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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

SANTA ANA DIVISION

In re: CAMEO HOMES, INC., a California corporation, Debtor and Debtor-in-Possession.	Case No. **8:08-13151 RK** Chapter 11 **DEBTOR'S MOTION FOR ORDER AUTHORIZING JOINT ADMINISTRATION OF RELATED CASES AND OF RELATED DEBTORS' INCOME AND EXPENSES PURSUANT TO 11 U.S.C. § 105 AND BANKRUPTCY RULE 1015(b); MEMORANDUM OF POINTS AND AUTHORITIES; AND DECLARATIONS OF JOHN MCFADDEN AND PAUL J. COUCHOT IN SUPPORT THEREOF** Hearing Date: [Expedited Hearing Requested] Hearing Time: [Expedited Hearing Requested]

TO THE HONORABLE ROBERT KWAN, UNITED STATES BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, AND OTHER PARTIES-IN-INTEREST:

Cameo Homes, Inc., a California corporation, the debtor and debtor-in-possession ("Debtor"), hereby moves the Court, on an emergency basis, for an order granting the following relief:

Authorizing the joint administration of the within Debtor's chapter 11 case with the related chapter 11 case of James C. Gianulias ("Gianulias" and Gianulias and Cameo are hereinafter collectively referred to as the "Related Debtors"), including the following:[1]

(1) Combining the estates by using a single docket for administrative matters, and the filing, lodging and docketing of pleadings and orders;

(2) Combining notices to creditors and parties-in-interest;

(3) Scheduling joint hearings;

(4) The joint handling of other administrative matters;

B. Authorizing the use of the caption attached as Exhibit "1" to the Declaration of Paul J. Couchot (the "Couchot Declaration") appended hereto;

C. Authorizing the consolidation and central administration of the Related Debtors' income and expenses during the pendency of their chapter 11 cases; and

D. Such other and further relief as the Court deems just and proper.

Several factors are present in the Related Debtors' cases that militate in favor of administrative consolidation. Gianulias owns an interest in a number of single asset real estate entities that were formed to purchase and develop real estate. Cameo also owns an interest in a number of single asset real estate ventures that were formed to purchase and develop real estate. Cameo holds an interest in many of the same real estate entities in which Gianulias holds an interest. Gianulias owns 100% of Cameo and therefore has an indirect interest in all of Cameo's interests in the various real estate entities. As a result, there is extensive overlap among the Related Debtors' assets and liabilities. (Among the most important are the following: (i) the Related Debtors centrally administer the management of the assets in which both the Related

[1] An identical motion is being filed in Gianulias' chapter 11 case.

Debtors own an interest, and allocate their income and expenses in connection with such joint administration; (ii) they are co-obligors on numerous guarantees; and (iii) they have many creditors in common.) The Related Debtors have determined that the most efficient and effective manner in which to administer the jointly owned assets during these chapter 11 cases is to continue the Related Debtors' prepetition method of joint management and allocation of income and expenses with respect to these assets. The Related Debtors therefore request that this Court authorize the Related Debtors to consolidate and centrally administer their cash flow during the pendency of their chapter 11 cases.

Joint administration of these cases will also allow the Related Debtors to benefit from increased efficiency because they will not be required to review and separately respond to similar motions, disclosure statements, and other papers that would otherwise be filed in the separate cases. Joint administration will potentially save the Related Debtors' estates thousand of dollars in administrative fees and costs, as well as save this Court numerous hours in setting and hearing matters and in reviewing two separate sets of virtually identical pleadings.

The Related Debtors do not request substantive consolidation of their cases at this time. Nothing contained in this Motion is intended to compel substantive consolidation of the assets of the Related Debtors' respective estates or to modify the Related Debtors' ownership interests in the real estate entities. Since the Related Debtors request only joint administration of these cases, and a continuation of the most efficient method of managing the Related Debtors' jointly owned assets, no substantive rights will be prejudiced by the relief requested herein, and no conflicts will result therefrom. In the event a substantive consolidation of the assets and liabilities of the Related Debtors' estates is warranted, the Related Debtors will bring a separate motion requesting such relief.

This Motion is based on the attached Memorandum of Points and Authorities, the Declaration of John McFadden (the "McFadden Declaration"), the Couchot Declaration, and all pleadings, papers and records on file with the Court, and such other evidence, oral or documentary, as may be presented to the Court with respect to this Motion.

Concurrently with the filing of this Motion, counsel for the Debtor served this Motion, via expedited delivery, on the following parties: (1) the Office of the United States Trustee; (2) the Official Committee of Creditors Holding Unsecured Claims appointed by the U.S. Trustee; (3) all secured creditors; and (4) any party who filed a request for special notice in Cameo's case. Once a hearing on the Motion is scheduled, counsel for the Debtor will serve a notice of the hearing on this Motion, via expedited delivery, on the above-referenced parties.

Based upon the foregoing arguments and authorities and the evidence before this Court, the Debtor respectfully submits that the Court should enter an order authorizing joint administration of the Related Debtors' estates, including:

(1) Combining the estates by using a single docket for administrative matters, and the filing, lodging and docketing of pleadings and orders;

(2) Combining notices to creditors and parties-in-interest;

(3) Scheduling joint hearings;

(4) The joint handling of other administrative matters; and

(5) The central administration of the Related Debtors' income and expenses during the pendency of their chapter 11 cases.

DATED: July 22, 2008

WINTHROP COUCHOT
PROFESSIONAL CORPORATION

By: */s/ Paul J. Couchot*
Paul J. Couchot
[Proposed] Reorganization Counsel for the Debtor and Debtor-in-Possession

MEMORANDUM OF POINTS AND AUTHORITIES

I.

BACKGROUND OF RELATED DEBTORS

A. Background

On June 6, 2008, three creditors of Cameo commenced an involuntary case against Gianulias under chapter 7 of the Bankruptcy Code. Concurrently, the same three creditors commenced an involuntary chapter 7 case against James C. Gianulias, which is being administered by this Court as Case No. 8:08-13150 RK.

On July 1, 2008, Gianulias and Cameo filed their respective Consents to the Entry of an Order for Relief and Election to Convert Chapter 7 case to case under Chapter 11 of the Bankruptcy Code.

On July 2, 2008, this Court entered Orders for Relief and converted Gianulias' and Cameo's cases to ones under Chapter 11.

No request has been made for the appointment of a trustee or examiner in either case.

B. Description of the Related Debtors

Gianulias is an individual in the business of real estate development. Gianulias owns an interest in a number of single asset real estate entities that were formed to purchase and develop real estate. Cameo also owns an interest in a number of single asset real estate ventures that were formed to purchase and develop real estate. Cameo holds an interest in many of the same real estate entities in which Gianulias holds an interest. Gianulias owns 100% of Cameo and therefore has an indirect interest in all of Cameo's interests in the various real estate entities. The real estate entities owned in part by Gianulias and Cameo include limited liability companies, general partnerships, and limited partnerships (collectively, the "Companies"). The Companies represent a substantial portion of the Related Debtors' assets.

