

VANDERHOFF LAW GROUP
 Alan Vanderhoff, Cal. Bar No. 138032
 Jeanne C. Vanderhoff, Cal. Bar No. 138011
 701 "B" Street, Suite 1000
 San Diego, California 92101
 Telephone: (619) 299-2050
 Attorneys for GLOBAL MONEY MANAGEMENT, LP

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF CALIFORNIA

In re:)
) BK. No. 04-02295-M11
)
 GLOBAL MONEY MANAGEMENT, LP,)
) DISCLOSURE STATEMENT TO DEBTOR'S
) FIRST AMENDED PLAN OF
 Debtor.) REORGANIZATION DATED SEPTEMBER
) 11, 2007
)
) Confirmation Hearing Date:
)
) Date: November 14, 2007
) Time: 2:00 p.m.
) Dept. One
) Judge: James W. Meyers
)

GLOBAL MONEY MANAGEMENT, LP ("Debtor"), debtor and debtor-in-possession in the above-captioned bankruptcy case, through its attorney, Alan Vanderhoff, and at the direction of Court-appointed receiver, Charles G. LaBella, is providing this Disclosure Statement to each known holder of a Claim or Interest in the Debtor for the purpose of soliciting acceptances of its First Amended Plan of Reorganization Dated September 11, 2007 (the "Plan")¹ and to enable Creditors to make an informed decision with regard to voting on the Plan. A copy of the Plan is attached hereto as Exhibit "A."

I. QUICK START SUMMARY AND INSTRUCTIONS

Since March 2004, the court-appointed Receiver for Global Money Management ("GMM") and LF Global Investments ("LF Global") has marshaled the assets of GMM and LF Global for the ultimate purpose of returning the recovered funds to defrauded investors. To date, GMM has accumulated approximately \$21.4 million in cash funds and projects that, in the end, approximately \$30 million will be available for distribution to approved claimants.

The Receiver has pursued the recovery of funds in two parallel actions—in the bankruptcy court after the filing of GMM's Chapter 11 petition and in the receivership court which appointed the Receiver.

¹ Many terms, capitalized and otherwise, used in this Disclosure Statement, are defined in the Plan. You should consult the Plan for those definitions.

The Receiver now proposes a Liquidation Plan of Reorganization (the "Plan") in the GMM Bankruptcy which will move this whole procedure toward the finish line. Under this Plan, the aggregate funds of GMM will be distributed to creditors and investors on a pro rata basis. This Plan will also enable the Receiver to make interim distributions prior to the conclusion of all the formal proceedings.

To vote to accept or reject the Plan, please fill out the enclosed ballot and return it in the enclosed envelope so that it will be received not later than October 30, 2007. Please include on your completed ballot the address where your checks should be sent.

The remainder of this Disclosure Statement is provided for your information. It discusses the plan in much greater detail. You are encouraged to read it.

II. INTRODUCTION

The purpose of this Disclosure Statement is to provide holders of claims against or interest in the Debtor with adequate information to enable them to make informed judgments about the Plan before exercising their right to vote for acceptance or rejection of the Plan.

Acceptance or rejection of the Plan is important and must be made in writing. An acceptance or rejection of the Plan may only be made by completing the Ballot that accompanies the Plan and mailing it to:

Alan Vanderhoff, Esq.
Vanderhoff Law Group
701 "B" Street, Suite 1000
San Diego, California 92101

In order for a vote to be counted, the completed Ballot must be received no later than 5:00 p.m. Pacific Time, October 30, 2007. The Disclosure Statement describes the business background of the Debtor, the events that preceded the filing of this chapter 11 case, and summarizes the terms of the Plan. If the Plan is confirmed by the Court, it will bind all creditors and interest holders regardless of whether an individual claimant voted for or against the Plan and regardless of whether that claimant filed a proof of claim or interest.

The Debtor strongly urges that each recipient carefully and completely review the contents of this Disclosure Statement and the Plan. Particular attention should be given to the provisions of the Plan affecting or impairing the rights of each holder of a Claim or Interest. The information contained in this Disclosure Statement has been submitted by the Debtor, unless specifically stated to be from other sources. The Debtor has authorized no representations concerning it or its financial affairs, other than those set forth herein. Additional information may be obtained by visiting the website www.gmmreceiver.com and clicking on the link for the Plan of Reorganization. Specifically, this site will have additional information regarding the various adversary proceedings that have been filed in the case and the administrative expenses that have been incurred.

The Plan is summarized below under the heading "Summary of the Plan," but all summaries are qualified by the terms of the Plan itself, which are in all instances controlling. You may not rely upon this Disclosure Statement for any purpose other than to determine how to vote on the Plan. Nothing contained in the Plan or Disclosure Statement shall constitute an admission of any fact or liability by any party, or be admissible in any proceeding involving the Debtor or any other party.

The statements contained in this Disclosure Statement are made as of the date hereof, unless another time is specified herein. Neither delivery of this Disclosure Statement nor any exchange of

rights made in connection with the Disclosure Statement or the Plan shall under any circumstances create an implication that there has been no change in the facts set forth herein after the date the Disclosure Statement was prepared. Although the Debtor believes that the contents of this Disclosure Statement are complete and accurate to the best of its knowledge, information and belief, the Debtor is unable to warrant or represent that the information contained herein is without any inaccuracy.

