

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF ARKANSAS
FAYETTEVILLE DIVISION**

IN RE: ALL YOU, LLC

**CASE NO. 5:10-bk-74049
Chapter 11**

**SECURED CREDITOR FIRST SECURITY BANK'S
DISCLOSURE STATEMENT**

Comes now First Security Bank (hereinafter referred to as "First Security"), Secured Creditor in this matter, by and through its attorneys, GARY D. JILES, P.A., and for its Disclosure Statement, states as follows:

I. Introduction

All You, LLC, the Debtor, filed this Chapter 11 bankruptcy case on August 2, 2010. Under Chapter 11, the Debtor, its creditors, and other parties in interest are permitted to propose a plan of reorganization (hereinafter referred to as the "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. Prior to proposing a plan, a party is required to submit (and obtain approval by the Court) a disclosure statement which provides the Debtor's creditors and other parties in interest with sufficient information such as to allow them to decide whether to accept or reject any proposed plans.

First Security Bank (hereinafter referred to as "First Security") has proposed a plan of liquidation, a copy of which is enclosed. If approved by the Court, under First Security's plan, all of the Debtor's real properties will be sold at auction and used to pay the claims in this bankruptcy. Any surplus monies will then be returned to the Debtor and/or its equity owners. A copy of the proposed Plan is enclosed.

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 Plan proponents. The Plan enclosed may be modified and may not be the final Plan submitted to you in a subsequent mailing. Each of the parties are 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 enclosed proposed Plan.

A. Purpose of this Document

This Disclosure Statement summarizes what is in the plan of First Security, 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. If you do not object to the Disclosure Statement, First Security will report to the Court the lack of objection. If this Disclosure Statement is approved, First Security will send you a copy of its 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’s 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 First Security’s 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 IS 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 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 CONFIRMED PLAN WILL BE BINDING ON THE DEBTOR AND ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

C. Disclaimer

The data used to formulate First Security's Plan is the Debtor's historical performance and current market values of the Debtor's real estate.

II. BACKGROUND

Debtor is a closely-held Arkansas Limited Liability Company whose sole members are non-debtor Hossein Kouchehbagh and his wife, Vahideh Zamani. Debtor has no other employees. Debtor owns and operates a variety of rental properties in Washington County, Arkansas, and Debtor's sole income is derived from rental payments received from the rental properties. Other than the real estate, the only other assets owned by Debtor are a checking account and the rental payment stream realized from the real estate.

As shown in its Chapter 11 Petition and Schedules, Debtor has scheduled only three (3) creditors: First Security, which holds a secured claim secured by a lien on all assets of the Debtor other than its checking account (*i.e.*, a lien on all the real properties owned by Debtor and the rents arising from those real properties) in the total amount of Five Million Nine Hundred Thirty-Four Thousand Two Hundred Eighty-Five and 51/100 Dollars (\$5,934,285.51) as of April 20, 2011; the Washington County Tax Collector, which holds

an unsecured priority claim in the amount of Thirty-Three Thousand Three Hundred Forty-Six and 32/100 Dollars (\$33,346.32) due to the Debtor's failure to pay property taxes, and Arkansas Western Gas, which has an unsecured non-priority claim of Three Thousand Three Hundred and No/100 Dollars (\$3,300.00).¹ Additionally, the Bradford Place POA has filed a proof of claim regarding unpaid property owners association dues in the amount of Three Thousand Nine Hundred Thirty-Eight and 34/100 Dollars (\$3,938.34). The Internal Revenue Service initially filed a proof of claim as well, but has since amended its claim to reflect a zero balance. The Debtor claims no exemptions in its schedules.

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 (hereinafter referred to as the "Foreclosure Action"); however, the foreclosure sale scheduled in the Foreclosure Action was stayed with the filing of the Debtor's Chapter 11 Petition. On August 11, 2010, First Security filed its Motion for Relief from Stay herein in which it requested that the automatic stay be lifted such that it could proceed with the foreclosure sale in the Foreclosure Action. The Motion was denied by the Court on September 22, 2010.

¹The Washington County Tax Collector has filed a Proof of Claim claiming real estate taxes in the total amount of One Hundred Four Thousand Seven Hundred Seventy-Nine and 22/100 Dollars (\$104,779.22); however, based upon the supporting documentation this figure appears to include tax bills owed by other entities related to the Debtor but which are not a part of this bankruptcy filing. When these non-Debtor entities' tax bills are removed, the Debtor appears to owe Thirty Three Thousand Three Hundred Forty-Six and 32/100 Dollars (\$33,346.32) in real estate taxes, which is commiserate with the Debtor's estimation of a Thirty-Two Thousand and No/100 Dollars (\$32,000.00) tax debt as contained in its Petition and Schedules.