Gianulias and Cameo established the Companies to own and operate various real estate assets, including, without limitation, condominiums, residential developments, commercial and retail developments, mixed-use developments, and multi-family apartment complexes (the

"Properties"). Of those various real estate assets, approximately fourteen (14) single family residence projects, four (4) mixed-use projects and four (4) multifamily land development projects are not generating income. Three (3) multifamily projects and one (1) commercial/retail project remain under construction or are in lease-up status, and are not generating sufficient income to cover operating costs and service their debt. Ten (10) multifamily projects and six (6) commercial/retail projects have reached stabilization and are generating income.

Historically, G Companies Management, LLC ("G Companies") and certain affiliates have provided the Companies with the management and administrative services necessary to ensure the successful development, construction and management of the Properties. G Companies is owned 100% by Gianulias. The services provided by G Companies and certain affiliates to the Companies include, but are not limited to, cash management, human resources and insurance oversight, computer services and equipment, financing, construction and development oversight, construction accounting, contract management, sales and marketing, and acquisitions and dispositions.

C. The Related Debtors' Financial Condition

While the Related Debtors' businesses span multiple states, a significant portion of the Related Debtors' homebuilding operations are located in the state of California. The erosion in the California homebuilding market during the second half of 2007 was unexpected and cataclysmic, and it affected all homebuilding markets in California, including the markets in which the Related Debtors operate. The result of the market erosion in values and slow down of absorption broadly affected the Related Debtors' financial positions.

Both Gianulias and Cameo have guaranteed, in whole or in part, the outstanding secured loans with respect to twenty-six (26) real estate ventures that do not generate positive cash flow. Both Gianulias and Cameo have also guaranteed unsecured loans. Gianulias has personally guaranteed loans totaling approximately $238,000,000. Cameo has also guaranteed loans totaling approximately $210,000,000.

D. The Cash Flow Projection

Although the expenses paid by the Related Debtors vary from month to month, attached to the McFadden Declaration as Exhibit A is a Cash Flow Projection showing the Related Debtors' anticipated income and expenses through August 31, 2008 (the "Cash Flow Projection"). The Cash Flow Projection was prepared using the Related Debtors' historical data for the past several months, then modified to account for certain recent changes in the Related Debtors' businesses as a consequence of the changes in the homebuilding market including, but not limited to, a reduction of the number of employees. If the Related Debtors are required to make a payment that materially exceeds the budgeted amounts set forth in the Cash Flow Projection, the Related Debtors will inform this Court, the United States Trustee, and the creditors' committees in these chapter 11 cases prior to making such payment.

1. Income

The Related Debtors' primary sources of income are the distributions received from the Companies. While a number of the Properties are struggling financially due to adverse market conditions several of the Properties, including a number of commercial and retail developments, as well as multi-family apartment complexes, have reached stabilization and are generating income. As a result, on a monthly basis, the Companies make distributions to the Related Debtors from income generated by the Properties.[2] On average, Gianulias receives distributions in the approximate amount of $288,000 per month and Cameo receives distributions in the approximate amount of $178,000 per month. The Related Debtors use the distributions received from the Companies to, among other things, fund the Companies' operating expenses, including overhead and services provided by G Companies.

Gianulias also receives a salary from Cameo for his services as chairman of Cameo. Gianulias provides management and oversight of Cameo's business operations and the services provided by G Companies and its employees. Additionally, Gianulias provides services essential to the development of Cameo's business plans and is assisting Cameo in maximizing the value of its assets.

Finally, the Cash Flow Projection reflects the return of funds from Phoenix - Issa Strategic

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[2] Prior to the Petition Date, the Companies made quarterly, rather than monthly, distributions to the Related Debtors.

Partners, LLC ("Issa Phoenix") in the amount of $75,000 to Cameo and $75,000 to Gianulias. Prior to the Petition Date, the Related Debtors utilized the services of Issa Phoenix in connection with the valuation of the Properties, lender negotiations and other related matters. As a result of the chapter 11 filings, the Related Debtors no longer require the same level of services from Issa Phoenix, as many of these services will now be provided by bankruptcy related professionals. Therefore, the Related Debtors requested the return of the majority of the retainer that was previously provided to Issa Phoenix.

2. Expenses

The Related Debtors' expenses fall within three broad categories: (i) business expenses incurred by G Companies on behalf of the Companies; (ii) professional fees relating to their chapter 11 cases; and (iii) direct expenses of Gianulias and Cameo. Each of these categories will be discussed in detail below.

Gianulias and Cameo each independently pay their direct expenses. However, with respect to professional fees relating to the bankruptcy and business expenses paid by G Companies, these expenses are consolidated. Gianulias pays 70% of the consolidated expenses and Cameo pays 30%. This ratio reflects the split of distributions received by Gianulias and Cameo from the Companies. On average, Gianulias receives approximately 70% of the distributions from the Companies and Cameo receives approximately 30%.

For the reasons set forth below, it would not be a prudent use of the Related Debtors' assets to attempt to allocate these expenses between the Related Debtors, and any allocation would be artificial since the management and administration of the assets are performed by the same individuals. Therefore, the Related Debtors submit that it is in the best interests of the Related Debtors, their creditors and their estates to allow the Related Debtors to consolidate and centrally administer their cash flow during the pendency of their chapter 11 cases.

G Companies Business Expenses

As discussed above, historically, G Companies and certain affiliates have provided the Companies with the management and administrative services necessary to ensure the successful development, construction and management of the Properties. The services provided by G

Companies and certain affiliates to the Companies include, but are not limited to, cash management, human resources and insurance oversight, computer services and equipment, financing, construction and development oversight, construction accounting, contract management, sales and marketing, and acquisitions and dispositions.

In exchange for these critical services, the Related Debtors transfer funds to G Companies on a bi-weekly and/or as-needed basis to cover its business expenses, which include, without limitation, payroll for approximately eleven (11) employees and four (4) consultants,[3] payroll burden, rent, and general administrative expenses.[4] Those Companies that are generating income then reimburse the Related Debtors for their allocated portion of these expenses. With respect to those Companies which are not yet generating income, the Related Debtors recover those Company's allocable share of operating expenses once the entity begins to generate income, or is either sold or recapitalized.

Moreover, during the pendency of the bankruptcy cases, G Companies' employees have been providing, and will continue to provide, corporate level support to the Related Debtors in connection with the Chapter 11 cases and all tax and accounting matters. G Companies provides oversight of the Related Debtors' business operations, as well as participating in the development of the Related Debtors' business plans and strategies and in negotiations concerning the Related Debtors' financial restructuring activities and implementation thereof. At this time, G Companies is assisting the Related Debtors in finalizing several transactions involving Properties located in Murrieta, California.

