UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF ARKANSAS

IN RE: ALL YOU, LLC
Debtor-in-Possession

CASE NO. 10-74049
Chapter 11

DISCLOSURE STATEMENT
OF
ALL YOU, LLC

I.

INTRODUCTION

ALL YOU, LLC is a Debtor in a Chapter 11 bankruptcy case. On August 2, 2010, ALL YOU, LLC commenced a bankruptcy case by filing a chapter 11 petition under the Bankruptcy Code. Chapter 11 allows the Debtor, and under some circumstances, creditors and other parties in interest, to propose a plan of reorganization ("Plan"). The Plan may provide for the Debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a combination of both. ALL YOU, LLC is the party proposing the Plan sent to you in the same envelope as this document. THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE ENCLOSED PLAN. The Plan is included only for informational purposes to more fully disclose the Debtors' intent in this bankruptcy. The Plan enclosed may be modified and may not be the final Plan submitted to you in a subsequent mailing. The Debtors are first required to gain approval of this Disclosure Statement and then will seek approval of the Plan once the Disclosure Statement is approved. You will be sent by subsequent mailing a copy of said Plan with a ballot allowing you to approve or reject the Debtors' proposed Plan.

A. Purpose of this Document

This Disclosure Statement summarizes what is in the Plan, and tells you certain information relating to the Plan and the process the Court follows in determining whether or not to confirm the Plan.

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW

ABOUT:

(1) WHO CAN VOTE OR OBJECT,

(2) WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN LIQUIDATION,

(3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY,

(4) WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER OR NOT TO CONFIRM THE PLAN,

(5) WHAT IS THE EFFECT OF CONFIRMATION, AND

(6) WHETHER THIS PLAN IS FEASIBLE.

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own attorney to obtain more specific advice on how this Plan will affect you and what is the best course of action for you. The Code requires a Disclosure Statement to contain "adequate information" concerning the Plan. The Plan must contain enough information to enable parties affected by the Plan to make an informed judgment about the Plan.

B. Deadlines for Voting and Objecting; Date of Approval of Disclosure Statement and Date of Plan Confirmation Hearing.

You are being sent this information as the first step in the Plan Confirmation process. Included with this Disclosure Statement is a Notice of Opportunity to Object. There is a competing Disclosure Statement and Plan filed by First Security Bank. The Disclosure Statement and Plan filed by First Security Bank would have been sent to you under separate cover. Because of the competing Disclosure Statements and Plans, a hearing with the Court will most likely be set on these matters. If you do not object to the Disclosure Statement, the Debtor will report to the Court the lack of objection. If this

Disclosure Statement is approved, the Debtor will then send you a copy of the proposed Plan along with a ballot giving you the opportunity to accept or reject the Plan. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern. Again, the Disclosure Statement is a document which serves to provide you with enough information for you to make an informed decision about the Debtors' Plan. If you object to the Disclosure Statement as containing inadequate information, you should file your objection with the Bankruptcy Court and your objection will be set for hearing before the Bankruptcy Judge.

THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT BINDING ON ANYONE. YOUR APPROVAL OF THIS DISCLOSURE STATEMENT IS NOT THE SAME AS YOUR APPROVAL OF THE PLAN AND DOES NOT BIND YOU TO THE TERMS OF THE PLAN. THE COURT WILL NOT CONFIRM THE DEBTORS' PLAN UNTIL YOU HAVE RECEIVED A COPY OF THE PLAN ALONG WITH A BALLOT AND HAVE THE OPPORTUNITY TO VOTE ON YOUR ACCEPTANCE OR REJECTION OF THE PLAN. WHEN THE COURT CONFIRMS THE PLAN AFTER NOTICE AND A HEARING, THEN THE PLAN WILL BE BINDING ON THE DEBTORS AND ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

C. Disclaimer.

The financial data relied upon in formulating the Plan is based on the Debtor's best knowledge and belief. The Court has not yet determined whether or not you should support the Plan. The Financial Statements herein are unaudited.

II.