After notice and a hearing held on September 12, 2007, and upon the request of the Debtor, the Court, pursuant to Section 1125 of the Bankruptcy Code, approved this Disclosure Statement as containing information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of Debtor and the condition of its books and records, that would enable a hypothetical reasonable investor, typical of the Debtor's creditors and shareholders, to make an informed judgment to vote to accept or reject the Plan. Approval of this Disclosure Statement by the Court does not, however, constitute a recommendation by the Court to accept or reject the Plan.

This is a liquidation plan. Under the Plan, the Debtor's assets will be liquidated and the proceeds will be distributed to the creditors in the order of their priority. The Receiver believes that confirmation of the Plan is in the best interests of creditors. The Receiver recommends that investors and creditors vote to accept the Plan.

III. BACKGROUND INFORMATION

A. Description of the Debtor.

The history of GMM remains a work in progress. As background to the proposed Plan, we repeat the Receiver's summary conclusions set forth in the Receiver's Interim Report of February 5, 2005:

"GMM began as a modest investment hedge fund for family and friends. It evolved, however, into a fraudulent enterprise engineered by its General Partner – LF Global – whose managing members were Marvin Friedman and Paul Levy.

LF Global solicited investors for GMM based upon fictional financial performance presented in marketing materials, quarterly reports, and Schedules K-1 from GMM's annual tax filings. Over time, the majority of investor capital placed with GMM was disbursed to LF Global and withdrawing investors. Disbursements to investors included fictional gains. In truth, only about 30% of investor funds were ever placed in investment accounts of GMM. The investment accounts performed miserably, averaging annual results of negative 50%. All of this took place in an environment with minimal systems, internal controls, or accountability. The operation was bolstered by accountants and brokers whose involvement provided a patina of legitimacy to the venture and the pretense of security to the investors.

There remain some unanswered questions, but our investigation has yielded a rough reconstruction of GMM's finances based on bank records for the years 1998 through 2004. During this period, investors contributed approximately \$109.8 million in cash. The bulk of that cash evaporated quickly - \$53.9 million to investor withdrawals; \$17 million in cash losses from trading accounts; \$17.4 million net transferred to LF Global as General Partner; and \$15.0 million in net withdrawals to one of LF Global's principals, Paul Levy. In the end, GMM had only \$8,524 in cash and its investments in Santarus, Inc. with an estimated value of approximately \$3 million.

With the \$17.4 million it misappropriated from GMM, plus capital contributed from its principals (primarily Levy with \$1.6 million) and return on investments, LF Global covered its own inflated operating expenses, orchestrated investments for its own benefit, and channeled nearly \$8 million in draws and expenses to its principals (\$5.7 million to Marvin Friedman, \$1.2 million to Paul Levy, and \$855,000 to Milt Lohr). In the end, LF Global had only \$854 in cash and two viable investment assets, both of which are currently illiquid – Highcrest Partners (estimated current value \$2 million) and Windamere Capital Ventures (estimated current value \$2 million).

GMM failed when LF Global could not raise new investor money fast enough to cover the combined cash drain of withdrawing investors, investment losses, and its own mismanagement and perfidy. Our current estimate of investor capital losses is between \$60 and \$70 million.”

B. The Receivership Action.

On March 11, 2004, the Securities and Exchange Commission (“SEC”) filed an action against GMM, LF Global and Marvin Friedman in the United States District Court for the Southern District of California. The District Court effectively seized control of GMM and LF Global on that day by appointing Charles G. LaBella (the “Receiver”) as receiver for the two entities and by issuing a temporary restraining order freezing the assets of GMM and LF Global.

C. GMM Bankruptcy.

At the direction of the Receiver, GMM filed a petition under Chapter 11 of the Bankruptcy Code on March 13, 2004. The Receiver was also appointed the Responsible Person for GMM in the Bankruptcy. This Bankruptcy action provided the basis to bring actions to recover money that was transferred to creditors within the 90 days preceding the bankruptcy case and the power to recovery money that was transferred to parties in fraud of creditors or for less than reasonably equivalent value.

D. Creating an Accounting of GMM’s Transactions.

When the Receiver took control of GMM and LF Global, there was no reliable accounting system in place. There was no comprehensive ledger which tracked the day to day financial transactions of the business. Moreover, many of the business and accounting records were missing. It does not appear that GMM ever had a comprehensive accounting system.

The Receiver’s forensic accountants undertook the task to create an accounting data base of GMM transactions based on documents available at GMM and documents subpoenaed from various banks and financial institutions. As documents were received, the Receiver’s accountants inputted each transaction into a master data base, resulting in a nearly complete record of transactions of GMM over at least the five years preceding the bankruptcy.

E. GMM and LF Global Transfers.

Cash was freely transferred on a daily basis between the bank accounts of GMM and LF Global. At times when GMM needed cash to satisfy an investor’s withdrawal demand, money would be transferred back to GMM. Net transfers from GMM to LF Global or for the benefit of LF Global total approximately \$20.4 million. Much of the money transferred to LF Global was misappropriated or squandered by LF Global’s principals, but some investments were made by LF Global which are assets of the Receivership Estate. Any such net assets will be transferred to GMM to reduce that \$20 million deficit and will be disbursed under the Plan.

F. The Bankruptcy Avoidance Actions.

GMM, at the direction of the Receiver, filed 28 avoidance actions against various parties who received transfers during the four years before the bankruptcy was filed. To date, GMM has recovered more than \$5.7 million on account of the avoidance actions.