In the past year, the aggregate amount transferred to G Companies in order to pay the costs associated with its business expenses totaled approximately $517,000 per month. Due to reductions in payroll and other expenses, based on the Cash Flow Projection, on a going-forward basis that G Companies will require approximately $160,000 per month in order to continue to

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[3] In light of the bankruptcy filings, and in order to avoid unnecessary expenditures that would deplete valuable assets of the estate, G Companies has significantly reduced its workforce and payroll from approximately $273,000 per month in December 2007 to approximately $69,000 per month in August 2008.

[4] G Companies makes draws from the Related Debtors' accounts on a bi-weekly and/or as-needed basis to fund the regular business expenses, such as payroll, it incurs as result of those services it provides to the Companies. Invoices are not used for routine bi-weekly overhead, but unplanned expenses are invoiced and documented.

operate. The Cash Flow Projection anticipates that Gianulias will pay 70% of the foregoing expenses and Cameo will pay 30%.

Many of these expenses are incurred by G Companies in providing services that ultimately benefit both of the Related Debtors. It would be extremely difficult and time-consuming to allocate between the Related Debtors the various expenses incurred by G Companies on behalf of the Companies. In order to determine what services benefit Cameo, as opposed to Gianulias, or visa versa, the Related Debtors would need to allocate each expense incurred by G Companies among the Companies, then determine the Related Debtors' ownership of each of the Companies. This process would be exceedingly complex and would, of necessity, be artificial. For example, G Companies would be required to determine how much time each employee of G Companies spent providing services to each of the Companies. It would not be a prudent use of the Related Debtors' assets to attempt to differentiate between these expenses. Therefore, it is reasonable for Gianulias to pay 70% and Cameo to pay 30% of the foregoing expenses.

Professional Fees

The second broad category reflected in the Related Debtors' Cash Flow Projection is comprised of professional fees relating to the Related Debtors' chapter 11 cases. Included in this category are fees to pay the Related Debtors' insolvency counsel, as well as fees relating to BMC Group, which is assisting the Related Debtors in preparing their schedules and complying with the requirements of the United States Trustee, and other professionals necessary to assist the Related Debtors in maximizing the value of their assets for the benefit of their creditors. The Related Debtors have estimated professional fees and retainers will potentially exceed $1 million for the period July through September 2008.

There is extensive overlap among the Related Debtors' assets, liabilities and use of cash. Among the most important are the following: (i) the Related Debtors centrally administer the management of the assets in which both the Related Debtors own an interest, and allocate their income and expenses in connection with such joint administration; (ii) they are co-obligors on numerous guarantees; and (iii) they have many creditors in common. Therefore, many of the services provided by the professionals will benefit both of the Related Debtors. Due to this overlap, it would be extremely time-consuming to allocate the various services provided by the professionals between Gianulias and Cameo. Therefore, it is reasonable for Gianulias to pay 70% and Cameo to pay 30% of the foregoing expenses.

Where a professional is employed by one, but not both, of the Related Debtors, however, no allocation would be appropriate, or necessary.

Direct Expenses

Both Gianulias and Cameo also have certain direct expenses which are paid independently by each of the Related Debtors, however, the majority of Cameo's direct expenses are comprised of payroll and related expenses, as well as costs incurred in connection with Cameo's computer system, functions which benefit both Gianulias and Cameo. Although G Companies provides the majority of services to the Companies, Cameo employs two individuals, including Gianulias, to oversee the management of G Companies and the Companies. These individuals provide management and oversight of Cameo's business operations and the services provided by G Companies and its employees. Additionally, Gianulias provides services essential to the development of Cameo's business plans and is assisting Cameo in maximizing the value of its assets. Cameo requires approximately $50,000 per month in order to operate.

At this time, Cameo is currently securing and completing transactions involving several assets in which both of the Related Debtors have an interest. These transactions may increase the value of the Related Debtors' estates by several million dollars, as well as benefiting the Related Debtors by reducing their contingent guarantee liability. The Related Debtors estimate that these transactions will be completed between August 2008 and February 2009.

Gianulias' direct expenses consist of several categories. First, Gianulias makes mortgage payments and pays other direct expenses on certain directly owned assets, including property taxes, homeowner association fees, maintenance and other services, and utilities.[5] Gianulias also directly pays certain business expenses, including costs associated with trade publications, membership dues, business meals and membership facilities used for entertainment and business

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[5] Certain of the properties owned by Gianulias have been rented. This rental income is applied to costs associated with the properties.

development. Finally, Gianulias has certain personal expenses, including insurance, medical bills and other personal expenses. All of these items are paid directly by Gianulias, and not allocated between the Related Debtors.

II.

RELIEF REQUESTED

By this Motion, Cameo is requesting an order authorizing joint administration of its case with that of Gianulias (wherein an identical motion is being filed concurrently).

As set forth in this Motion, there is substantial overlap with respect to the Related Debtors. In light of this overlap, the Related Debtors believe that joint administration will avoid otherwise unnecessary and expensive duplication of effort and papers caused by preparing and serving the same creditors with multiple sets of differently-captioned but otherwise identical papers. The relief proposed herein will enable these estates to avoid the substantial cost of preparation, filing and serving duplicative motions in each case, and the consequent burden on the estates and the Court.

By jointly administering the Related Debtors' estates, creditors will receive appropriate notice of matters involving each of the Related Debtors, thereby ensuring that creditors are fully informed of matters potentially affecting their claims. In short, joint administration of the Related Debtors' cases, including (i) the use of a single pleadings docket, (ii) the combining of notices to creditors of the different estates, and (iii) the joint handling of other administrative matters will aid in expediting the cases and rendering the process substantially less costly, without prejudicing the substantive rights of any creditor.

Several factors are present in the Related Debtors' cases that militate in favor of central administration of the Related Debtors' income and expenses. As set forth above, there is extensive overlap among the Related Debtors' assets and liabilities. Among the most important are the following: (i) the Related Debtors centrally administer the management of the assets in which both the Related Debtors own an interest, and allocate their income and expenses in connection with such joint administration; (ii) they are co-obligors on numerous guarantees; and (iii) they have many creditors in common. The Related Debtors have determined that it will be difficult and time-consuming to allocate income and expenses relating to the Companies between the Related Debtors, and any such allocation would be, of necessity, artificial. Moreover, revamping the Companies' entire management and financial structure would result in disruption and delay to the Companies, from whom the Related Debtors' receive substantially of all their income, with no corresponding benefit. The Related Debtors and their creditors need certainty and stability as they enter these bankruptcy proceedings, and the continued central administration of the Related Debtors' cash flow is crucial to the Related Debtors' ability to manage the Companies and administer their bankruptcy cases in an efficient and effective manner.

The Related Debtors believe that it is in the best interest of their estates to jointly administer their chapter 11 cases, as set forth in this Motion.

III.

