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IN THE UNITED STATES BANKRUPTCY COURT
 IN AND FOR THE DISTRICT OF ARIZONA

In re:)	In Proceedings Under
)	Chapter Eleven
ROBERT C. HIGHSMITH, and)	
LYNN B. HIGHSMITH,)	Case No. 2-12-bk-05374 GBN
)	
)	AMENDED DISCLOSURE STATEMENT
)	
Debtors.)	
)	
)	

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18 **I. INTRODUCTION**

19 Debtors, Robert C. Highsmith and Lynn C. Highsmith, hereinafter referred to as (“Debtors”),
20 filed a voluntary petition for relief in the United States Bankruptcy Court for the District of Arizona
21 under Chapter Eleven on March 16, 2012.

22 This Amended Disclosure Statement is filed pursuant to 11 U.S.C. §1125 and is intended to
23 provide the holders of claims and interest with adequate information about the Debtors and the Plan
24 so as to enable the creditors to make an informed judgment as to their acceptance or rejection of the
25 Plan.
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1 **II. DEFINITIONS**

2 As utilized in this Amended Disclosure Statement and in the Amended Plan of
3 Reorganization which accompanies this Amended Disclosure Statement, the following definitions
4 apply to the following terms:
5

6 1. "Adequate information" means information that would enable a hypothetical reasonable
7 investor typical of holders of claims or interest of the Debtors' estate, to make an informed judgment
8 about the Debtors' Amended Plan of Reorganization.
9

10 2. "Allowed and Approved Claim" shall mean a timely filed Proof of Claim pursuant to an
11 Order of the Court setting a bar date to which that claim should be filed and no objection to the claim
12 having been filed. If an objection to a claim is filed, said claim will be allowed to the extent ordered
13 by the Court.
14

15 3. "Bankruptcy Code" shall mean the Bankruptcy Code as set forth in Title 11 of the United
16 States Code.
17

18 4. "Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of
19 Arizona.
20

21 5. "Confirmation of the Plan" shall mean the entry of an order by the Bankruptcy Court
22 confirming the Amended Plan of Reorganization in accordance with §1129 of the Bankruptcy Code.
23

24 6. "Consummation of the Plan" means the accomplishment of all things required or provided
25 for under the terms of the Plan.
26

27 7. "Court" shall mean the United States Bankruptcy Court for the District of Arizona.
28

8. "Creditors" shall mean all U.S. persons or entities holding claims for secured and
unsecured obligations, liabilities, demands or claims of any nature whatsoever against the Debtors

1 arising at any time prior to confirmation of the Plan and administrative creditors.

2 9. "Debtors" shall mean the petitioners in the above-captioned Bankruptcy case.

3
4 10. "Disclosure Statement" or "Amended Disclosure Statement" shall mean this Amended
5 Disclosure Statement (hereinafter "Disclosure Statement" or "Amended Disclosure Statement") filed
6 in this case approved, after notice and a hearing by the Court as being in conformity with §1125 of
7 the Bankruptcy Code.

8
9 11. "Effective date" shall be the date that an Order is entered by the U.S. Bankruptcy Court
10 confirming the Debtors' Amended Plan of Reorganization in accordance with §1129 of the Code.

11 12. "Petition" means to original Chapter 11 Petition filed by the Debtors.

12
13 13. "Plan" or "Amended Plan" shall mean the Amended Plan of Reorganization
14 accompanying this Amended Disclosure Statement as it may be amended, modified and/or
15 supplemented pursuant to which the Debtors propose payment in whole or in part of creditors'
16 claims.

17
18 14 "Plan distribution date" shall be 30 days from the date that the Debtors' Amended Chapter
19 11 Plan of Reorganization is confirmed and every thirty (30) days thereafter.

20
21 15. All other terms not specifically defined by this Amended Disclosure Statement shall have
22 the meaning as designated in §101 of the Bankruptcy Code or, if not contained therein, their ordinary
23 meaning.

