

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
NORTHERN DIVISION

IN RE: )  
)  
DRD TECHNOLOGIES, INC., ) CASE NO. 15-81366-CRJ-11  
)  
Debtor. ) CHAPTER 11

**CONFIRMATION ORDER**

This matter came before the Court on the request of DRD Technologies, Inc., debtor and debtor-in-possession (“Debtor”) seeking confirmation of its Chapter 11 Plan of Reorganization filed October 30, 2015, (“Plan”), and after due and proper notice of the Plan and this hearing, the Court, based upon the proffer presented, the arguments and representations of counsel, the pleadings of record and all other matters brought before it, finds that the Plan should be **CONFIRMED** in accordance with the findings of fact and the conclusions of law as set forth below.

**WHEREFORE**, the Court hereby finds, determines, and concludes as follows:

1. The Debtor filed a voluntary petition for relief under Title 11 of Chapter 11 of the United States Code, 11 U.S.C. §101, *et seq.* (“Bankruptcy Code”) on May 19, 2015, (“Petition Date”).
2. The Debtor filed its Plan on November 2, 2015.
3. All classes accepted the Plan.
4. One Objection was filed by the IRS which has been addressed by the filing of the June 30, 2015, Form 941 Tax Return. This objection was withdrawn in open court subject to the following agreed language:

The claim for pre-petition tax debt filed by the IRS on January 29, 2016 in the sum of \$10,774.15 shall be allowed as filed.

The tax and interest for the tax periods listed on the claim shall be treated and paid as an unsecured priority debt. The tax and interest in the sum of \$10,774.15 shall be amortized over a period of five (5) years at the Internal Revenue Code interest rate of three percent (3.00%). This amount shall be paid in sixty (60) months by the Debtor remitting to the IRS equal monthly payments in the sum of \$193.60. The first monthly installment shall be due on or before March 1, 2016

and subsequent installments shall be due on the 1st day of each month thereafter until said debt has been paid in full.

The post-petition tax debt for the Form 941 tax periods ended June 30, 2015 and September 30, 2015 in the approximate sum of \$29,385.77 shall be paid in full including applicable interest and penalty on or before March 31, 2016.

In the event the Debtor fails to remit any monthly payment on the IRS unsecured priority claim as each payment becomes due or pay in full the post-petition tax debt for the Form 941 tax periods ended June 30, 2015 and September 30, 2015 by March 31, 2016, the automatic stay will be considered terminated and the IRS may proceed with its legal and/or administrative remedies to collect any and all sums due for the pre-petition and post-petition tax debt owed to the IRS.

The Debtor shall timely file any and all post-petition federal Form 941 tax returns beginning with the Form 941 for the tax period ended December 31, 2015 and the Form 940 tax return for the tax period ended December 31, 2015 by the due date for each respective tax period. Upon the filing of the applicable Form 941 and Form 940 tax returns beginning with the Form 941 for the tax period ended December 31, 2015 and the Form 940 tax return for the tax period ended December 31, 2015 to the extent there is a balance due the IRS, the Debtor shall remit the balance due at the time the return is filed with the IRS.

During the pendency of the repayment period for the pre-petition tax debt owed to the IRS, in the event the Debtor fails to timely file any and all post-petition federal Form 941 tax returns beginning with the Form 941 for the tax period ended December 31, 2015 and the Form 940 tax return beginning with the tax period December 31, 2015 and remit any balance due the IRS; the automatic stay will be considered terminated and the IRS may proceed with its legal and/or administrative remedies to collect any and all sums due on the pre-petition tax liability and any post-petition liability.

For the tax periods listed on the claim filed by the IRS, the time periods found at 26 U.S.C. §§ 6503(b) and 6503(h) are tolled during the term for repayment stated in this plan.

The IRS tax debt for the tax periods listed on the amended IRS claim shall not be the subject of any discharge entered in this case until the Debtor has complied with the terms of the repayment of the terms of the secured, unsecured priority and general unsecured debt of the IRS debt as set for herein.

For the tax periods listed on the claim filed by the IRS, the time periods found at 11 U.S.C. § 507(a)(8) are tolled during the term for repayment stated in this plan.