JOINT ADMINISTRATION OF THE RELATED DEBTORS' CASES WOULD YIELD SUBSTANTIAL ADMINISTRATIVE BENEFITS

Although the Bankruptcy Code specifically provides for joint administration of limited types of cases (See 11 U.S.C. § 302(a) (permitting the filing of joint petitions by spouses)), there is no provision in the Code governing joint administration of cases generally. Bankruptcy Rule 1015(b), however, makes clear that joint administration may be appropriate when two or more related debtor entities, whether spouses, partnerships, or corporations, have filed for protection under the Code. Bankruptcy Rule 1015 provides, inter alia:

> (b) Cases Involving Two or More Related Debtors. If a joint petition or two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates . . .
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> * * *
>
> (c) Expediting and Protective Orders. When an order for . . . joint administration of a joint case or two or more cases is entered pursuant to this rule, while protecting the rights of the parties under the Code, the court may enter orders as may tend to avoid unnecessary costs and delay.
>
> Fed. R. Bankr. P. 1015(b) and (c).

Bankruptcy Rule 1015 promotes the fair and efficient administration of related cases of affiliated debtors, while ensuring that no rights of individual creditors are unduly prejudiced. See 9 Collier on Bankruptcy, ¶ 1015.03 (15th ed. rev. 2004); See also In re N.S. Garrott & Sons, 63 B.R. 189, 191 (Bankr. E.D. Ark. 1986); In re H & S Transportation Co., 55 B.R. 786, 791 (Bankr. M.D. Tenn. 1985). As set forth in the official 1983 Advisory Committee Note to Rule 1015:

> Joint administration as distinguished from consolidation may include combining the estates by using a single docket for the matters occurring in the administration, including the listing of filed claims, the combining of notices to creditors of the different estates, and the joint handling of other purely administrative matters that may aid in expediting the cases and rendering the process less costly.

Joint administration differs significantly from substantive consolidation, in which the assets and liabilities are pooled and, generally, the creditors of the separate entities share pro rata in the aggregate net value of the estates. See In re Standard Brands Paint Co., 154 B.R. 563 (Bankr. C.D. Cal. 1993); In re I.R.C.C., Inc., 105 B.R. 237, 241 (Bankr. S.D.N.Y. 1989). Joint administration, by contrast, is merely procedural, and has no impact on the substantive rights of creditors. Garrott, 63 B.R. at 191; In re Arnold, 33 B.R. 765, 767 (Bankr. E.D.N.Y. 1983). Thus, joint administration does not prejudice the rights of any creditor.

Moreover, pursuant to section 105(a) of the Bankruptcy Code, "the court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). The basic purpose of section 105(a) is "to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction." 2 COLLIER ON BANKRUPTCY, § 105.01 (15th ed. rev. 2007). Essentially, section 105(a) codifies the bankruptcy court's equitable powers.

Joint administration is warranted in the Related Debtors' cases. Based on the relationship between Gianulias and Cameo, it is clear that Related Debtors are "related" and are "affiliate[s]" as those terms are used in the Bankruptcy Code. See 11 U.S.C. § 101(2).

Joint administration will substantially reduce the costs of administering the Related Debtors' cases and will serve to eliminate the inefficiency created by maintaining separate dockets. To a great extent, for each set of pleadings to be filed in the Related Debtors' cases, the only material differences between each pleading will be in the captions; since substantive matters affecting one estate typically will affect the other estate. Without joint administration, separate pleadings must be filed in each matter, and unnecessary duplication will need to be done at substantial cost to the estates -- all without any additional benefit to creditors or interest holders.

Moreover, the creditors of the Related Debtors stand to benefit from the increased efficiency of administration anticipated through joint administration because they will not be required to review and separately respond to substantially similar motions, disclosure statements, and other pleadings that would otherwise be filed in separate cases.

The Related Debtors have determined that it will be difficult and time-consuming to allocate income and expenses relating to the Companies between the Related Debtors. Moreover, revamping the Companies' entire management and financial structure would result in disruption and delay to the Companies, from whom the Related Debtors' receive substantially of all their income, with no corresponding benefit. There will be no prejudice to creditors because the Related Debtors will not make a payment that materially exceeds the budgeted amounts set forth in the Cash Flow Projection without informing this Court, the United States Trustee and the creditors' committees in these chapter 11 cases prior to making such payment. Therefore, it is in the best interests of the Related Debtors' creditors to authorize the Related Debtors to centrally administer their cash flow during the pendency of their chapter 11 cases.

IV.

<u>WERE AN ACTUAL CONFLICT TO ARISE IN THE COURSE OF THE RELATED DEBTORS' CASES, THE COURT MAY ALLEVIATE ANY PREJUDICE TO CREDITORS PURSUANT TO ITS DISCRETION UNDER BANKRUPTCY RULE 1015(c)</u>

Although the Related Debtors do not believe that an actual conflict currently exists between the estates, should such a conflict arise in the future, the Court could easily alleviate any prejudice it may cause to creditors through the Court's broad powers to oversee the joint administration of the Related Debtors' cases. As discussed above, joint administration is a procedural device designed to reduce costs and administrative burdens generally. Were a conflict to arise during the cases, the Court may limit joint administration to the extent necessary to alleviate any negative effects of the conflict. Under Bankruptcy Rule 1015(c), "while protecting the rights of parties under the Code, the court may enter orders as may tend to avoid unnecessary costs and delay." Exercising its discretion under this Rule, the Court would be able to promote the interests of the estates through administrative efficiency, while at the same time protecting the rights of individual creditors and interest holders if and when the need arises. Until an actual conflict arises, however, there is no reason why the Court should not authorize joint administration as sought in this Motion.

V.

CONCLUSION

The primary goal of a chapter 11 reorganization is to maximize the value of a debtor's estate for the benefit of creditor and equity constituencies. Related to that goal, and of significant importance as well, is the efficient administration of the bankruptcy case so that the debtor can emerge quickly and begin distributions to creditors. Both of these goals will be furthered by permitting the joint administration of the Related Debtors' cases as sought in this Motion.

Based upon the foregoing arguments and authorities and the evidence before this Court, the Debtor respectfully submits that the Court should enter an order authorizing joint administration of the Related Debtors' estates, including:

(1) Combining the estates by using a single docket for administrative matters, and the filing, lodging and docketing of pleadings and orders;

(2) Combining notices to creditors and parties-in-interest;

(3) Scheduling joint hearings;

(4) The joint handling of other administrative matters; and

(5) The central administration of the Related Debtors' income and expenses during the pendency of their chapter 11 cases.

DATED: July 23, 2008

WINTHROP COUCHOT
PROFESSIONAL CORPORAITON

By: _/s/ Paul J. Couchot_
Paul J. Couchot
[Proposed] Reorganization Counsel for Debtor and Debtor-in-Possession

DECLARATION OF PAUL J. COUCHOT

I, Paul J. Couchot, hereby declare and state as follows:

1. I am a shareholder of the law firm of Winthrop Couchot Professional Corporation, proposed reorganization counsel for Cameo Homes ("Cameo" or "Debtor").