G. Actions Against Insiders, Accountants and Others.

The Receiver has pursued claims against the principals of GMM and LF Global and other third parties. Notices of the specific terms of the various settlements entered into by the Receiver were served on all investors and creditors previously and are available for review in the files of the Bankruptcy Court.

IV. SUMMARY OF THE PLAN

A. Introduction.

This Disclosure Statement contains a brief summary of the Plan and is qualified in its entirety by the full text of the Plan itself, a copy of which is attached hereto as Exhibit "A." All terms defined in the Plan have the same meaning in this Disclosure Statement unless otherwise stated. The Plan, if confirmed, will be binding upon the Debtor, the creditors and interest holders. All creditors and interest holders are urged to carefully read the Plan

B. Overall Summary.

This is a liquidating plan. The Receiver has recovered significant assets and will continue to recover assets. The Plan provides for the distribution of those assets to GMM's investors and other creditors. The Plan authorizes the Receiver to make interim distributions so that GMM's investors will not have to wait until all litigation is completed before receiving part of their distribution.

The proofs of claim filed by many investors were based upon the GMM account statements that they received and included the fictitious profits that were reflected in those statements. The Receiver believes that the fairest way to distribute the funds is to pay the GMM investors based on their net loss based on a cash-in/cash-out analysis. The Plan, therefore, divides the claims of GMM investors into "Net Stripped Capital Claims" and "Non- Net Stripped Capital Claims."

"Net Stripped Capital Claim" means the Claim of a GMM Investor, or portion of such claim, which is based upon the "cash-in/cash-out" equity theory without regard to other theories of damages. For example, a GMM Investor who invested \$100,000 in GMM and received a distribution of \$25,000 would have a Net Stripped Capital Claim of \$75,000 regardless of any other theory of damages that the GMM Investor might be able to argue. For the purposes of this Plan, any Claim which was fixed by an order of the Bankruptcy Court approving a settlement entered into between the holder of such claim and the bankruptcy estate will be deemed to be a Net Stripped Capital Claim notwithstanding how the settled claim amount was calculated.

The claim of the Sandalwood Entities is separately classified under the Plan because the claim of the Sandalwood Entities is subject to a distribution cap which does not apply to other creditors.

The claim of Richard M Kipperman is classified separately under the Plan because his claim is the only creditor claim which is not an investor claim. Mr. Kipperman was engaged by GMM a few days before the Receiver was appointed. Mr. Kipperman was to be the responsible person in a chapter 11 case to be filed by the company. After he was engaged and had incurred expenses on behalf of GMM, the

Receiver was appointed and took control of GMM. Mr. Kipperman holds a claim in the amount of \$1,200 which is not disputed by GMM.

C. Classification and Treatment of Claims.

The Plan provides for the payment of Administrative Expenses and Claims of creditors. Administrative Expenses and priority tax Claims are not classified. The Plan divides all other prepetition Claims and equity interests into four (4) classes. The Claims of creditors are classified and treated as follows:

1. Class 1. Class 1 consists of the claim of Richard M Kipperman. Mr. Kipperman has a claim in the amount of \$1,200.00 which is for expenses that he incurred under a contract with GMM just prior to the bankruptcy case being filed. Mr. Kippeman's claim will be paid in full on the Effective Date of the Plan.

2. Class 2. Class 2 consists of the Allowed Net Stripped Capital Claims of GMM investors other than the Sandalwood Entities. Class 2 is impaired under the Plan. Each holder of a Class 2 Claim shall receive, along with the holders of Class 4 Claims and Class 5 Claims, a pro rata share of Estate Funds remaining after payment of all priority and administrative Claims, and the Class 1 Claim up to the amount of the holder's Allowed Claim.

3. Class 3. Class 3 consists of Allowed Non-Net Stripped Capital Claims of GMM investors. Class 3 is impaired under the Plan. "Non-Net Stripped Capital Claim" is defined in the Plan as "the Claim of a GMM Investor, or portion of such claim, which is in excess of such investor's Net Stripped Capital Claim and is based upon any theory of damages or remedies other than the "cash-in/cash-out" equity theory including, but not limited to such things as "benefit of the bargain" measure of damages, interest, consequential damages, tort remedies, statutory damages, and any other measure of damages that is inconsistent with the "cash-in/cash-out" equity theory." Class 3 is impaired under the Plan. Each holder of a Class 3 Claim, if any, shall receive a pro rata share of Estate Funds remaining after all other Classes have been paid in full. It is not expected that any funds will be available to pay Class 3 Claims. It is not expected that any payment will be made on account of Class 3 Claims.

4. Class 4. Class 4 consists of any Allowed Claims of the Sandalwood Entities. Class 4 is impaired under the Plan The Sandalwood Entities shall receive, along with the holders of Class 2 Claims and Class 5 Claims, a pro rata share of Estate Funds remaining after payment of all priority and administrative Claims, and the Class 1 Claim, provided however, that the distribution to the Sandalwood Entities shall be capped at \$1,300,000 pursuant to the terms of the Sandalwood Settlement.

D. Payment of Administrative Expenses.

Administrative Claims are not classified under the Plan. Each holder of an Allowed Administrative Claim that has not been satisfied during the Case will be paid in full in cash on the later of the Effective Date or the date by which such claim is allowed by order of the Bankruptcy Court.