24 **III. DISCLAIMER**

25 Any representations concerning the Debtors' Amended Chapter 11 Plan of Reorganization
26 other than as set forth herein are unauthorized. This Amended Disclosure Statement is designed to
27 provide information the Debtors deem material, important and necessary for its creditors to arrive
28

1 at an informed decision in exercising their right to accept or reject the Plan. **YOU SHOULD**
2 **THEREFORE NOT RELY ON ANY OTHER INFORMATION, REPRESENTATIONS OR**
3 **INDUCEMENTS IN ASSESSING THE MERITS OF THE DEBTORS' PLAN OTHER**
4 **THAN THE INFORMATION CONTAINED IN THIS AMENDED DISCLOSURE**
5 **STATEMENT.**

7 The Debtors expressly do not warrant nor represent that there are no inaccuracies in the
8 following Amended Disclosure Statement although the information provided is accurate to the best
9 of their knowledge, information and belief. Creditors should also be aware that the Court has not
10 undertaken any individual determination to verify the accuracy of the information contained in this
11 Amended Disclosure Statement. Finally, the attorney for the Debtors have not made any independent
12 evaluation as to the accuracy of the information contained herein other than to ascertain that the
13 information contained herein is generally consistent with information provided by the Debtors.
14 Notwithstanding the foregoing, the Debtors believe that the information contained herein is correct
15 and accurate and complies with the requirements of the Bankruptcy Code.

18 **IV. DEBTORS' BACKGROUND, EVENTS LEADING TO**
19 **CHAPTER 11 BANKRUPTCY FILING AND OPERATIONS UNDER CHAPTER 11**

20 **A. Background and Events Leading to the Chapter 11:**

21 The Debtor, Robert Highsmith, has been a real estate agent in Phoenix, Arizona for 20 years.
22 In 2006 Robert Highsmith was diagnosed with throat cancer. Robert underwent treatment for the
23 cancer in 2006 and 2007. In 2007 the cancer was determined to be in remission. At the time that
24 the cancer treatments and rehabilitation was completed, the entire country's real estate market was
25 experiencing a recession. The Debtors had several real estate investments along with their residence,
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1 which due to the economy, were upside down in value. The economic climate of the real estate
2 market created a substantial loss of income. During this period the Debtors fell behind in taxes and
3 were living on credit cards. The Debtors' primary asset is their interest in 20th Street, LLC (herein
4 "20th Street"). The Debtors have a 100% interest in this entity. 20th Street, held several investments
5 properties that were acquired during the peak of the housing market and were at that time upside
6 down in value. 20th Street filed a Chapter 11 bankruptcy on August 20, 2009 as case no. 2:09-bk-
7 20079. In this Chapter 11 bankruptcy, 20th Street was able to cram-down and/or strip-off the liens
8 on the properties held by 20th Street. The real property associated with that Chapter 11 included, but
9 was not limited to, the following:

12 17606 North 17th Place, Phoenix, Arizona, 85022;
13 16806 North 20th Street, Phoenix, Arizona;
14 8512 East Roanoke Avenue, Scottsdale, Arizona, 85257;
15 8729 West Bobby Lopez Drive, Tolleson, Arizona, 85353;
16 6569 East Haven Avenue, Florence, Arizona, and
17 6824 West Morrow Drive, Glendale, Arizona, 85308.

18 The Chapter 11 Plan of Reorganization for 20th Street was filed on March 22, 2010 and
19 confirmed on August 20, 2010.

20 Also, during this time the real estate market collapsed and the Debtors were upside down on
21 properties, thus making it unable to get a credit line or refinance the properties and fell behind in
22 taxes. Debtors had been using credit cards to make payments.

23 The Debtors tried to negotiate a reduced principal on the residence with ING Bank, now
24 Capital One Bank, but the bank was unwilling to renegotiate the loan. Robert Highsmith took a
25 second job in 2011, to help "make ends meet" until the real estate market picked up. Lynn Highsmith
26 began working as a yoga instructor at this time, and continues to work in that field. The Debtors set
27
28

1 up payment arrangements with their credit cards but, with the mounting expenses, were unable to
2 fulfill the commitments and felt the only alternative was to file bankruptcy to reorganize the debt.