2. On June 6, 2008, three creditors of Gianulias commenced an involuntary case against Cameo under chapter 7 of the Bankruptcy Code. Concurrently, the same three creditors commenced an involuntary chapter 7 case against James C. Gianulias, which is being administered by this Court as Case No. 8:08-13150 RK.

3. On July 1, 2008, the Debtor and Gianulias filed their respective Consents to the Entry of an Order for Relief and Election to Convert Chapter 7 case to case under Chapter 11 of the Bankruptcy Code.

4. On July 2, 2008, this Court entered Orders for Relief and converted Gianulias' and Cameo's cases to ones under chapter 11. No request has been made for the appointment of a trustee or examiner in either case.

5. This Declaration is made in support of the "Debtor's Emergency Motion for Order Authorizing Joint Administration of Related Cases and of Related Debtors' Income and Expenses Pursuant to 11 U.S.C. § 105 and Bankruptcy Rule 1015(b)" (the "Motion"). As set forth in the Motion, I believe that joint administration will substantially reduce the costs of administering the Related Debtors' cases and will serve to eliminate the inefficiency created by maintaining separate dockets. To a great extent, for each set of pleadings to be filed in the Related Debtors' cases, the only material differences between each pleading will be in the captions; since substantive matters affecting one estate typically will affect the other estate. Without joint administration, separate pleadings must be filed in each matter, and unnecessary copying will need to be done at substantial cost to the estates -- all without any additional benefit to creditors or interest holders.

6. As set forth in the Motion, there is substantial overlap with respect to the Related Debtors. In light of this overlap, I believe that joint administration will avoid otherwise unnecessary and expensive duplication of effort and papers caused by preparing <u>and</u> serving the

same creditors with multiple sets of differently-captioned but otherwise identical papers. The relief proposed herein will enable these business entities to avoid the substantial cost of preparation, filing and serving duplicative motions in each proceeding, and the consequent burden on the estates and the Court.

7. By jointly administering the Related Debtors' estates, creditors will receive appropriate notice of matters involving each of the Related Debtors, thereby ensuring that creditors are fully informed of matters potentially affecting their claims. In short, joint administration of the Related Debtors' cases, including (i) the use of a single pleadings docket, (ii) the combining of notices to creditors of the different estates, and (iii) the joint handling of other purely administrative matters will aid in expediting the cases and rendering the process substantially less costly, without prejudicing the substantive rights of any creditor.

8. I believe that the creditors of the Related Debtors stand to benefit from the increased efficiency of administration anticipated through joint administration because they will not be required to review and separately respond to substantially similar motions, disclosure statements, and other pleadings that would otherwise be filed in separate cases. Joint administration will potentially save the Related Debtors' estates thousand of dollars in administrative fees and costs, as well as save this Court numerous hours in setting and hearing matters and in reviewing two separate sets of virtually identical pleadings.

9. The Related Debtors propose that all pleadings relating to the Related Debtors' cases shall contain a joint caption in substantially the form attached hereto as Exhibit "1," and that all such pleadings shall be filed and maintained under the existing docket of James C. Gianulias, Case No. 8:08-bk-13150 RK.

10. Nothing contained in the Motion is intended to compel substantive consolidation of the Related Debtors' respective estates. Since the Related Debtors request only joint administration of these cases, and of the Related Debtors' income and expenses, by this Motion, approval of the Motion is the best manner in which to effectually and efficiently administer Gianulias' estate, and the estate of his related debtor, Cameo. In the event a substantive

consolidation of the assets and liabilities of the Related Debtors' estates is warranted, the Related Debtors will bring a separate motion requesting such relief.

11. Accordingly, for the reasons set forth in the Motion, I believe that it is in the best interest of the estate to jointly administer this case and that of Cameo (wherein an identical Motion is being filed), as set forth in this Motion.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 23rd day of July 2008, at Newport Beach, California.

/s/ Paul J. Couchot
Paul J. Couchot

EXHIBIT "1"

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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re JAMES C. GIANULIAS, Debtor and Debtor-in-Possession. CAMEO HOMES, a California corporation, Debtor and Debtor-in-Possession. Affects: ☐ Both Debtors ☐ James C. Gianulias; ☐ Cameo Homes	Case No. 8:08-bk-13150-RK Jointly Administered With: Case No. 8:08-BK-13151-RK Chapter 11

EXHIBIT "1"

DECLARATION OF JOHN MCFADDEN

I, John McFadden, hereby declare and state as follows:

1. I am the Corporate Controller of G Companies Management, LLC ("G Companies") and provide services to various entities in which James C. Gianulias ("Gianulias") has an interest, including Cameo Homes, a California corporation ("Cameo" and, collectively with Cameo, the "Related Debtors"). In my position as Corporate Controller, I provide oversight of all accounting services and tax related matters for Gianulias, Cameo, G Companies and various related entities.

2. I have general knowledge of the Related Debtors' books and records, and I am familiar with the Related Debtors' financial and operational affairs. As to the following facts, I know them to be true of my own knowledge, or I have gained such knowledge from the business records of Gianulias or one of his businesses which were made at or near the time of the acts, conditions or events to which they relate. Any such document or record was prepared in the ordinary course of business by a person who had personal knowledge of the event being recorded and had a business duty to accurately record such event.

3. I submit this declaration in support of the *Debtor's Motion For Order Authorizing Joint Administration Of Related Cases And Of Related Debtors' Income And Expenses Pursuant To 11 U.S.C. § 105 And Bankruptcy Rule 1015(b)* (the "Motion").[6] I am authorized by the Related Debtors to submit this Declaration.

A. Description of the Related Debtors

4. Gianulias is an individual in the business of real estate development. Gianulias owns an interest in a number of single asset real estate entities that were formed to purchase and develop real estate. Cameo also owns an interest in a number of single asset real estate ventures that were formed to purchase and develop real estate. Cameo holds an interest in many of the same real estate entities in which Gianulias holds an interest. Gianulias owns 100% of Cameo and therefore has an indirect interest in all of Cameo's interests in the various real estate entities. The

[6] All capitalized terms not defined herein have the meaning set forth in the Motion.

real estate entities owned in part by Gianulias and Cameo include limited liability companies, general partnerships, and limited partnerships (collectively, the "Companies"). The Companies represent a substantial portion of the Related Debtors' assets.

5. Gianulias and Cameo established the Companies to own and operate various real estate assets, including, without limitation, condominiums, residential developments, commercial and retail developments, mixed-use developments, and multi-family apartment complexes (the "Properties"). Of those various real estate assets, approximately fourteen (14) single family residence projects, four (4) mixed-use projects and four (4) multifamily land development projects are not generating income. Three (3) multifamily projects and one (1) commercial/retail project remain under construction or are in lease-up status, and are not generating sufficient income to cover operating costs and service their debt. Ten (10) multifamily projects and six (6) commercial/retail projects have reached stabilization and are generating income.