BACKGROUND

A. Description and History of the Debtors

The Debtor is an Arkansas LLC having elected bankruptcy protection under the chapter 11 form

of bankruptcy. The Debtor owns several investment properties which are addressed both in the Debtor's Plan of Reorganization and the Debtor's bankruptcy schedules. The Debtor LLC was formed in 2009 after the closing of Arkansas National Bank upon the advice of the Debtor's accountant.

Principals/Affiliates of Debtors' Business

Hossein Kouchehbagh has managed these properties since the inception of the Debtor. Mr. Kouchehbagh will continue to manage the leased properties and prepare certain properties for sale in order to reduce the debt service to First Security Bank. Vahideh Zamani is married to Hossein Kouchehbagh and operates as a silent partner in the running of the business.

B. Management of the Debtors Before and After the Bankruptcy

Hossein Kouchehbagh has managed these properties since the inception of the Debtor. Mr. Kouchehbagh will continue to manage the leased properties and prepare certain properties for sale in order to reduce the debt service to First Security Bank. Vahideh Zamani is married to Hossein Kouchehbagh and operates as a silent partner in the running of the business.

Events Leading to Chapter 11 Filing.

Prior to Debtor's bankruptcy filing, First Security obtained a Decree of Foreclosure as to all of Debtor's real property in a case styled First Security Bank v. All You, LLC, et. al., Circuit Court of Washington County, Arkansas, Case No. CV-10-712-2. The Foreclosure action was stopped by the Debtor's filing of this bankruptcy.

C. Significant Events During the Bankruptcy

a. Bankruptcy Proceedings

The following are significant events which have occurred during this case. On August 11, 2010, First Security filed a Motion for Relief from Stay so that it could proceed with the foreclosure sale. This Motion was denied by the Court. Part of the Court's decision to deny the Motion for Relief was a finding by the Court that there appeared to be a significant equity cushion

in the Debtor's properties. Additionally, the Court approved the Debtor's Motion for use of cash collateral with the provisions that the Debtor would turn over all money generated by the Debtor to First Security except for $7,000.00 per month which the Debtor would use for the purpose of paying taxes, insurance, and repairs.

First Security has filed its own Disclosure Statement and Plan of Reorganization. The Debtor will reject the Disclosure Statement and will reject the Plan of Liquidation proposed by First Security.

On April 20, 2011, the Court held a hearing on competing Plans filed by First Security Bank and the Debtor. The Court rejected the Debtor's Plan because it did not have any votes for acceptance of the Plan by an impaired class. The Plan of First Security Bank was also rejected by the court for other reasons. The Debtor now seeks to have its revised Plan confirmed by the Court.

Additionally, the Bank has filed a Motion to Convert the chapter 11 case to a chapter 7. The Debtor has filed an objection to the Bank's Motion

Other Legal Proceedings

There are no other known legal proceedings which have not previously been disclosed in this Disclosure Statement.

b. Actual and Projected Recovery of Preferential or Fraudulent Transfers

Currently, the Debtors are unaware of any fraudulent transfer and presently do not anticipate filing any such action in this case.

c. Procedures Implemented to Resolve Financial Problems

The Debtors will surrender to the respective Lending Institution any nonperforming properties and retain properties which show either significant equity or a positive cash flow. This will allow the Debtors to be solvent going forward. Over the course of the three year plan, the Debtor plans to sell all the property except for 1395 Henri De Tonti and 2325 N. College. The

sale of these properties will significantly lower the debt service to First Security. The Debtor will continue to try and lease the two retained properties. Fully rented, 1395 Henri De Tonti has the ability to produce in excess of $40,000 per month in rental income.

d. Current and Historical Financial Conditions

The Debtor has been successful over the years in leasing out properties and generating income sufficient to meet its debt service. Recently, with the downturn in the real estate market, the Debtors have been in a negative cash flow situation. This chapter 11 focuses on keeping the few investment properties which show either a positive cash flow or significant equity which would allow them to propose a feasible Plan. The Debtor has slowly been increasing amounts collected from the leased properties. In November the Debtor paid to First Security Bank approximately $9,800 and in December it was $12,050. Currently, the payments to First Security are over $20,000 and expected to continue to rise over the next several months until monthly revenues exceed the amount necessary to fund the debt to First Security Bank paying both principal and interest at a rate of 6%, amortized over 20 years.