3
4 **B. Post-Petition Events:**

5 Since the filing of this Chapter 11, the Debtors filed an adversary action under 11 U.S.C.
6 §506 to “strip off” the junior liens associated with their homestead residence and “cram down” the
7 liens against their listed investment property. In addition, the Debtors sought and obtained a loan
8 modification for the loan secured by a first position Deed of Trust against their homestead residence.
9 Sometime after completing the cram down for the investment property, the Debtors came to the
10 realization that keeping that property was not feasible. They have since surrendered the property to
11 the lien holders.
12

13
14 In an effort to increase revenues, in July, 2015, the Debtor started a new business, Arizona
15 Mobility Scooters, LLC, which sells mobility scooters to those in need.

16 With the approval of a loan modification, the surrender of real property they simply could
17 not afford, and the revenues generated by the new business venture, the Debtors’ financial situation
18 has stabilized and they have prepared this Amended Disclosure Statement and the attached Amended
19 Chapter 11 Plan and are ready to move forward in their efforts to reorganize.
20

21 **V. VOTING**

22 **A. Ballots and Voting Deadline.**

23 A ballot to be used for voting to accept or reject the Plan is enclosed with this Amended
24 Disclosure Statement and mailed to creditors entitled to vote. A creditor must (1) carefully review
25 the ballot and instructions thereon; (2) execute the ballot; and, return it to the address indicated
26 thereon by the deadline in order to be considered for voting purposes. The Bankruptcy Court has
27
28

1 directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of
2 the Plan must be received no later than the date established by the Bankruptcy Court, with a copy
3 being provided to the following address: Allan D. NewDelman, P.C., 80 East Columbus Avenue,
4 Phoenix, Arizona 85012. *The enclosed Ballot states the Court established deadline in which all*
5 *ballots must be provided to Debtors' counsel.*

7 B. Creditors Entitled to Vote.

8 Any creditor of the Debtors, whose claim is impaired under the Plan is entitled to vote if it
9 has filed a Proof of Claim on or before the last date set by the Bankruptcy Court for such filings.

10 Any claim as to which an objection has been filed (and such objection is still pending) is not entitled
11 to vote, unless the Bankruptcy Court temporarily allows the claim in an amount which it deems
12 proper for the purpose of accepting or rejecting the Plan upon Motion by the creditor whose claim
13 is subject to any objection. Such motion must be heard and determined by the Bankruptcy Court
14 prior to the date established by the Court to confirm the Plan. In addition, a creditor's vote may be
15 disregarded if the Bankruptcy Court determines that the creditor's acceptance or rejection was not
16 solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.
17
18
19

20 C. Definition of Impairment.

21 Under §1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under
22 a Plan or Reorganization unless, with respect to each claim or equity interest of such class, the Plan:
23

24 Except as provided in Section 1123(a)(4) of this title, a class of
25 claims or interests is impaired under a plan unless, with respect to
26 each claim or interest of such class, the
27 plan –

28 (1) leaves unaltered the legal, equitable, and
contractual rights to which such claim or interest
entitles the holder of such claim or interest;

1
2 (2) notwithstanding any contractual provision or
3 applicable law that entitles the holder of such claim or
4 interest to demand or receive accelerated payment of
5 such claim or interest after the occurrence of a default

6 (A) cures any such default that occurred before
7 or after the commencement of the case under this title,
8 other than a default of a kind specified in Section
9 365(b)(2) of this title;

10 (B) reinstates the maturity of such claim or
11 interest for any damages incurred as a result of any
12 reasonable reliance by such holder on such contractual
13 provision of such applicable law; and,

14 (C) compensates the holder of such claim or
15 interest for any damages incurred as a result of any
16 reasonable reliance by such holder on such contractual
17 provision or such applicable law; and

18 (D) does not otherwise alter the legal,
19 equitable, or contractual rights to which such claim or
20 interest entitles the holder of such claim or interest.