6. Historically, G Companies and certain affiliates have provided the Companies with the management and administrative services necessary to ensure the successful development, construction and management of the Properties. G Companies is owned 100% by Gianulias. The services provided by G Companies and certain affiliates to the Companies include, but are not limited to, cash management, human resources and insurance oversight, computer services and equipment, financing, construction and development oversight, construction accounting, contract management, sales and marketing, and acquisitions and dispositions.

B. The Related Debtors' Financial Condition

7. While the Related Debtors' businesses span multiple states, a significant portion of the Related Debtors' homebuilding operations are located in the state of California. The erosion in the California homebuilding market during the second half of 2007 was unexpected and cataclysmic, and it affected all homebuilding markets in California, including the markets in which the Related Debtors operate. The result of the market erosion in values and slow down of absorption broadly affected the Related Debtors' financial position.

8. Both Gianulias and Cameo have guaranteed, in whole or in part, the outstanding secured loans with respect to twenty-six (26) real estate ventures that do not generate positive cash

flow. Both Gianulias and Cameo have also guaranteed unsecured loans. Gianulias has personally guaranteed loans totaling approximately $238,000,000. Cameo has also guaranteed loans totaling approximately $210,000,000.

C. The Budget

9. Although the expenses paid by the Related Debtors on behalf of the Companies may vary from month to month, attached hereto as Exhibit A hereto is a Cash Flow Projection showing the Related Debtors' anticipated income and expenses through August 31, 2008 (the "Cash Flow Projection"). I was personally involved in preparing the Cash Flow Projection and submit that the information contained in the Cash Flow Projection is reasonable and accurate to the best of my knowledge. The Cash Flow Projection was prepared using the Related Debtors' historical data for the past several months, then modified to account for certain recent changes in the Related Debtors' businesses as a consequence of the changes in the homebuilding market including, but not limited to, a reduction of the number of employees. Should the Related Debtors be required to make a payment that materially exceeds the amounts set forth in the Cash Flow Projection, the Related Debtors will inform this Court, the United States Trustee, and the creditors' committees in these chapter 11 cases prior to making such payment.

Income

10. The Related Debtors' primary sources of income are distributions received from the Companies. While a number of the Properties are struggling financially due to adverse market conditions, several of the Properties, including a number of commercial and retail developments, as well as multi-family apartment complexes, have reached stabilization and are generating income. As a result, on a quarterly basis, the Companies make distributions to the Related Debtors from income generated by the Properties.[7] On average, Gianulias receives distributions in the approximate amount of $288,000 per month and Cameo receives distributions in the approximate amount of $178,000 per month. The Related Debtors use the distributions received from the

[7] Prior to the Petition Date, the Companies made quarterly, rather than monthly, distributions to the Related Debtors.

Companies to, among other things, fund the Companies' operating expenses, including overhead and services provided by G Companies.

11. Gianulias also receives a salary from Cameo for his services as chairman of Cameo. Gianulias provides management and oversight of Cameo's business operations and the services provided by G Companies and its employees. Additionally, Gianulias provides services essential to the development of Cameo's business plans and is assisting Cameo in maximizing the value of its assets.

12. Finally, the Cash Flow Projection reflects the return of funds from Phoenix - Issa Strategic Partners, LLC ("Issa Phoenix") in the amount of $75,000 to Cameo and $75,000 to Gianulias. Prior to the Petition Date, the Related Debtors utilized the services of Issa Phoenix in connection with the valuation of the Properties, lender negotiations and other related matters. As a result of the chapter 11 filings, the Related Debtors no longer require the same level of services from Issa Phoenix, as many of these services will now be provided by bankruptcy related professionals. Therefore, the Related Debtors requested the return of the majority of the retainer that was previously provided to Issa Phoenix.

Expenses

13. The Related Debtors' expenses fall within three broad categories: (i) professional fees relating to their chapter 11 cases; (ii) business expenses paid by G Companies on behalf of the Companies; and (iii) direct expenses of Gianulias and Cameo. Each of these categories will be discussed in detail below.

14. Gianulias and Cameo each independently pay their direct expenses. However, with respect to professional fees and business expenses paid by G Companies, these expenses are consolidated and Gianulias pays 70% of the consolidated expenses and Cameo pays 30%. This ratio reflects the split of distributions received by Gianulias and Cameo from the Companies. On average, Gianulias receives approximately 70% of the distributions from the Companies and Cameo receives approximately 30%. Therefore, I believe that it is reasonable for Gianulias to pay 70% and Cameo to pay 30% of the foregoing expenses.

15. For the reasons set forth below, I do not believe that it would be a prudent use of the Related Debtors' assets to attempt to allocate these expenses between the Related Debtors, and that any allocation would be artificial since the management and administration of the assets are performed by the same individuals. Therefore, I believe that it is in the best interests of the Related Debtors, their creditors and their estates to allow the Related Debtors to consolidate and centrally administer their cash flow during the pendency of their chapter 11 cases.

G Companies Business Expenses

16. As discussed above, historically, G Companies and certain affiliates have provided the Companies with the management and administrative services necessary to ensure the successful development, construction and management of the Properties. The services provided by G Companies and certain affiliates to the Companies include, but are not limited to, cash management, human resources and insurance oversight, computer services and equipment, financing, construction and development oversight, construction accounting, contract management, sales and marketing, and acquisitions and dispositions.

17. In exchange for these critical services, the Related Debtors transfer funds to G Companies on a bi-weekly and/or as-needed basis to cover its business expenses, which include, without limitation, payroll for approximately eleven (11) employees and four (4) consultants,[8] payroll burden, rent, and general administrative expenses.[9] Those Companies that are generating income then reimburse the Related Debtors for their allocated portion of these expenses. With respect to those Companies which are not yet generating income, the Related Debtors recover those Company's allocable share of operating expenses once the entity begins to generate income, or is either sold or recapitalized.

18. Moreover, during the pendency of the bankruptcy cases, G Companies' employees have been providing, and will continue to provide, corporate level support to the Related Debtors

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[8] In light of the bankruptcy filings, and in order to avoid unnecessary expenditures that would deplete valuable assets of the estate, G Companies has significantly reduced its workforce and payroll from approximately $273,000 per month in December 2007 to approximately $69,000 per month in August 2008.

[9] G Companies makes draws from the Related Debtors' accounts on a bi-weekly and/or as-needed basis to fund the regular business expenses, such as payroll, it incurs as result of those services it provides to the Companies. Invoices are not used for routine bi-weekly overhead, but unplanned expenses are invoiced and documented.

in connection with the chapter 11 cases and all tax and accounting matters. G Companies provides oversight of the Related Debtors' business operations, as well as participating in the development of the Related Debtors' business plans and strategies and in negotiations concerning the Related Debtors' financial restructuring activities and implementation thereof. At this time, G Companies is assisting the Related Debtors in finalizing several transactions involving Properties located in Murrieta, California.