Recently, one of the Debtor's tenants, the convenience store located at the Henri De Tonti property suffered a fire which has temporarily closed down operations. The Debtor has made an insurance claim and has received the initial check to start repair of the property. Providing First Security Bank does not oppose the repairs or otherwise creates any barriers, this property will be quickly rebuilt and back into operation.

III.

SUMMARY OF THE PLAN OF REORGANIZATION

A. What Creditors and Interest Holders Will Receive Under the Proposed Plan

As required by the Bankruptcy Code, the Plan classifies claims and interests in various classes according to their right to priority. The Plan states whether each class of claims or interests is impaired or

unimpaired. The Plan provides the treatment each class will receive.

B. Unclassified Claims

Certain types of claims are not placed into voting classes; instead they are unclassified. They are not considered impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Proponent has not placed the following claims in a class.

1. Administrative Expenses

Administrative Expenses are claims for costs or expenses of administering the Debtors' Chapter 11 case which are allowed under Code section 507 (a) (1). The Code requires that all administrative claims be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment. For example, the Debtors have filed for approval to hire their attorney and accountant. These professionals will submit their application for approval of their fees and cost no more than every 120 days. Court approval on all fees of the aforementioned professionals is required. For all fees except Clerk's Office fees and U.S. Trustee's fees, the professional in question must file and serve a properly noticed fee application and the Court must rule on the application. Only the amount of fees allowed by the Court will be owed and required to be paid under this Plan.

The Debtors have paid their attorney a prepetition retainer of $1500.00 and a filing fee of $1039.00. There is currently no retainer being held to apply against ongoing chapter 11 legal work. The accountant has not received a retainer and will submit her time under application as noted above. The Debtors must make quarterly payments to the U. S. Trustee's Office based upon the disbursements of the Debtors for the past quarter. Based upon current disbursements, the Debtors estimate that the quarterly payment to the United States Trustee will be in the $325.00 range.

2. Priority Tax Claims

Priority tax claims are certain unsecured income, employment and other taxes

described by Code Section 507 (a) (8). The Code requires that each holder of such 507 (a) (8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding six years from the date of the assessment of such tax.

The Debtor believes that it is current on all taxes which would result in a priority tax claim under 507 (a) (8).

C. Classified Claims and Interests

1. Classes of Secured Claims

Secured Claims are claims secured by liens on property of the estate. The Debtor has one secured creditor, namely, First Security Bank. The Debtor's intent is to comply with the previously entered Cash Collateral Order enter by the Bankruptcy Court and over the two year reorganization period to sell certain properties and to continue to rebuild the leasing income to pay the debt service to the Bank. The Debtor shall also surrender any property to First Security that is unlikely to produce either a positive income stream or generate equity proceeds from the sale of the property. The Debtor had one creditor who was not listed on the Debtor's bankruptcy. This creditor was the POA associated with certain property owned by the Debtor. The POA would potentially be a secured claim of the Debtor as POA's have been allowed to foreclose on property when dues are not paid. This creditor was not intentionally omitted. The bill was being sent to Mr. Hossein Kouchehbagh, individually as he was living in the property and was the person who acquired this debt. To avoid any confusion, Mr. Kouchehbagh, individually, will have this debt paid in full prior to the Plan confirmation. They are being sent notice of this Disclosure Statement but it is not anticipated that they will be treated in the Debtor's Plan of Reorganization as the claim will be satisfied.

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in Code Sections 507 (a) (3), (4), (5), (6), and (7) are required to be placed in classes. These types of claims are entitled to priority treatment as follows: the Code requires that each holder of such a claim receive cash on the Effective Date equal to the allowed

amount of such claim. However, a class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such claims. The Debtor owes property taxes to Washington County which will be paid as the land it attaches to is sold. On properties to be retained by the Debtor, any past taxes due will be paid in equal monthly installments over the length of the Plan. The Debtor has no employees and is not engaged in a business which requires an application for a gross receipts tax permit under Ark. Code Ann. Section 26-52-201.