21 D. Classes Impaired Under the Plan.

22 Creditors holding claims or interests in Classes 2C, and 10 are impaired under the Plan and
23 are eligible, subject to the limitations set forth above, to vote to accept or reject the Plan. Creditors
24 holding claims in Classes 1, 2, 2A, 2B, 3, 4, 5, 6, 7, 8, 9, 10A, 11 and 12 are either not impaired
25 under the Plan and/or are not entitled to vote with respect to acceptance or rejection of the Plan. Such
26 creditors will be paid in accordance with the provision of the Plan. See, 11 U.S.C. §1126(f).

27 E. Votes Required for Class Acceptance.

28 The Bankruptcy Code defines acceptance of a Plan by a class of creditors as acceptance by
holders of two-thirds in dollar amount and by a majority in number of the claims of that class which
actually cast ballots for acceptance or rejection of the Plan, i.e., acceptance takes place only if two-

1 thirds in amount and a majority in numbers of the creditors actually voting cast their ballots in favor
2 of acceptance.

3
4 SINCE MAIL DELAYS MAY OCCUR, IT IS IMPORTANT THE BALLOT OR BALLOTS
5 BE MAILED OR DELIVERED WELL IN ADVANCE OF THE DATE SPECIFIED. ANY
6 BALLOTS RECEIVED AFTER THIS DATE MAY NOT BE INCLUDED IN ANY
7 CALCULATION TO DETERMINE WHETHER THE DEBTORS' CREDITORS HAVE VOTED
8 TO ACCEPT OR REJECT THE PLAN.

9
10 THIS IS A SOLICITATION BY THE PROPONENT ONLY AND IS NOT A
11 SOLICITATION BY THE PROPONENT'S ATTORNEY OR ACCOUNTANT, AND THE
12 REPRESENTATIONS MADE HEREIN ARE THOSE OF THE PROPONENT AND NOT OF THE
13 PROPONENT'S ATTORNEY OR ACCOUNTANT, EXCEPT AS OTHERWISE INDICATED.
14 THE RECORDS SUBSEQUENT TO THE FILING OF THE PETITION FOR REORGANIZATION
15 HAVE BEEN KEPT BY THE DEBTORS-IN-POSSESSION AND MONTHLY FINANCIAL
16 REPORTS HAVE BEEN SUBMITTED BY THE DEBTORS-IN-POSSESSION FROM TIME TO
17 TIME SINCE THE FILING OF THE PETITION. WHILE EVERY REASONABLE EFFORT HAS
18 BEEN MADE TO ENSURE THE ACCURACY OF THE MONTHLY REPORTS, THEIR
19 ACCURACY CANNOT BE GUARANTEED.

22 VI. GENERAL INFORMATION AND DISCLOSURE

23 Utilizing the Standards of A.C. Williams

24 Sources of information.

25 Information relating to financial matters has been taken from the records of Debtors.
26 Information of a legal nature has been provided by the counsel of record.
27
28

1 Current Condition of Debtors.

2 The Debtors continue to manage their affairs.

3 The Accounting Process.

4 The accounting process is conducted using generally accepted accounting principles.

5 Accounting information is furnished by the Debtors.

6 Future Management.

7 Management of Debtors' affairs will remain with Debtors.

8 The Anticipated Future of Debtors' Affairs.

9 Based upon the Amended Schedule I and J filed on April 5, 2016 at Docket Number 318, the
10 Debtors project that they will have net income of \$12,988.76 per month and expenses of \$10,481.50
11 per month, leaving approximately \$2,500.00 available for the benefit of the creditors. A copy of
12 the Debtors' Amended Schedule I and J is attached hereto and incorporated herein by reference as
13 Exhibit "A". The source of the Debtors' income will be the Debtors wages and commissions. An
14 exemption has been claimed on seventy-five percent (75%) of earned wages.

15 Incidents which led to the filing of the Chapter 11.

16 See ARTICLE IV of this Amended Disclosure Statement.

17 Disclaimer regarding the information given.

18 See ARTICLE III of this Amended Disclosure Statement.

19 Amount of claims scheduled.

20 See ARTICLES VII AND VIII.

21 The estimated return to the creditors if liquidated.

22 See ARTICLE XII.

1 A copy of the proposed plan.

2 See Exhibit "B" attached hereto.

3
4 **VII. FINANCIAL INFORMATION**

5 Administrative Claims.

6 These claims consist of the expenses of administration of the estate including attorney fees
7 for Debtors' counsel and any unpaid fees to the U.S. Trustee.