First Security's secured claim continues to accrue interest at the rate of Nine Hundred Fifty-Five and 99/100 Dollars (\$955.99) per day. Due to high vacancy rates and the dilapidated condition of the Debtor's rental properties, which conditions include, but are not limited to, the water being disconnected at certain of the properties, a non-functioning or partially functioning sewage system, properties not up to applicable state and municipal building codes, and a fire which occurred on April 25, 2011 and which has displaced one of the Debtor's primary tenants, rental payments received from the rental properties are insufficient to service the interest continuing to accrue on First Security's secured claim, much less retire the principal balance of the secured claim.

A. Financial Condition of the Debtor

The Debtor's current financial condition is precarious. Based on recent appraisals and related testimony, it is believed by First Security and the Debtor that the Debtor currently has an equity cushion in the real properties, and as a result, First Security's claim is fully secured. Appraisals obtained by First Security show the Debtor's real properties have a total combined appraised value of Seven Million Seven Hundred Seventy-Seven Thousand and No/100 Dollars (\$7,777,000.00). The Debtor's real property located at 1395 Henri De Tonti, Tontitown, Arkansas (hereinafter referred to as the "Tontitown Property"), which contains a retail shopping center, is the single most valuable asset owned by the Debtor with an appraised value of Five Million Seven Hundred Seventy-Five Thousand and No/100 Dollars (\$5,775,000.00).

However, the Debtor's only income is the rental stream received by it from its real properties. Based on the Debtor's operating reports filed herein, the Debtor has received the following total rental income from the real properties:

MONTH	AMOUNT
September, 2010	\$10,030.00
October	\$16,800.00
November	\$10,814.87
December	\$16,301.00
January, 2011	\$15,200.00

The Debtor has not yet filed operating reports for February, March or April, 2011.

Pursuant to the Court's Order entered on September 22, 2010, the Debtor is permitted to retain Seven Thousand and No/100 Dollars (\$7,000.00) in monthly rental income to insure and maintain the real properties. All remaining rentals are then turned over to First Security, which holds a lien on all the rental payments.

The Tontitown Property contributes the bulk of the Debtor's rental income.² The Debtor has previously opined in the Agreed Disclosure Statement filed herein that the Tontitown property, if fully rented, has the potential to earn approximately Forty Thousand and No/100 Dollars (\$40,000.00) per month. However, with interest continuing to accrue on First Security's lien at the rate of Nine Hundred Fifty-Five and 99/100 Dollars (\$955.99) per day, more than three-fourths of the Debtor's most optimistic rental income must be used each month to pay the daily accruing interest.

On April 25, 2011, the suite occupied by the gas station/convenience store tenant of the Debtor at the Tontitown Property caught fire and was severely damaged. Based on

²In the Agreed Disclosure Statement, the Debtor estimated that it could obtain approximately \$2,200.00 in additional rentals from properties other than the Tontitown Property beginning in February/March 2011. It is unknown if these additional rents have materialized.

the previous Agreed Disclosure Statement, this tenant accounts for Three Thousand Five Hundred and No/100 Dollars (\$3,500.00) of the Debtor's monthly rental income. This tenant has been forced to vacate the suite, and as of the date of this Disclosure Statement, the suite is vacant and has not yet been repaired.

During the pendency of this bankruptcy action, and even after the Debtor has been credited with the rentals turned over to First Security, First Security's lien on the Debtor's real properties has grown by nearly One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00).

III. 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 Seven Thousand and No/100 Dollars (\$7,000.00) per month which the Debtor would use for the purpose of paying taxes, insurance, and repairs.

Currently, there are no adversary proceedings in this case.

Previously, both First Security and the Debtor submitted proposed Chapter 11 Plans. Each of these proposed Chapter 11 Plans were denied by the Court without

prejudice. The Debtor's previous Chapter 11 Plan proposed to sell (or, if it was unable to sell, surrender to First Security) certain of its real properties other than the Tontitown Property and the property located at 2325 N. College, Fayetteville, Arkansas (hereinafter referred to as the "College Avenue Property"), and to use the monies realized from these other properties to reduce its debt to First Security. The Debtor's plan then proposed to pay extra rentals to First Security over a two (2) year period, and then emerge from bankruptcy and retain the Tontitown Property and College Avenue Property free and clear of its creditors' liens. It is believed that the Debtor will once again propose a plan along these same general terms.

First Security's previous plan (and its current proposed plan) proposes to liquidate the Debtor's real estate assets. First Security contends and has contended that, because it is fully secured, the Debtor may not cram down its debt to First Security and cannot retain the Tontitown Property and College Avenue Property free and clear of First Security's lien unless it is able to pay its entire Debt to First Security through the bankruptcy plan. First Security's plans contend that the Debtor's goal of retaining the Tontitown Property cannot be accomplished mathematically based on (i) the sheer amount of First Security's lien, and (ii) the relatively small amount of the monthly rental payments it can receive from the Tontitown Property and other properties.