E. Executory Contracts.

The Debtor does not believe that there are any executory contracts or unexpired leases. However, if any executory contracts or unexpired leases do exist, they shall be rejected as of the Effective Date. Any individual or entity holding a Claim based upon the rejection of an executory contract or unexpired lease pursuant to this Article must, within thirty days after Confirmation, file a proof of claim with the Bankruptcy Court. Such Claims shall be treated as Class 3 Claims unless the Bankruptcy Court orders otherwise. The failure of any such individual or entity to file a proof of claim within the specified time

period will result in the disallowance of such Claim. The Debtor does not believe that any executory contracts exist.

F. Means for Implementing the Plan.

GMM currently has \$21.4 million in cash assets. GMM expects to receive at least an additional \$1 million from unfunded, but approved settlements and another approximately \$8 million to \$9 million in transfers from the Receivership Estate.

The Receiver shall act as the Disbursing Agent and shall manage the Post-Confirmation Estate for the benefit of creditors and investors. The Disbursing Agent shall be vested with the power and authority of a trustee. The Disbursing Agent may make any number of interim distributions as he deems appropriate. When all assets of the Post-Confirmation Estate have been reduced to cash, all claims disputes have been resolved, and all expenses of the Disbursing Agent and the Post-Confirmation Estate have been paid, the Disbursing Agent shall make a final distribution.

G. Determination of Claims.

The Bankruptcy Court established a claims bar date of July 31, 2004. Approximately 245 parties filed proofs of claim. The aggregate face amount of all the proofs of claim was about \$453 million. The Receiver believes that the proofs of claim are inflated. Many investors claimed the amount that was on the most recent investor statement that they received from GMM. However, the GMM investor statements were not accurate because they contained accumulated fictitious earnings. GMM did not make any profits. To the contrary, GMM suffered large losses. The Receiver believes that investor claims should be limited to the investor's "net stripped capital." "Net stripped capital" means the amount of money actually transferred to GMM by an investor, less any payments received by the investor from GMM. For example, if an investor invested \$100,000 in GMM and received a distribution of \$25,000, that investor's net stripped capital would be \$75,000. If an investor invested \$100,000 in GMM and received no distribution, that investor's net stripped capital would be \$100,000. If an investor invested \$100,000 in GMM and received distributions equaling or exceeding \$100,000, that investor's net stripped capital would be zero.

The Receiver believes that the aggregate net stripped capital of all GMM investors is approximately \$69 million. The Debtor is currently filing objections to many of the proofs of claim in order to have the claims fixed in an appropriate amount. The Receiver hopes to have the bulk of claim objections completed before confirmation of the Plan so that distributions may be made as early as possible.

H. Amount of Distributions.

The percentage recovery that a creditor or investor might receive under the Plan is a product of the amount of cash available for distribution to the investors divided by the amount of the claims. It is not possible to determine now the percentage of the recovery for investors because the claims have not been determined by the Court. However, if the Receiver is successful in having all claims limited to each investor's Net Stripped Capital, and the aggregate claims amount to approximately \$69 million, the Receiver is hopeful that distributions to investors will be in the range of thirty-five percent (35%) of the net stripped capital claims (*i.e.*, Classes 2 and 4).

V. LIQUIDATION ANALYSIS

When evaluating the terms of the Plan, each creditor should weigh various alternatives for payment. One alternative to the Plan is the liquidation of all of the estate's assets, through a proceeding

under Chapter 7 the Bankruptcy Code. If the Debtor's case was converted to a case under Chapter 7 of the Bankruptcy Code, a Chapter 7 trustee would be appointed and would liquidate all of the Debtor's assets and distribute the proceeds to the creditors.

Conversion to a Chapter 7 case would not result in a higher distribution to unsecured creditors. The assets to be liquidated under a Chapter 7 would be less than the assets to be liquidated under the Plan because the Plan contemplates the transfer of additional funds from the Receivership Estate. Such transfers might not be possible under a Chapter 7. Accordingly, the Receiver believes that creditors will receive more under the Plan than they would if the case was converted to a case under Chapter 7.

Another consideration is the time-frame within which claims are paid. Under the Plan, the Receiver is authorized to make interim distributions. In a Chapter 7 case, distributions are not made until the case is closed. It typically takes several years to fully administer a Chapter 7 case. Therefore, the Receiver believes that distributions will be made to creditors much faster under the Plan than under a Chapter 7 case.

VI. ADDITIONAL SOURCES OF INFORMATION

Additional sources of information available to all creditors include the various schedules and reports which were filed by the Debtor in accordance with the provisions of Bankruptcy Code. These include, without limitation, the "Chapter 11 Statement of Financial Affairs for Debtor Engaged In Business," Schedules and monthly operating reports for all periods from March 2004 to the present. The schedules and operating reports described above are available for inspection and review by the public in the office of the Clerk of the United States Bankruptcy Court located at 325 West F Street, San Diego, California during regular business hours (Monday - Friday, 9:00 a.m. to 4:00 p.m.).

VII. VOTING INSTRUCTIONS AND CONFIRMATION PROCEDURES

A. Voting Procedure.

Bankruptcy is a type of creditor democracy. The Plan divides the Claims of Creditors and Equity Interest holders into four (4) separate classes. Only impaired classes of creditors are entitled to vote on the Plan. As a general rule "impaired classes" include creditors who, under the Plan, will not receive payment in full of their Claims on the Effective Date of the Plan. In this case, Classes 2, 3, and 4 are impaired. Class 1 is unimpaired and is deemed to have accepted the Plan.