8
9 Unsecured Claims.

10 As stated in the various classes provided for below, Debtors have general unsecured claims,
11 in the sum of \$163,193.86¹. The Debtors' Chapter 11 Plan of Reorganization will be a base Plan and
12 general unsecured creditors, who hold allowed claims, shall share in a total distribution of
13 \$82,736.68 divided between the unsecured creditors on a pro rata basis. The total amount paid to
14 Administrative, secured and general unsecured creditors will be \$150,000.00 over a 60 month period.

15
16 Secured Claims.

17 As reflected in the schedules, the Proof of Claims filed in this case, any amendments thereto
18 and as stated in the various classes provided for below, Debtors currently have secured claims in the
19 amount of \$1,244,054.18.²

20
21
22
23
24 ¹This amount does not include any claim that is provided for in the Chapter 11 of 20th Street LLC and which is
25 specifically excluded for payment as stated in this Amended Disclosure Statement and the corresponding Amended
26 Chapter 11 Plan or Reorganization.

27 ²This amount does not include any claim that is provided for in the Chapter 11 of 20th Street LLC and which is
28 specifically excluded for payment as stated in this Amended Disclosure Statement and the corresponding Amended
Chapter 11 Plan of Reorganization.

1 Tax Claims.

2 While the Debtors schedules reflect no secured or priority tax claims, the City of Phoenix has
3 filed a Proof of Claim asserting a secured tax claim in the amount of \$5,617.96 for transaction
4 privilege (sales) and use taxes. These taxes relate to the rental property owned by 20th Street, LLC
5 are being paid by 20th Street, LLC through an installment agreement with the City. As a result, any
6 such liability will not be provided for under this Plan.
7

8 Domestic Support Claims.

9 As reflected in the schedules filed by the Debtors, there are no domestic support orders
10 against the Debtors.
11

12 **VIII. SUMMARY OF THE PLAN OF REORGANIZATION**

13 The Plan provides for twelve (12) classes of claims with four (4) subclasses to be paid or
14 administered in the following manner:
15

16 Administrative Claims (Class 1).

17 These claims are for the expenses of administration of the estate, including attorneys fees for
18 Debtor's Bankruptcy Counsel and the U.S. Trustee, if any.
19

20 The total amount of attorneys fees owed to Debtors' Bankruptcy Counsel, Allan D.
21 NewDelman, as of June 24, 2016 is \$71,514.82 subject to an offset against the retainers of
22 \$10,785.19 leaving a current balance of \$60,734.63. Debtors believe, at the time that the Debtors'
23 Amended Chapter 11 Plan is confirmed, that there will an additional attorney's fees administrative
24 expense claim in the approximate amount of \$5,000.00 bringing the total balance due but not paid
25 to \$65,734.63. The additional \$5,000.00 includes anticipated fees for administration of the Debtors'
26 Amended Chapter 11 case, for preparing the Debtors' Amended Disclosure Statement and Amended
27
28

1 Plan of Reorganization and to cover the anticipated fees through the confirmation process. This
2 claim shall be paid in cash, or in the amounts allowed by the Court upon the Plan distribution date
3 unless otherwise agreed to between the Debtors and the administrative creditor (See Exhibit "C").
4

5 **This class is not impaired.**

6 **Real estate claims - Homestead residence located at 22573 North 79th Place, Scottsdale,**

7 **AZ 85255**

8 **Secured Claim (Class 2 - Capital One, N.A.- claim # 17)**

9
10 The Creditor is secured by a first position Deed of Trust against Debtors' Homestead
11 residence located at 22573 North 79th Place, Scottsdale, AZ 85255. During the course of this
12 Chapter 11 proceeding, the Debtors have successfully modified the loan and are current in their
13 monthly payments to this lender. The Debtors will continue to service this loan pursuant to the terms
14 and conditions of the loan modification. **This class is not impaired.**

15
16 **Unsecured Claim (Class 2A- Wells Fargo Bank, N.A., Home Equity Group - claim # 10)**

17 The Creditor is secured by a second lien on the real property located at 22573 North 79th
18 Place, Scottsdale, AZ 85255. A Complaint to Determine the Validity, Priority or Interest in Property
19 was filed against the Creditor on January 25, 2013 Adversary Case No. 13-ap-0083 GBN to which
20 no response was filed. A default judgment was entered by the Court on March 19, 2013.