B. Other Legal Proceedings

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

C. Actual and Projected Recovery of Preferential or Fraudulent Transfers

Currently, First Security is unaware of any preferential or fraudulent transfers which could be attacked.

IV. SUMMARY OF THE PLAN OF REORGANIZATION

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

As required by the Bankruptcy Code, First Security's 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, First Security has not placed the following claims in a class.

1. Administrative Expenses

Administrative Expenses are claims for costs or expenses of administering the Debtor's 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.

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. First Security is not aware of any taxes owed by the Debtor 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 two (2) secured creditors, namely, First Security and Bradford Place POA. First Security secured claim has priority over Bradford Place POA.

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.

3. Class of General Unsecured Claims

General Unsecured Claims are unsecured claims not entitled to priority under Code Section 507 (a). The Plan's treatment and not the treatment described in the Agreed Disclosure Statement will control the treatment of this 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. 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

First Security's Plan is a plan of liquidation. Funding for its Plan will come from the sale of the properties on which it has a mortgage lien.

2. Post-confirmation Management

Hossein Kouchehbagh will continue to manage the affairs of the Debtor after confirmation. First Security will be responsible for arranging for the liquidation of the real property through a foreclosure sale held in the foreclosure action in accordance with Arkansas law.

3. Disbursing Agent

Under First Security's Plan, First Security will foreclose and liquidate the real properties, and the surplus proceeds from this liquidation will be distributed. First Security shall serve without bond and shall not receive any compensation for such services.

4. Risk Factors

First Security's Plan could have the following risks: the properties, when sold at a foreclosure action, could fail to bring enough money to pay First Security's lien in full and/or could fail to bring enough money to pay the remaining creditors.

V. OTHER PROVISIONS OF THE PLAN

A. Retention of Jurisdiction

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

B. Tax Consequences of the Plan

CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLANS MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. First Security CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of the Plans because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action.

VI. CONFIRMATION REQUIREMENTS AND PROCEDURES

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF EITHER THE DEBTOR OR FIRST SECURITY'S PLANS SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely 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 proponents CANNOT and DO 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. Once the Plan has been confirmed and a bar date set, all claims must be filed by the bar date 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 Debtor's 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 a 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 one hundred percent (100%) of what they are owed. First Security believes that the claims of itself, any other secured creditors of Debtor (Bradford Place POA), the claims of general unsecured creditors, and the claims of equity security holders (none are known at this time) could potentially be impaired depending on how much money the Debtor's real estate brings when it is liquidated.

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 a Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted a 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 a Plan do not vote because such classes are deemed to have rejected a 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 a Plan unless (1) at least one impaired class has accepted a Plan without counting the votes of any insiders with that Class, and (2) all impaired classes have voted to accept a Plan, unless a Plan is eligible to be confirmed by “cramdown” or nonaccepting classes, as discussed herein.

5. Votes Necessary to Accept the Plan

A class of claims is considered to have accepted a Plan when more than 1/2 in number and at least two-thirds (2/3) in dollar amount of the claims which actually voted, voted in favor of a Plan. A class of interests is considered to have accepted a Plan when at least two-thirds (2/3) in amount of the interest-holders of such class which actually voted, voted to accept a 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 a 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 a Plan is commonly referred to as “cramdown.” The Code allows a Plan to be “crammed down” on nonaccepting classes of claims or interests if it meets all consensual requirements except voting requirements of 11 USC Section 1129 (a) (8) and if a Plan does not “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted to accept a Plan as referred to in 11 USC Section 1129 (b) and applicable case law.

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

The party proposing this Plan will ask the Court to confirm this Plan by cramdown on any impaired classes if this Class does not vote to accept the Plan.

B. Liquidation Analysis

First Security’s plan is a plan of liquidation; therefore, it is not required to provide a liquidation analysis.

C. Feasibility

First Security’s plan is a plan of liquidation; therefore, it is not required to provide a feasibility analysis.

VII. EFFECT OF CONFIRMATION OF PLAN

A. Discharge

The enclosed Plan provides that after liquidation, the Debtor shall be discharged of liability for payment of debts incurred before confirmation of the enclosed 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. 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.

C. Post-Confirmation Status Report

Within one hundred twenty (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 one hundred twenty (120) days and served on the same entities.

D. 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 revert 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 one hundred eighty (180) days after the entry of the order of confirmation.

E. 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.

Respectfully submitted,

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May 25, 2011

By: /s/ Gary D. Jiles
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