All creditors entitled to vote on the Plan must cast their vote by completing, dating and signing the "Ballot," which is enclosed with this Disclosure Statement. When fully executed, the Ballot must be mailed to Alan Vanderhoff, Esq., 701 "B" Street, Suite 1000, San Diego, California 92101 such that it is received not later than 5:00 p.m. (PDT) on October 30, 2007. A vote rejecting the Plan may be changed to a vote accepting the Plan anytime prior to the conclusion of the confirmation hearing by providing notice of the change to counsel for the Debtor.

B. Confirmation of Plan/Solicitation of Acceptances.

This Disclosure Statement has been approved by the Bankruptcy Court in accordance with Section 1125 of the Bankruptcy Code and is provided to each person whose Claim or Equity Interest has been scheduled by the Debtor or who has filed a proof of Claim or Equity Interest with respect to the Debtor or its property, and to the Debtor. The Disclosure Statement is intended to assist creditors in evaluating the Plan and determining whether to accept the Plan.

In determining acceptance of the Plan, votes of creditors will only be counted if submitted by a creditor whose Claim is duly scheduled by the Debtor as undisputed, non-contingent and liquidated, or who has filed with the Court a proof of Claim or proof of interest to which no objection has been filed.

C. Hearing on Confirmation of Plan.

The Court has set November 14, 2007, at 2:00 p.m., in Department One (1) of the Bankruptcy Court as the time, date and place for the hearing to determine whether the Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Plan have been satisfied. Each creditor will receive, with this Disclosure Statement, a Notice of Hearing on Confirmation of the Plan which gives the details of that hearing and a date by which objections to the confirmation of the Plan, if any, must be filed. That hearing may be continued from time to time by announcements made by the Bankruptcy Court in open session at the hearing without any further written notice being provided to you. Your attendance at the hearing on Confirmation of the Plan is encouraged.

D. Acceptances Necessary to Confirm Plan.

At the scheduled hearing, the Court must determine, among other things, whether the Plan has been accepted by each impaired class. Under Section 1126 of the Code, an impaired Class of Claims is deemed to have accepted the Plan upon a favorable vote of at least two-thirds in (dollar) amount and more than one-half in number of the Allowed Claims of Class members voting on the Plan. Further, unless there is unanimous acceptance of the Plan by an impaired class, the Court must also determine that Class members will receive at least as much as they would if the Debtor was liquidated under Chapter 7 of the Code. The Debtor believes that the Plan satisfies this requirement as to each Class.

E. Confirmation of the Plan Without Necessary Acceptances.

The Plan may be confirmed even if it is not accepted by one or more of the impaired classes, if the Court finds that the Plan does not discriminate unfairly against and is "fair and equitable" as to each dissenting class. This provision is generally set forth in Section 1129(b) of the Bankruptcy Code. Generally, that section requires a showing that the Claims in such Class either will receive the full value of the Claim or, if they receive less, no Class with junior liquidation priority may receive anything. With respect to a class of unsecured Claims, the term "fair and equitable" in section 1129(b) means that the Plan provides that each holder of a Claim of such class receive or retain on account of such Claim property of a value, as of the effective date of the Plan, equal to the allowed amount of such Claim, or that the holder of any Claim or interest that is junior to the Claims of such class will not receive or retain any property under the Plan on account of such junior Claim or interest. Section 1129(b) is a relatively flexible, yet very complex provision, and this summary is not intended to be a complete statement of the law. You should consult your own legal counsel for a full understanding of your rights and the Debtor's powers under that section.

Please take notice that if one or more classes of impaired Claims fails to accept the Plan the Debtor presently intends to request confirmation of the Plan notwithstanding the non-acceptance of that class pursuant to the provisions of Bankruptcy Code section 1129(b).

F. Plan Amendments at Confirmation Hearing.

The provisions of the Bankruptcy Code give the Debtor substantial power to amend and alter provisions of the Plan up to and including the time of the Confirmation Hearing. The provisions of the Plan regarding technical and curative amendments are particularly significant because they permit the Debtor to propose and implement any number or type of amendments to the Plan for the purpose of

neutralizing or curing an actual or claimed defect in the Plan asserted by the Bankruptcy Court or any party-in-interest. This right extends additionally to any amendments which are made to respond to or neutralize any objections to the Plan previously advanced by any party-in-interest.

By its terms, the Plan does not require any prior written notice of such technical and/or curative amendment to be given to any creditor or party-in-interest. The only requirement for notice of such modification is that the modification be disclosed in open session of the confirmation hearing. Unless you attend all sessions of the confirmation hearing, you may not have the opportunity to object to such changes.

In addition to the foregoing, the provisions of the Bankruptcy Code vest the Bankruptcy Court with substantial power and discretion to effectively modify (in ways which may be favorable or unfavorable) the rights and benefits which various parties may receive under the Plan by superimposing various conditions or other requirements as part of its Order of Confirmation. No prior notice of any provisions that the Court may insert in its Order of Confirmation will be given to any party-in-interest except to the extent that such intentions are disclosed in open session of the Bankruptcy Court. Here again, your failure to attend any session of the Confirmation Hearing might mean you will not have the opportunity to object to or otherwise be heard as to potential amendatory provisions to the Plan (if any) which the Court decides to insert in its Order of Confirmation.