3. Class of General Unsecured Claims

General Unsecured Claims are unsecured claims not entitled to priority under Code Section 507 (a). The Plan treatment and not the treatment described in the Disclosure Statement will control the treatment of this class. As of the writing of this Disclosure Statement, the Debtor has one unsecured creditor which the Debtor, Arkansas Western Gas which the Debtor will seek to pay 80% of the claim thus making it an impaired class.

4. Class(es) of Interest Holders

Interest Holders are the parties who hold ownership interest (i.e., equity interest) in the Debtor. If the Debtor is a corporation, entities holding preferred or common stock in the Debtor are interest holders. If the Debtor is a partnership, the interest holders include both general and limited partners. If the Debtor is an individual, the Debtor is the interest holder. Here, the Debtors in this chapter 11 the two partners who hold an ownership interest in the Debtor are Hossein Kouchehbagh and Vahideh Zamani.

D. Means of Effectuating the Plan

1. Funding for the Plan

The Debtors will fund the Plan from the renting or leasing of the retained properties and the sale of properties when an offer of significant value is made by a prospective Buyer. The Debtors have retained the properties which are of most value and which would allow the Debtors to remain solvent during the Plan term.

2. Post-confirmation Management

Hossein Kouchehbagh will continue to manage the properties retained by the Debtor.

3. Disbursing Agent

Hossein Kouchehbagh will act as the disbursing agent for the purpose of making all distributions provided for under the Plan. Disbursing Agent shall serve without bond and shall not receive any compensation for such services.

4. Risk Factors

The proposed Plan has the following risks: (1) The Debtors could lose renters and not be able to replace them in a timely manner which would cause a temporary cash flow problem; (2) Any business is subject to the risks of doing business and unforeseen circumstances. Lawsuits, weather related damages, and unanticipated repair costs could all potentially affect the smooth operation of the Debtors; (3) the retained properties may not generate the amount of equity expected which will not allow for the elimination of the debt service expeditiously as intended.

Other Provisions of the Plan

a. Executory Contracts and Unexpired Leases

The Debtor will maintain the leasing arrangements with all of its tenants as entered into in the normal course of the Debtors' business. These leasing agreements are reflected in schedule G of the Debtor's bankruptcy Petition. Since the filing of the bankruptcy the Debtor, in the normal course of business has obtained additional leases and will continue and maintain these lease arrangements.

b. Changes in Rates Subject to Regulatory Commission Approval

The Debtors are not subject to governmental regulatory commission approval of its rates.

c. Retention of Jurisdiction

The Bankruptcy Court will retain jurisdiction to the extent provided by law.

6. Tax Consequences of the Plan

CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible tax consequences is intended soley for the purpose of alerting readers about possible tax issues this Plan may present to the Debtor. The Proponent CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of this Plan because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action.

The Debtors do not employ any employees and will not have any 940 or 941 tax issues.

Should the Debtor sell any of the owned properties, there would be the potential for capital gains taxes.

IV

CONFIRMATION REQUIRMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OR THIS PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended soley for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The proponent CANNOT and DOES NOT represent the discussion contained below is a complete summary of the law on the topic.

Many requirements must be met before the Court can confirm a Plan. Some of the requirements include that the Plan must be proposed in good faith, acceptance of the Plan, whether the Plan pays unsecured creditors at least as much as these creditors would receive in a Chapter 7 liquidation, and

whether the Plan is feasible. These requirements are not the only requirements for confirmation.

A. Who May Vote or Object

1. Who May Object to Confirmation of the Plan

Any party in interest may object to the confirmation of the Plan, but as explained below not everyone is entitled to vote on the acceptance or rejection of the Plan.