21
22 The Creditor shall have a general unsecured claim in the amount of \$90,081.64 which shall
23 be paid as a member of Class 10. **This is a non voting class.**

24 **Unsecured Claim (Class 2B - Target National Bank f/k/a Retailers Bank)**

25
26 The Creditor is secured by a judgment lien claim on the property located at 22573 N. 79th
27 Place, Scottsdale, AZ 85255 recorded in the Maricopa County Recorder's Office Instrument Number
28

1 2011-392820 in the sum of \$5,620.98. A Complaint to Determine the Validity, Priority or Interest
2 in Property was filed against the Creditor on January 25, 2013 Adversary Case No. 13-ap-0083 GBN
3 to which no response was filed. A default judgment was entered by the Court on March 19, 2013.
4
5 The Creditor shall have a general unsecured claim for the amount owing which will be paid as a
6 member of Class 10. The confirmed Plan shall be *res judicata* and shall forever bar any claim
7 (whether secured, unsecured or otherwise) of said creditor against the Debtors or the estate. **This is**
8 **a non voting class.**
9

10 “Secured” Claim (Class 2C - Sonoran Hills Master Community Homeowners Association
11 -claim # 5)

12 The Creditor filed a secured proof of claim in the amount of \$5,289.18. A Complaint to
13 Determine the Validity, Priority or Interest in Property was filed against the Creditor on January 25,
14 2013 Adversary Case No. 13-ap-0083 GBN. The parties entered a Stipulated Order to Treat
15 Defendant, Sonoran Hills Master Community Homeowners Association as Secured Based Upon Its
16 Statutory Lien and Unsecured Based Upon its Judgment Lien as to Pre-Petition Amounts
17 (“Stipulation”). Sonoran Hills Master Community Homeowners Association’s (“Sonoran Hills”)
18 pre-petition claim in the amount of \$5,289.18 but now reduced to \$1,528.69 from credits received,
19 shall be classified and treated as a secured claim based solely upon Sonoran Hills Statutory Lien
20 Rights pursuant to ARS §33-1256, and Debtors’ Plan will not impair or reduce Sonoran Hills’
21 secured position.
22
23

24 For the purposes only of this Plan, the recording on June 10, 2011 at the Maricopa County
25 Recorder’s Office, under Instrument Number 2011-0487299, of the Judgment on Stipulation entered
26 April 1, 2011, by the Clerk of the Desert Ridge Precinct justice Court in and for Maricopa County,
27
28

1 Arizona under Case number CC2011-046596, and subsequently entered as a Transfer of judgment
2 by the Clerk of the Superior Court, Maricopa County under Case Number TJ2011-011093 on June
3 10, 2011, in favor of Sonoran Hills, against the Debtors shall be deemed invalid for the purposes of
4 this Bankruptcy.
5

6 It is further stipulated the Debtors shall provide for the curing of the aforementioned pre-
7 petition secured claim through the Plan as an impaired class and that Sonoran Hills shall vote in
8 favor to the Plan so long as the Plan is in conformity with the Stipulation entered in 13-ap-00083 at
9 DE 15.
10

11 It is further stipulated that the Debtors shall provide payment of all post-petition assessments
12 and other amounts due and owing pursuant to the recorded CC&Rs to Sonoran Hills, within thirty
13 (30) days of the due date of the same. Should the Debtors fail to tender any assessment within 30
14 days of its due date, Sonoran Hills shall send to the Debtors and Debtors' counsel written notice of
15 the default stating that the Debtor shall have fifteen (15) days from the date of the notice to cure the
16 default or submit proof that no default exists. Should Debtors fail to cure the default or submit proof
17 that no default exists within 15 days of the date of the Notice, all of Sonoran Hills' lien rights,
18 including that of the aforementioned Judgment Lien, shall be restored and Automatic Stay of 11 USC
19 §362 shall be lifted as to Sonoran Hills' claims without further Order of the Court. **This class is**
20 **impaired.**
21
22