All parties-in-interest are encouraged to personally attend every session of the confirmation hearing. Only by such attendance can parties be assured of obtaining notice and an opportunity to be heard on all amendatory provisions which may affect their rights under the Plan.

VIII. TAX CONSEQUENCES

The Debtor is a limited partnership and is a flow-through entity for tax purposes. The Debtor is not offering tax advice to any creditor and this Disclosure Statement should not be considered to contain any specific advice or instruction considering the tax treatment of any Claim or interest. Each creditor is urged to consult with its own legal, accounting or other advisor concerning the tax treatment of its Claim or any distribution from or on behalf of the Debtor pursuant to the Plan or otherwise.

IX. SOLICITATION OF ACCEPTANCES OF THE PLAN

The Receiver believes that the Plan will provide the best distribution that is possible in this case. The Receiver urges you to vote to accept the Plan. To accept or reject the Plan, the enclosed Ballot must be returned to the place and by the time specified on the Ballot.

October 2, 2007

VANDERHOFF LAW GROUP

/s Alan Vanderhoff

By: _____
Alan Vanderhoff

Attorneys for GLOBAL MONEY MANAGEMENT, LP

VANDERHOFF LAW GROUP
Alan Vanderhoff, Cal. Bar No. 138032
Jeanne C. Vanderhoff, Cal. Bar No. 138011
701 "B" Street, Suite 1000
San Diego, California 92101
Telephone: (619) 299-2050
Attorneys for GLOBAL MONEY MANAGEMENT, LP

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re:)
) BK. No. 04-02295-M11
GLOBAL MONEY MANAGEMENT, LP,)
) DEBTOR'S FIRST AMENDED PLAN OF
) REORGANIZATION DATED SEPTEMBER
Debtor.) 11, 2007
)
) Date: November 14, 2007
) Time: 2:00 p.m.
) Dept. One
) Judge: James W. Meyers
)

GLOBAL MONEY MANAGEMENT, LP, debtor and debtor-in-possession in the above-captioned bankruptcy case, through its attorney, Alan Vanderhoff, and at the direction of Court-appointed receiver, Charles G. LaBella, hereby proposes this plan of reorganization.

ARTICLE 1

Definitions

1.01 "Administrative Expense" means any cost or expense of administration of the Debtor's Chapter 11 bankruptcy case entitled to priority in accordance with the provisions of sections 503(b) and 507(a)(1) of the Bankruptcy Code.

1.02 "Allowed" when used in reference to a Claim means (i) a Claim against the Debtor, proof of which was timely filed, as to which no objection has been interposed; or (ii) if no proof of Claim has been filed, but the Claim has been scheduled by the Debtor as liquidated in amount and not disputed or contingent, as to which no objection has been interposed; or (iii) a Claim as to which any objection has been interposed, to the extent such Claim has been Allowed in whole or in part by a Final Order.

1.03 "Bankruptcy Code" means title 11 of the United States Code.

1.04 "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of California or, in the event of a withdrawal of the reference, the United States District Court for the Southern District of California.

1.05 "Claim" means any right to payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or any right to an equitable remedy for breach of

performance if such breach gives rise to a right of payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.06 “Contested Claim” means any Claim that is not an Allowed Claim.

1.07 “Debtor” means Global Money Management, L.P.

1.08 “Disbursing Agent” means Charles G. LaBella.

1.09 “Disputed Claim” means a claim to which an objection has been filed and which has not been determined by a final, non-appealable order of the Bankruptcy Court.

1.10 “Distribution Date” when used with respect to each Allowed Claim, means the later of (i) the Effective Date, and (ii) the date upon which the Claim becomes an Allowed Claim.

1.11 “Effective Date” means the first business day that is more than 15 days after the Confirmation Order becomes a Final Order.

1.12 “Estate Funds” means cash or cash equivalents owned by GMM or transferred to GMM under the Plan.

1.13 “Final Order” means an order or judgment of a court of competent jurisdiction, including the Bankruptcy Court and the United States District Court for the Southern District of California, which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending.

1.14 “GMM Investor” means persons (both natural and unnatural) who transferred funds to GMM for the purpose of having such funds invested on their behalf by GMM whether or not the funds were actually used for the intended purpose.

1.15 “LF Global” means LF Global Investments, LLC.

1.16 “Net Stripped Capital Claim” means the Claim of a GMM Investor, or portion of such claim, which is based upon the “cash-in/cash-out” equity theory without regard to other theories of damages. For example, a GMM Investor who invested \$100,000 in GMM and received a distribution of \$25,000 would have a Net Stripped Capital Claim of \$75,000 regardless of any other theory of damages that the GMM Investor might be able to argue. For the purposes of this Plan, any Claim which was fixed by an order of the Bankruptcy Court approving a settlement entered into between the holder of such claim and the bankruptcy estate will be deemed to be a Net Stripped Capital Claim notwithstanding how the settled claim amount was calculated.

1.17 “Non-Net Stripped Capital Claim” means the Claim of a GMM Investor, or portion of such claim, which is in excess of such investor’s Net Stripped Capital Claim and is based upon any theory of damages or remedies other than the “cash-in/cash-out” equity theory including, but not limited to such things as “benefit of the bargain” measure of damages, interest, consequential damages, tort remedies, statutory damages, and any other measure of damages that is inconsistent with the “cash-in/cash-out” equity theory.

1.18 “Plan” means this Chapter 11 plan for the Debtor, as it may be modified from time to time, and all exhibits and schedules thereto.

