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UNITED STATES BANKRUPTCY COURT

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CENTRAL DISTRICT OF CALIFORNIA

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SANTA ANA DIVISION

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In re

) Case No. 8:08-bk-13150-RK

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JAMES C. GIANULIAS and CAMEO
HOMES, a California corporation,

) Substantively Consolidated With:
) Case No. 8:08-bk-13151-RK

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)
) Chapter 11

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Debtors and Debtors-in-Possession.

)
) **DECLARATION OF JAMES C.
) GIANULIAS IN SUPPORT OF MOTION
) FOR ORDER APPROVING
) SUBORDINATION OF LIFE ESTATE
) INTEREST**

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) **Date:** December 15, 2009

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) **Time:** 2:30 p.m.

) **Courtroom:** 5D

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I, James C. Gianulias, hereby declare and state as follows:

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1. I am over the age eighteen years of age.

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2. I am the former Chief Executive Officer of Cameo Homes, Inc (“Cameo”). I own

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all of the equity interests in this entity.

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3. On June 6, 2008, three of my creditors commenced an involuntary case against me

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under Chapter 7 of Title 11 of the United States Code (the “Bankruptcy Code”), thereby

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commencing case number 8:08-bk-13150-RK. Concurrently, the same three creditors commenced

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an involuntary chapter 7 case against Cameo, thereby commencing case number 8:08-bk-13151-

1 RK. On July 2, 2008 (the "Petition Date"), the United States Bankruptcy Court for the Central
2 District of California, Santa Ana Division (the "Bankruptcy Court") entered Orders for Relief and
3 converted the Debtors' cases to chapter 11 proceedings. On December 11, 2008, the Bankruptcy
4 Court entered an order substantively consolidating Cameo's chapter 11 estate into Gianulias'
5 estate (the "Estate"), effective as of June 6, 2008. Since the commencement of the bankruptcy
6 case, Debtors have managed their affairs as debtors and debtors-in-possession pursuant to sections
7 1107 and 1108 of the Bankruptcy Code.

8 4. Except where noted, I have personal knowledge of the facts stated herein, and
9 would competently testify thereto if sworn as a witness, except as to those matters stated on
10 information and belief, which I believe to be true.

11 5. I offer this Declaration in support of Debtors' Motion For Order Approving
12 Subordination Of Life Estate Interest (the "Motion").

13 6. Except as otherwise indicated, all statements in this Declaration are based upon my
14 personal knowledge. If I were called upon to testify, I could and would testify competently to the
15 facts set forth herein.

16 7. I am the most recent prior owner of that certain real property single family
17 residence commonly known as 21 Atlantis Cove, Newport Coast, California 92657 (the
18 "Residence").

19 8. On or about October 14, 2003, I transferred all of my right, title and interest in the
20 Residence by quitclaim deed to the James C. Gianulias Personal Residence Trust dated October
21 14, 2003, a qualified personal residence trust (the "QPRT"), a true and correct copy of which is
22 attached hereto as Exhibit "1".

23 9. The QPRT holds a 100% interest in the Residence, which Residence is subject to a
24 first deed of trust dated as of June 13, 2003, in favor of lender Countrywide Homes Inc. and its
25 successors and assigns.

26 10. The QPRT created a life estate interest in the Residence for my benefit (the "Life
27 Estate"). While the Residence is not an asset of the Estate, the Life Estate is an asset of the Estate.
28 The Life Estate is scheduled as an asset on "Schedule A – Real Property" of my bankruptcy

1 schedules, and also is referenced in Riders 10.b and B.19 to my Statement of Financial Affairs,
2 copies of which are attached hereto as Exhibits "2," "3," and "4," respectively.

3 11. The beneficiaries of the QPRT are Melinda K. Ensign and David James Gianulias.

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

6 Executed this 24th day of November, 2009, at Lahaina, Hawaii.

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/s/ James C. Gianulias

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James C. Gianulias

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