19. In the past year, the aggregate amount transferred to G Companies in order to pay the costs associated with its business expenses totaled approximately $517,000 per month. Due to reductions in payroll and other expenses, based on the Cash Flow Projection, I believe that on a going-forward basis that G Companies will require approximately $160,000 per month in order to continue to operate. The Cash Flow Projection anticipates that Gianulias will pay 70% of the foregoing expenses and Cameo will pay 30%.

20. Many of these expenses are incurred by G Companies in providing services that ultimately benefit both of the Related Debtors. I believe that it would be extremely difficult and time-consuming to allocate between the Related Debtors the various expenses incurred by G Companies on behalf of the Companies. In order to determine what services benefit Cameo, as opposed to Gianulias, or visa versa, the Related Debtors would need to allocate each expense incurred by G Companies among the Companies, then determine the Related Debtors' ownership of each of the Companies. This process would be exceedingly complex and would, of necessity, be artificial. For example, G Companies would be required to determine how much time each employee of G Companies spent providing services to each of the Companies. I do not believe that it would be a prudent use of the Related Debtors' assets to attempt to differentiate between these expenses.

21. Moreover, I believe that revamping the Companies' entire management and financial structure would result in disruption and delay to the Companies, from whom the Related Debtors receive substantially of all their income, with no corresponding benefit. The Related Debtors and their creditors need certainty and stability as they enter these bankruptcy proceedings, and the continued central administration of the Related Debtors' cash flow is crucial to the Related

Debtors' ability to manage the Companies and administer their bankruptcy cases in an efficient and effective manner.

22. Therefore, I believe that it is reasonable for Gianulias to pay 70% and Cameo to pay 30% of the foregoing expenses.

Professional Fees

23. The second broad category reflected in the Related Debtors' Cash Flow Projection is comprised of professional fees relating to the Related Debtors' chapter 11 cases. Included in this category are fees to pay the Related Debtors' insolvency counsel, as well as fees relating to BMC Group, which is assisting the Related Debtors in preparing their schedules, and other professionals necessary to assist the Related Debtors in maximizing the value of their assets for the benefit of their creditors. I estimate that the professional fees and retainers will potentially exceed $1 million for the period July through September 2008.

24. There is extensive overlap among the Related Debtors' assets, liabilities and use of cash. Among the most important are the following: (i) the Related Debtors centrally administer the management of the assets in which both the Related Debtors own an interest, and allocate their income and expenses in connection with such joint administration; (ii) they are co-obligors on numerous guarantees; and (iii) they have many creditors in common. Therefore, many of the services provided by the professionals will benefit both of the Related Debtors. Due to this overlap, I believe it would be extremely time-consuming to allocate the various services provided by the professionals between Gianulias and Cameo. Therefore, I believe it is reasonable for Gianulias to pay 70% and Cameo to pay 30% of the foregoing expenses.

25. Where a professional is employed by one, but not both, of the Related Debtors, however, no allocation would be appropriate, or necessary.

Direct Expenses

Both Gianulias and Cameo also have certain direct expenses which are paid independently by each of the Related Debtors, however, the majority of Cameo's direct expenses are comprised of payroll and related expenses, as well as costs incurred in connection with Cameo's computer system, functions which benefit both Gianulias and Cameo. Although G Companies provides the majority of services to the Companies, Cameo employs two individuals, including Gianulias, to oversee the management of G Companies and the Companies. These individuals provide management and oversight of Cameo's business operations and the services provided by G Companies and its employees. Additionally, Gianulias provides services essential to the development of Cameo's business plans and is assisting Cameo in maximizing the value of its assets. Cameo requires approximately $50,000 per month in order to operate.

26. At this time, Cameo is currently securing and completing transactions involving several assets in which both of the Related Debtors have an interest. These transactions may increase the value of the Related Debtors' estates by several million dollars, as well as benefiting the Related Debtors by reducing their contingent guarantee liability. The Related Debtors estimate that these transactions will be completed between August 2008 and February 2009.

27. Gianulias' direct expenses consist of several categories. First, Gianulias makes mortgage payments and pays other direct expenses on certain directly owned assets, including property taxes, homeowner association fees, maintenance and other services, and utilities.[10] Gianulias also directly pays certain business expenses, including costs associated with trade publications, membership dues, business meals and membership facilities used for entertainment and business development. Finally, Gianulias has certain personal expenses, including insurance, medical bills and other personal expenses. All of these items are paid directly by Gianulias, and not allocated between the Related Debtors.

28. Based on the foregoing, I believe that joint administration of these cases will allow the Related Debtors to benefit from increased efficiency because they will not be required to review and separately respond to similar motions, disclosure statements, and other papers that would otherwise be filed in the separate cases. Joint administration will potentially save the

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[10] Certain of the properties owned by Gianulias personally have been rented. This rental income is applied to costs associated with the properties.

Related Debtors' estates thousand of dollars in administrative fees and costs, as well as save this Court numerous hours in setting and hearing matters and in reviewing two separate sets of virtually identical pleadings. Therefore, I respectfully request that this Court grant the Motion.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 22 day of July, 2008, at Newport Beach, California.

John McFadden

JAMES C. GIANULIAS
Projected Cash Flow

	Jul-08	Aug-08	Sep-08
BEGINNING CASH	223,136	186,818	241,588
SOURCES OF CASH - JCG			
Salary (Net)	15,785	15,785	15,785
Social Security	1,948	1,948	1,948
Membership Interest Property Distributions	217,066	309,926	318,607
Partial return of Issa Phoenix retainer	75,000		
TOTAL SOURCES	309,819	327,662	336,341
USES OF CASH - JCG			
DEBT PAYMENTS			
21 Atlantis Cove	-	-	-
Santa Rosa Cove	-	-	-
Fasching Haus	-	-	-
Coconut Grove 1st	15,625	15,625	15,625
Coconut Grove 2nd	4,403	4,403	4,403
48th & Adams	-	-	-
Old Greenwood	-	-	-
Total Mortgage Pmts	20,028	20,028	20,028
HOME EXPENSES			
21 Atlantis Cove			
HOA	545	545	545
Maintenance & Services	1,300	1,300	1,300
Utilities	620	620	620
Property Taxes	-	-	-
Santa Rosa Cove			
HOA	475	475	475
Utilities & Maintenance	1,400	1,400	1,400
Property Taxes	-	-	-
Fasching Haus			
Rental Income	(3,000)	(3,000)	(3,000)
Association Dues	1,300	1,300	1,300
Housekeeping	250	250	250
Utilities	170	170	170
Management Fees	68	68	68
Rental Commission	1,200	1,200	1,200
Coconut Grove			
Rental Income	(4,100)	(4,100)	(4,100)
HOA	1,953	1,953	1,953
Maintenance & Repairs	250	250	250
Housekeeping	1,310	1,310	1,310
Telephone	61	61	61
Utilities	1,000	1,000	1,000
Property Taxes	-	10,221	-
Old Greenwood			
Property Taxes	-	-	-
Association Fees	-	434	-
Total Home Expenses	4,802	15,456	4,802
BUSINESS EXPENSES			
Dues & Subscriptions	3,500	3,500	3,500
Entertainment & Promotion	2,350	2,350	2,350
Business Expenses	5,850	5,850	5,850
PERSONAL EXPENSES			
Jim's Car Lease	4,294	4,294	4,294
Accounting	-	-	-
Bank Charges	85	85	85
Health & Medical	300	300	300
Insurance	-	-	-
Miscellaneous	100	100	100
Personal Expense	1,000	1,000	1,000
Telephone	235	235	235
Travel	3,500	3,500	3,500
Personal Expenses	9,514	9,514	9,514
TOTAL JCG G&A	40,193	50,848	40,193
Professional Fees (70%)	245,000	105,000	70,000
G Company Management Allocation (70%)	60,943	117,044	112,844
Project Capital Contributions	-	-	-
TOTAL USES	346,137	272,892	223,037
NET CASH FLOW	(36,317)	54,770	113,303
ENDING CASH - JCG	186,818	241,588	354,892