1.19 “Post-Confirmation Estate” means the estate of GMM after the entry of a Final Order confirming this Plan.

1.20 “Receiver” means Charles G. LaBella.

1.21 “Receivership Estate” means the receivership estate of GMM and LF Global created pursuant to orders of the United States District Court in the case of *Securities and Exchange Commission v. Global Money Management et al*, Case No. 04 CV00521BTM.

1.22 “Sandalwood Entities” means Oxbridge Associates, L.P., Hudson Investment Partners, L.P., Sandalwood Debt Fund A, L.P., and Sandalwood Debt Fund B, L.P.

1.23 “Sandalwood Settlement” means the settlement agreement dated February 10, 2006 entered into between GMM and the Sandalwood Entities and approved by and order of the Bankruptcy Court entered on March 29, 2006.

ARTICLE 2

Payment of Administrative Expenses and Priority Claims

2.01 Administrative Expenses. Administrative Expenses Allowed pursuant to Bankruptcy Code sections 503(b)(1) and 507(a)(1) (and not previously paid), shall be paid in full in cash on the Distribution Date.

2.02 Priority Tax Claims. Each holder of a Claim entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code shall receive the amount of such holder's Allowed Claim in cash on the Distribution Date.

ARTICLE 3

Classification of Claims and Equity Interests

3.01 Class 1. Class 1 consists of the Allowed Claim of Richard M Kipperman. Class 1 is not impaired under the Plan.

3.02 Class 2. Class 2 consists of the Allowed Net Stripped Capital Claims of GMM investors other than the Sandalwood Entities. Class 2 is impaired under the Plan.

3.03 Class 3. Class 3 consists of Allowed Non-Net Stripped Capital Claims of GMM investors. Class 3 is impaired under the Plan.

3.04 Class 4. Class 4 consists of any Allowed Claims of the Sandalwood Entities. Class 4 is impaired under the Plan.

ARTICLE 4

Treatment of Claims

4.01 Class 1 – Richard M Kipperman. Mr. Kipperman shall be paid the full amount of his Allowed Claim on the Distribution Date.

4.02 Class 2 – Net Stripped Capital Claims of GMM Investors. Each holder of a Class 2 Claim shall receive, along with the holders of Class 4 Claims and Class 5 Claims, a pro rata share of Estate Funds remaining after payment of all priority and administrative Claims, and the Class 1 Claim up to the amount of the holder’s Allowed Claim.

4.03 Class 3 – Non-Net Stripped Capital Claims of GMM Investors. Each holder of a Class 3 Claim, if any, shall receive a pro rata share of Estate Funds remaining after all other Classes have been paid in full. It is not expected that any funds will be available to pay Class 3 Claims.

4.04 Class 4 – Sandalwood Entities. The Sandalwood Entities shall receive, along with the holders of Class 2 Claims and Class 5 Claims, a pro rata share of Estate Funds remaining after payment of all priority and administrative Claims, and the Class 1 Claim, provided however, that the distribution to the Sandalwood Entities shall be capped at \$1,300,000 pursuant to the terms of the Sandalwood Settlement.

ARTICLE 5

Means for Implementing the Plan

5.01 Disbursing Agent Power and Authority. The Receiver shall act as the Disbursing Agent and shall manage the Post-Confirmation Estate for the benefit of creditors and investors. As of the Effective Date, the Disbursing Agent shall be vested with the power and authority and be afforded the same protections of a trustee appointed pursuant to section 1104 of the Bankruptcy Code. Subject to the provisions of the Plan, the Disbursing Agent may administer, manage, operate, or liquidate all property, contractual interests, setoffs, and recoupments of the estate and may prosecute or settle any and all causes of action of any type not otherwise disposed of by the Plan.

Without limiting any other power or authority granted to the Disbursing Agent hereunder, the Disbursing Agent shall have the power and authority to (1) prosecute, settle, compromise, and/or dismiss any of the causes of action owned by the bankruptcy estate, (2) manage and protect the estate and distribute the net proceeds as specified herein, (3) grant options to purchase, enter into contracts to sell, and sell the assets of the estate or any part or parts thereof on such terms as he shall deem appropriate in his independent business judgment, (4) release convey, assign, or sell any right, title, or interest in or about the estate, (5) pay and discharge any costs, expenses, fees, or obligations deemed necessary to preserve the estate, (6) purchase insurance to protect the estate, the Disbursing Agent, and their agents and professionals from liability, (7) deposit funds and draw checks and make disbursements thereof, (8) employ and compensate brokers to help sell property of the estate, (9) file and prepare tax returns on behalf of the estate, (10) take any action required or permitted by this Plan, (11) employ attorneys, accountants, brokers, and other professionals, as he deems necessary to assist him in performing his duties as Disbursing Agent, and compensate such persons pursuant to the Plan, (12) settle, compromise, or adjust by arbitration or otherwise, any disputes or controversies in favor of or against the estate subject to approval of the Bankruptcy Court, (13) abandon property of the estate pursuant to section 554 of the Bankruptcy Code, (14) waive or release rights of any kind, and (15) cause the GMM to be dissolved.

5.02 Distributions. The Disbursing Agent may make any number of interim distributions as he deems appropriate. When all assets of the Post-Confirmation Estate have been reduced to cash, all claims disputes have been resolved, and all expenses of the Disbursing Agent and the Post-Confirmation Estate have been paid, the Disbursing Agent shall make a final distribution.