The IRS reserves the right to adjust the amount of its claim if it is determined through the IRS administrative process that the amounts due on any tax period listed on the IRS claim are due to be adjusted.

5. The Debtor has continued its daily operations since the filing date. The Plan's financial assumptions are reasonable, and the projections appear to be obtainable. There is a reasonable likelihood that the reorganized Debtor will be able to make the payments called for in the Plan and continue to operate successfully.

6. The Plan complies with all applicable provisions of the Bankruptcy Code.

7. The Debtor, as the proponent of the Plan, complies with all applicable provisions of the Bankruptcy Code.

8. The Plan has been proposed in good faith and not by any means forbidden by law. There is a reasonable likelihood that the Plan will achieve the results consistent with the standard prescribed under the Bankruptcy Code.

9. Any payment made or to be made by the Debtor, or by any person issuing securities or accruing property under the Plan, for services or for costs and expenses in connection with the case, or in connection with the Plan and instant to the case, have been disclosed to the Court. Any such payments made before confirmation of the Plan have been approved by the Court as reasonable; or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Court as reasonable.

10. The Debtor, as proponent of the Plan, has disclosed the identity and affiliation of any individual proposed to serve after confirmation of the Plan, as a director, officer, or voting trustee, of the Debtor, or any successor to the Debtor under the Plan; and the appointment to or continuance in, such office by such individual or entity is consistent with the interests of creditors and equity security holders and with public policy. The Debtor, as proponent of the Plan, has disclosed the identity of any insider that will be employed or retained by the reorganized Debtor, and the nature of any compensation for such insider.

11. The Plan does not provide for any rate change which would require approval of a government regulatory commission with jurisdiction over the rates of the Debtor.

12. With respect to each impaired class of claims or interest under the Plan: (a) each holder of a claim or interest of such class (i) has accepted the plan; or (ii) will receive or retain under the Plan on account of such claim or interest property of value, as of the effective date of the Plan, an amount that is not less than the amount that such holder would so receive or would retain if the Debtor had been liquidated under Chapter 7 of the Bankruptcy Code on such date.

13. Confirmation of the Plan is not likely to be followed by liquidation, or further financial reorganization, of the Debtor or any successors to the Debtor under the Plan.

14. All fees payable under 28 U.S.C. § 1930 as determined by the Court as of the hearing on confirmation of the Plan have been paid or the Plan provides for the payment of all such fees on the effective date of the Plan. Quarterly Fees due to the Bankruptcy Administrator's office will be paid until the closing of the case.

15. The Plan does not discriminate unfairly and is fair and equitable with respect to each class of claim or interest that is impaired under the Plan.

**NOW, THEREFORE**, based upon the foregoing it is **ORDERED, ADJUDGED** and **DECREED** as follows:

A. The Plan is **CONFIRMED**.

B. Discharge of the Debtor as an effect of confirmation of the Plan is governed by §1141 of the Bankruptcy Code, provided, however, the discharge of the Debtor shall become effective on the closure of the case.

C. Until the Debtor's case is closed, no later than the 15th day of each month, the Debtor shall continue to file with the Bankruptcy Court reports reflecting disbursements of the previous month pursuant to the Plan, and shall pay all required fees to the Bankruptcy Administrator's office.

D. The Debtor is hereby authorized to execute and deliver such documents as may be necessary or appropriate to carry out its obligations under the terms of the Plan.

E. All property of the Debtor's estate shall vest in the Debtor on the confirmation date subject to the provisions of the Plan, and the Debtor shall be authorized to resume and conduct its normal course of business without being required to seek authority from the Court to borrow funds, to sell assets or to perform similar activities in the ordinary course of business so long as the interest of any and all creditors are protected, and in other respects to conduct its affairs as if the same were properly performed prior to the filing of its Chapter 11 petition.

F. In accordance with the provisions of the Plan, the Court shall retain jurisdiction of this case until the Plan has been substantially consummated and the case closed.

Dated this the 3<sup>rd</sup> day of February, 2016.

/s/ Clifton R. Jessup, Jr.  
Clifton R. Jessup, Jr.  
United States Bankruptcy Judge

cc. Debtor  
Debtor's Counsel  
All creditors  
All parties requesting notice  
Richard Blythe