CAMEO HOMES
Projected Cash Flow

	Jul-08	Aug-08	Sep-08
BEGINNING CASH	5,737	34,619	76,178
SOURCES OF CASH - CAMEO			
Membership Interest Property Distributions	136,332	188,052	208,834
Partial return of Issa Phoenix retainer	75,000		
TOTAL SOURCES	211,332	188,052	208,834
USES OF CASH - CAMEO			
PAYROLL			
Salaries	44,500	44,500	44,500
Payroll Taxes	2,781	2,781	2,781
Payroll Service Fee	50	50	50
TOTAL PAYROLL	47,331	47,331	47,331
GENERAL & ADMIN.			
Accounting	-	-	-
Advertising/Marketing	-	-	-
Auto Expense	-	-	-
Bank Charges	-	-	-
Computer Equipment Lease	4,000	4,000	4,000
Dues & Subscriptions	-	-	-
Entertainment	-	-	-
License & Bonds	-	-	-
Maintenance & Repairs	-	-	-
Office Overhead & Supplies	-	-	-
Professional Fees	-	-	-
Postage/Courier	-	-	-
Travel	-	-	-
Telephone	-	-	-
Other	-	-	-
TOTAL GENERAL & ADMIN	4,000	4,000	4,000
TOTAL CAMEO G&A	51,331	51,331	51,331
Professional Fees (30%)	105,000	45,000	30,000
G Company Management Allocation (30%)	26,119	50,162	48,362
Project Capital Contributions	-	-	-
TOTAL USES	182,450	146,493	129,693
NET CASH FLOW	28,882	41,559	79,141
ENDING CASH - CAMEO	34,619	76,178	155,319

G COMPANIES MANAGEMENT
Projected Cash Flow

	Jul-08	Aug-08	Sep-08
BEGINNING CASH	180,734	50,000	50,000
SOURCES OF CASH - G CO MGMT			
Allocation from JCG (70%)	60,943	117,044	112,844
Allocation from Cameo Homes (30%)	26,119	50,162	48,362
TOTAL SOURCES	87,062	167,205	161,205
USES OF CASH - G CO MGMT			
Salaries & Wages	97,472	68,919	68,919
Payroll Taxes	6,112	4,322	4,322
401K Employer Matching	265	265	265
Retention Agreement Expense	-	-	-
Payroll Service Fee	250	250	250
Payroll 401K Service Fee	463	463	463
DIRECT PAYROLL	104,562	74,218	74,218
Payroll per pay period	52,281	37,109	37,109
Consulting Fees	33,917	21,000	15,000
Workers Compensation	4,060	3,100	3,100
Health Insurance	26,899	20,530	20,530
Other Employment Fees	750	750	750
INDIRECT PAYROLL	65,626	45,380	39,380
RENT EXPENSE			
1105 Quail - Corporate Offices	22,116	22,116	22,116
1200 Quail #250	1,617	1,617	1,617
sub-lease	(1,694)	(1,694)	(1,694)
1200 Quail #260	3,406	3,406	3,406
sub-lease	(3,406)	(3,406)	(3,406)
3975 Birch (warehouse)	3,150	3,150	3,150
storage	235	235	235
TOTAL RENT	25,424	25,424	25,424
GENERAL & ADMIN			
Mileage Reimbursement	500	500	500
Auto Other	500	500	500
Computer Expense	4,000	4,000	4,000
Dues & Subscriptions	450	450	450
Equipment Lease	1,034	1,034	1,034
Insurance	-	-	-
Internet Service	1,500	1,500	1,500
Office Supplies & Expense	5,000	5,000	5,000
Postage & Delivery	1,900	1,900	1,900
Professional Fees	3,000	3,000	3,000
Telephone	2,500	2,500	2,500
Utilities	1,500	1,500	1,500
Travel & Entertainment	300	300	300
TOTAL GENERAL & ADMIN	22,184	22,184	22,184
TOTAL USES	217,796	167,205	161,205
NET CASH FLOW	(130,734)	-	-
ENDING CASH - G CO MGMT	50,000	50,000	50,000

Distributable Project Cash Flow

	Jul-08	Aug-08	Sep-08	Ownership JCG	Cameo
Project					
Piccadilly Square	-	48,160	52,309	25.261%	24.239%
Park Mesa Villas	150,000	158,639	173,297	18.750%	18.375%
Brooklake	120,000	108,544	115,255		49.500%
Villa Buena	75,000	64,449	71,919	25.261%	24.239%
Parkewood Village	125,000	115,552	99,615	16.667%	16.333%
Palm Island	26,000	165,039	143,857	64.000%	
River Knolls	4,000	7,388	11,684	85.000%	14.000%
Emerald Isle	100,000	70,137	92,535	69.000%	
Silverhawk	-	-	-	55.250%	1.000%
Vista Pointe 144	-	-	-	74.000%	1.000%
Silverado 492	-	-	-	74.000%	1.000%
Grand Isle 453	-	-	-	74.000%	1.000%
La Quinta Retail/Lofts	-	-	-	55.250%	
Crown Building	45,000	31,633	28,284		20.000%
Lucas Gianulias	20,000	33,887	34,387	50.000%	
Greenhaven Plaza	3,000	10,488	14,874	25.000%	
Grass Valley Shop Ctr	-	50,329	65,451	0.010%	98.990%
Coast Business Center	65,000	97,617	78,988	20.733%	1.867%
Dana Center GP	5,000	3,459	4,829	50.000%	
Dana Center LP	17,000	11,394	15,296	49.500%	
East Coast Properties	100,000	100,000	100,000	25.000%	
JCG distributions	217,086	309,928	318,607		
Cameo distributions	136,332	188,052	208,834		