Distributions shall be made to the addresses contained in the proofs of claim filed by such holders or the last known address of such holders. Checks issued by the Disbursing Agent shall be null and void if not cashed within ninety days of the date of issuance thereof. If any distribution is returned as undelivered, no further distributions to such holder shall be made unless and until the Disbursing Agent is notified of such holder's then current address, at which time all missed distributions shall be made to such holder without interest. Amounts with respect to undeliverable distributions made by the Disbursing Agent shall be returned to the Disbursing Agent until such distributions are claimed. All Claims for undeliverable distributions shall be made on or before the second anniversary of the Effective Date. After such date, all unclaimed property shall be deposited with the clerk of the Bankruptcy Court

under section 347 of the Bankruptcy Code if the expense of redistribution is impracticable, and all Claims against the Post-Confirmation Estate shall be forever barred.

5.03 Reserve. Prior to making distributions to particular classes, the Disbursing Agent shall reserve sufficient cash for the payment of (1) all estimated post-confirmation expenses of the Disbursing Agent and his agents, (2) all Claims in senior classes, and (3) Contested Claims in senior classes and Contested Claims in the class receiving the distribution. No reserve shall be established for any contingent Claim in the absence of a Final Order requiring such reserve. If a contingent Claim becomes fixed and absolute, the holder of such contingent Claim shall receive distributions pursuant to section 502(j) of the Bankruptcy Code, to the extent the Claim may otherwise be Allowed. In the event a contingent Claim is entitled to distributions pursuant to section 502(j) of the Bankruptcy Code, such Claim shall receive pro rata distribution in the proportion it bears to all other Allowed Claims of the same Class.

5.04 Post-confirmation Compensation of Disbursing Agent and Disbursing Agent's Professionals. The Disbursing Agent and his professionals shall be entitled to compensation and reimbursement of expenses. The Disbursing Agent shall be compensated at the same rate of compensation that he received in his role as the Responsible Person for GMM. The Disbursing Agent and his professionals may invoice the Post-Confirmation Estate directly on a monthly basis and also serve a copy of the invoice on the Office of the United States Trustee. In the event no objection to payment of an invoice is filed and served on the Disbursing Agent and the billing professional by the Office of the United States Trustee within fifteen (15) days of service of the invoice and the Disbursing Agent does not otherwise object to payment of the invoice, the Disbursing Agent may pay such invoice without further order of the Court; provided, however, that in the event an objection is timely filed and served on the Disbursing Agent and the billing professional or in the event of a dispute between the Disbursing Agent and the professional, the professional may submit an application for payment to the Court, and the Court retains jurisdiction to hear such applications and enter appropriate orders thereon.

5.05 Approval of Settlements. Court approval for compromises entered into by the Disbursing Agent shall be obtained pursuant to the Notice of Intended Action procedure set forth in Bankruptcy Local Rule 2002-2.

ARTICLE 6

Executory Contracts and Unexpired Leases

6.01 All Contracts and Leases Rejected. All executory contracts and unexpired leases shall be rejected as of the Effective Date.

6.02 Bar to Rejection Damages. Any individual or entity holding a Claim based upon the rejection of an executory contract or unexpired lease pursuant to this Article must, within thirty days after Confirmation, file a proof of claim with the Bankruptcy Court. Such Claims shall be treated as Class 5 Claims unless the Bankruptcy Court orders otherwise. The failure of any such individual or entity to file a proof of claim within the specified time period will result in the disallowance of such Claim.

ARTICLE 7

Procedures for Resolving and Treating Contested and Contingent Claims

7.01 Objection Deadline. Objections to Claims, whether filed by the Debtor, the Disbursing Agent or creditors, must be filed not later than 90 days following the Effective Date. This section shall

not limit parties' rights to object to Claims, if any, filed or amended after the Effective Date, or to seek an extension of the time to object to Claims for cause shown.

7.02 Time for Filing Administrative Claims. Administrative Claims against the Debtor, other than the applications of court-approved professionals, must be filed within thirty days following the entry of an order confirming the Plan.

ARTICLE 8

Miscellaneous Provisions

8.01 Modification of Plan. Modifications of the Plan may be proposed in writing by the Debtor at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after confirmation and before its substantial consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or equity interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

8.02 Revocation of Plan. The Debtor reserves the right to revoke and withdraw the Plan prior to entry of the order confirming the Plan. If the Debtor revokes or withdraws the Plan, or if confirmation of the Plan does not occur, then the Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

8.03 Cramdown. The Debtor requests the Bankruptcy Court to confirm the Plan pursuant to the provisions of section 1129(b) of the Bankruptcy Code with respect to any Class that is deemed not to have accepted the Plan and any Class that fails to accept the Plan.

8.04 Post-Confirmation Reports. The Disbursing Agent shall file quarterly post-confirmation reports with the Bankruptcy Court until the case is closed and shall serve copies of such reports on the Office of the United States Trustee. Post-confirmation fees, if any, shall be paid on a timely basis.

ARTICLE 9

Jurisdiction of the Bankruptcy Court

9.01 The Bankruptcy Court shall retain jurisdiction to the fullest extent permitted by law.

September 11, 2007

VANDERHOFF LAW GROUP

/s/ Alan Vanderhoff
By: _____
Alan Vanderhoff

Attorneys for GLOBAL MONEY MANAGEMENT, LP