2. Who May Vote to Accept/Reject the Plan

A creditor or interest holder has a right to vote for or against the Plan if that creditor or interest holder has a claim which is both (1) allowed or allowed for voting purposes and (2) classified in an impaired class.

a. What is an Allowed Claim/Interest

As noted above, a creditor or interest holder must first have an allowed claim or interest to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party in interest brings a motion objecting to the claim. When an objection to a claim or interest is filed, the creditor or interest holder holding the claim of interest cannot vote unless the Court, after notice and a hearing, either overrules the objection or allows the claim or interest for voting purposes.

THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE has not yet been set by the court. The Debtors' Plan is seeking a bar date of August 20, 2011 and if the Plan is confirmed this will be the date by which all claims must be filed to be paid. A creditor or interest holder may have an allowed claim or interest even if a proof of claim was not timely filed. A claim is deemed allowed if (1) it is scheduled on the Debtors' schedules and such claim is not scheduled as disputed, contingent, or unliquidated, and (2) no party in interest has objected to the claim. An interest is deemed allowed if it is scheduled and no party in interest has objected to the interest.

b. What is an Impaired Claim/Interest

As noted above, an allowed claim or interest only has the right to vote if it is in a class that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class. For example, a class comprised of general unsecured claims is impaired if the Plan fails to pay the member of that class 100% of what they are owed. In this case, the Debtor believes that class 2, the claim of First Security Bank is an impaired class..

c. Who is Not Entitled to Vote.

The following four types of claims are not entitled to vote: (1) claims that have been disallowed; (2) claims in an unimpaired class; (3) claims entitled to priority pursuant to Code Sections 507 (a) (1), (2) and (8); and (4) claims in classes that do not receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan. Claims entitled to priority under 507 (a) (1), (2) and (7) are not entitled to vote because such claims are not placed in classes and they are required to receive certain treatment specified by the Code. Claims in classes that do not receive or retain any value under the Plan do not vote because such classes are deemed to have rejected the Plan. EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO CONFIRMATION OF THE PLAN.

3. Who may Vote in More Than One Class

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim is entitled to accept or reject a Plan in both capacities by casting one ballot for the secured part of the claim and another ballot for the unsecured claim.

4. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class has accepted the Plan without counting the votes of any insiders with that Class, and (2) all impaired

classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cramdown" or non-accepting classes, as discussed later in (IV.A.8.).

5. Votes Necessary to Accept the Plan

A class of claims is considered to have accepted the Plan when more than ½ in Number and at least two-thirds (2/3) in dollar amount of the claims which actually voted, voted in favor of the Plan. A class of interests is considered to have accepted the Plan when at least two-thirds (2/3) in amount of the interest-holders of such class which actually voted, voted to accept the Plan.

6. Treatment of Nonaccepting Classes

As noted above, even if all impaired classes do not accept the proposed Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner required by the Code. The process by which nonaccepting classes are forced to be bound by the terms of the Plan is commonly referred to as "cramdown." The Code allows the Plan to be "crammed down" on nonaccepting classes of claims or interests if it meets all consensual requirements except voting requirements of 1129 (a) (8) and if the Plan does not "discriminate unfairly" and is "fair and equitable" toward each impaired class that has not voted to accept the Plan as referred to in 11. U.S.C. Section 1129 (b) and applicable case law.

7. Request for Confirmation Despite Nonacceptance by Impaired Class(es).

The parties proposing this Plan will ask the Court to confirm this Plan by cramdown on impaired class 2 if this Class does not vote to accept the Plan. Class 2 is the claim of First Security Bank.

B. Liquidation Analysis

Another confirmation requirement is the "Best Interest Test", which requires a liquidation analysis. Under the Best Interest Test, if a claimant or interest holder is an impaired class and that claimant does not vote to accept the Plan, then the claimant or interest holder must receive or retain under the Plan property of value not less than the amount that such holder would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 trustee. Secured creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien. Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured creditors with the same priority share in proportion to the amount of their allowed claim in relationship to the amount of total allowed unsecured claims. Finally, interest holders receive the balance that remains after all creditors are paid, if any.

