	0.00
Post Petition Late Charges Due	0.00		
Other Fees Due	0.00		
TOTAL AMOUNT DUE	3,277.21	Late Fee after 03/16/2012	163.86
DUE DATE	03/06/2012	Amt Due after 03/16/2012	3,441.07

ACCOUNT ACTIVITY

DATE	TRAN DESCRIPTION	PRINCIPAL/OTHER	INTEREST	BALANCE
02/20/12	Principal Balance Forward			395,320.40
02/22/12	Oceano \$189,000 Trustee Sale Proceeds (memo only)			395,320.40
02/22/12	Pre Petition			
	Past due Interest	33,626.30	Not Applied to Principal	
02/22/12	Pre Petition			
	Past due Principal	97,697.53		297,622.87
02/22/12	Partial Pre Petition			
	Attorney Fees & Costs	57,676.17	Not Applied to Principal	
02/27/12	Ending Balance	0.00	0.00	297,622.87

Detailed Billing Statement

Bill Bookout  
Account Number 100983501

Payment Amt 3,277.21  
Escrow Due 0.00  
Past Due Amt 0.00  
Late Charges 0.00  
Fees Due 0.00

Tot Amt Due 3,277.21  
Due Date 03/06/2012

Santa Barbara Bank & Trust, NA  
PO Box 60839  
Santa Barbara, CA 93160-0839

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**Subject:** RE: 3202012Bookout  
**From:** Robert Forouzandeh (rforouzandeh@rppmh.com)  
**To:** sanschromo@yahoo.com;  
**Cc:** poole@rossilegal.com; kgrant@silcom.com;  
**Date:** Tuesday, March 20, 2012 12:00 PM

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Chris,

There were no attachments to your letter. Please resend the attachment.

As to the landscape rock issue: your position and Mr. Bookout's assumption are without merit, not supported by law and are outright rejected. Simply because the bank may have held a lien on the rocks does not mean that title to the rocks passed to the bank when it foreclosed upon the Oceano property. The landscape rock was not foreclosed upon. The bank does not want the landscape rock and it is not in the business of selling landscape rock. The bank simply foreclosed upon the Oceano property and the landscape rock was left at the Oceano property by Mr. Bookout. Nobody asked him or told him to do so. If Mr. Bookout wants the rock or to sell the rock himself he must go to the Oceano property and remove it no later than 5 p.m. on March 23, 2012. Otherwise the landscape rock remaining at the Oceano property will be deemed as being abandoned and will be disposed of accordingly. **I want to be EXPLICITLY clear that Mr. Bookout will not be given any credit towards his default for the landscape rock under any circumstance.**

If the bankruptcy trustee asserts any ownership rights to the rock, the trustee can pay to have it removed from the property. The initial bid obtained by the bank was that it would cost the bank \$5,000 for someone to come and remove the rock from the Oceano property. If it is your position that the bankruptcy estate owns the rocks then it is your duty as debtor's counsel to notify the bankruptcy court of such. Failure to do so by 5 p.m. on March 23, 2012, will result in the bank assuming that Mr. Bookout's position is that the landscape rocks are not part of his bankruptcy estate and that the rocks have been abandoned. The bank will dispose of the rocks thereafter and again, **Mr. Bookout will not be given any credit towards his default for the landscape rock under any circumstance.**

Please communicate your position to me immediately.

Robert

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**From:** Chris Gautschl [mailto:sanschromo@yahoo.com]  
**Sent:** Tuesday, March 20, 2012 11:20 AM  
**To:** Robert Forouzandeh  
**Cc:** Chris Gautschl; Debbie Poole  
**Subject:** 3202012Bookout

Robert, here is the reply to the rocks question. Also, if I were to have assurance that the payments in the attachments corresponded to the actual payments received by SBBT and its predecessor (I presume the posting dates), as I am able to verify the interest rates by the prime rate history, then I am able to review each payment and see whether or not there are any errors. This in turn allows me to pursue the suggestions you made in the prior communication quickly. A minor point is that it appears there was a Change in Terms Agreement for 3 months, well before the modification agreement, by which the parties both agreed Bookout only need pay interest for those 3 months. Because the

modification agreement was deemed defaulted by SBBT, I am assuming it simply calculated all payments and loan balances as if there never was a modification agreement, but I do not know if the calculations honored the 3 month interest only agreement. I can calculate them both ways, but I would like to know what is the SBBT position on those 3 interest only requirements, so that maybe by the end of the week I can get that part calculated. CG

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**Subject:** RE: Attachements3202012  
**From:** Robert Forouzandeh (rforouzandeh@rppmh.com)  
**To:** sanschromo@yahoo.com;  
**Cc:** poole@rossilegal.com; mjbarbeau@rppmh.com; kgrant@silcom.com;  
**Date:** Tuesday, March 20, 2012 12:06 PM

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Chris,

Please see my email to you under separate cover and respond immediately.

We do not agree that "getting the best value of the materials would benefit everyone" because the bank has no way of selling the rock to obtain any value for them. Since the bank will not be selling the rocks as it is not in that line of business, the bank will not be crediting Mr. Bookout for the rocks under any circumstance as the bank did not foreclose its security interest on the rocks and will not be getting paid for the rocks either. Instead, the bank is going to have to pay someone to come and haul the rocks away from the Oceano property in the event Mr. Bookout abandons the rocks.

Robert

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**From:** Chris Gautschi [mailto:sanschromo@yahoo.com]  
**Sent:** Tuesday, March 20, 2012 11:56 AM  
**To:** Robert Forouzandeh  
**Cc:** Chris Gautschi; Debbie Poole  
**Subject:** Attachements3202012

OK this is what I have as to what payments, etc. SBBT's records show. I just wanted to make sure that is correct before I start calculating things. The last page is a letter re: the security interest. I think at least everyone could agree that getting the best value of the materials would benefit everyone. There must be some mechanism to do that.