For the Court to be able to confirm this Plan, the Court must find that all creditors and interest holders who do not accept the plan will receive at least as much under the Plan as such holders would receive under a Chapter 7 liquidation. The Plan Proponent maintains that this requirement is met here for the following reasons: The Debtors has one unsecured debt listed in the amount of $3200.00 and the debt of Washington County Tax Collector and First Security Bank's claims are protected by the equity cushion of the Debtor's properties.

Further, upon any sale of property per section 363 of the Code, the Secured Creditor's liens will attach to the proceeds from said sale and the Bank may credit bid its claim. The Proponent if able may elect to retain the cash from the sale if it can substitute collateral of similar quality and value to that which was sold.

Additionally, while bankruptcy courts have not provided a clear understanding of what it means to provide the secured creditor the indubitable equivalent of its claim, the Debtor will attempt to do just that. Indubitable equivalent means in laymen's terms "too evident to be doubted." Usually if all the collateral is transferred to the secured creditor in satisfaction of the secured creditor's claim, indubitable equivalence has been obtained. The Debtor does not interpret surrender of all collateral as meaning surrender of anything more than the collateral secured by the specific note.

C. **Feasibility**

Another requirement of confirmation involves the feasibility of the Plan which means that

confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

There are at least two important aspects of feasibility analysis. The first aspect considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims and expenses which are entitled to be paid on such date. The Plan Proponent maintains that this aspect of feasibility is satisfied. Debtors have retained only the property which is producing a positive cash flow. While it would be difficult to determine what cash balance would be available on the Effective Date of the Plan, it should easily be sufficient to cover all required Administrative Expenses, statutory costs and charges and other Plan payments which would be due on the Effective Date.

The Second aspect considers whether the Proponent will have enough cash over the life of the Plan to make the required Plan payments. Again, the Debtors' ability to surrender any properties which are unproductive to the bankruptcy estate allows the Debtors to retain properties which will cash flow for the Debtors. The Debtor plans to retain the two properties which will generate the most income and sell the remaining properties. The sale of the properties will reduce the debt obligation to a level which would be able to be sustained by the two retained properties.

V.

EFFECT OF CONFIRMATION OF PLAN

A. Discharge

This Plan provides that upon payment in full of proposed plan payments to the unsecured creditors, debtors shall be discharged of liability for payment of debts incurred before confirmation of the Plan, to the extent specified in 11 U.S.C. Section 1141. However, the discharge will not discharge any liability imposed by the Plan.

B. Revesting of Property in the Debtors

Except as provided in Section (V.E.), and except as provided elsewhere in the Plan, the confirmation of the Plan revests all of the property of the estate in the Debtors.

C. Modification of Plan

The Proponent of the Plan may modify the Plan at any time before confirmation. However, the Court may require a new Disclosure Statement and/or revoting on the Plan.

The Proponent of the Plan may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

D. Post-Confirmation Status Report

Within 120 days of the entry of the order confirming the Plan, Plan Proponent shall file a status report with the Court explaining what progress has been made toward consummation of the confirmed Plan. The status report shall be served on the United States Trustee, the twenty largest unsecured creditors, and those parties who have requested special notice. Further status reports shall be filed every 120 days and served on the same entities.

E. Post-Confirmation Conversion/Dismissal

A creditor or party in interest may bring a motion to convert or to dismiss the case under 1112(b), after the Plan is confirmed, if there is a default in performing the Plan. If the Court orders the case to be converted to a chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the plan, will revest in the Chapter 7 estate. The automatic stay will be reimposed upon the revested property, but only to the extent that relief from stay was not previously authorized by the Court during this case.

The order confirming the Plan may also be revoked under very limited circumstances. The Court may revoke the order if the order of confirmation was procured by fraud and if the party in interest brings an adversary proceeding to revoke confirmation within 180 days after the entry of the order of

confirmation.

F. Final Decree

Once the estate has been fully administered as referred to in Bankruptcy Rule 3022, the Plan Proponent, or other party as the Court may designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case.

Date: May 20, 2011

/s/ Hossein Kouchehbagh, for the Debtor
Hossein Kouchehbagh

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