23 **Real estate claims - property located at 4620 East Running Deer Trail, Cave Creek, AZ**
24 **85331 - no class designation**
25

26 All lienholders associated with this property have been paid via a short sale of the property
27 and/or have no claim against the Debtor as there is no privity of contract. As a result, the following
28

1 creditors shall have no claim in this Chapter 11 proceeding:

- 2 a. US Bank, N.A., as Trustee for the Master Asset Backed Securities Trust 2006-
3 WMC4, Mortgage Pass-Through Certificates Series 2006-WMC4 Claim # 16
- 4 b. US Bank, N.A., as Trustee for Master Asset Backed Securities Trust 2006-WMC4,
5 Mortgage Pass-Through Certificates, Series 2006-WMC4; JP Morgan Chase Bank,
6 NA its Successors or Assigns.
- 7 c. US Household Mortgage Services d.b.a. Household Realty Corporation, Its
8 Successors or Assigns.
- 9 d. Diamond Creek Homeowners Association.

10 **Real Estate - 17606 North 17th Place No. 1092, Phoenix, AZ 85022**

11 **Unsecured Claim (Class 3 - The Bank of New York Mellon FKA The Bank of New York**
12 **as Successor Trustee to JPMorgan Chase Bank N.A., As Trustee for the Certificateholders of Bear**
13 **Stearns Alt A Trust 2005-5, Mortgage Pass-Through Certificates, Series 2005.5 - Claim #7)**

14 The Bank of New York Mellon FKA The Bank of New York as Successor Trustee to
15 JPMorgan Chase Bank N.A., As Trustee for the Certificateholders of Bear Stearns Alt A Trust 2005-
16 5, Mortgage Pass-Through Certificates, Series 2005.5 (“Bank of New York”) shall be classified and
17 treated as a general unsecured creditor. It is hereby acknowledged that Bank of New York holds
18 a perfected secured mortgage upon the identified property. However, the secured claim of Bank of
19 New York is provided for and treated as set forth in the Chapter 11 confirmed plan of 20th Street,
20 LLC, Case No. 2-09-bk-0079. Notwithstanding the treatment of Bank of New York as an unsecured
21 creditor in these proceedings, no payment will be made to Bank of New York under the Chapter 11
22 Plan of Reorganization of the Debtors herein. **This class is not impaired.**

23
24 **Real Estate - 6824 West Morrow Drive Glendale, AZ 85308**

25 **Unsecured Claim (Class 4 - JPMorgan Chase Bank, National Association - Claim #9)**

26 JPMorgan Chase Bank National Association (“Chase”) shall be classified and treated as a
27
28

1 general unsecured creditor. It is hereby acknowledged that Chase holds a perfected secured
2 mortgage upon the identified property. However, the secured claim of Chase is provided for and
3 treated as set forth in the Chapter 11 confirmed plan of 20th Street, LLC, Case No. 2-09-bk-0079.
4 Notwithstanding the treatment of Chase as an unsecured creditor in these proceedings, no payment
5 will be made to Chase under the Chapter 11 Plan of Reorganization of the Debtors herein. **This class**
6 **is not impaired.**
7

8 **Real Estate - 16806 North 20th Street Phoenix, AZ**

9 **Unsecured Claim (Class 5 - The Bank of New York Mellon as trustee for CWALT 2006-**
10 **HY10 c/o Shellpoint Mortgage Servicing - Claim #18)**

11 The Bank of New York Mellon as trustee for CWALT 2006-HY10 c/o Shellpoint Mortgage
12 Servicing (“BNY/Mellon”) shall be classified and treated as a general unsecured creditor. It is
13 hereby acknowledged that BNY/Mellon holds a perfected secured mortgage upon the identified
14 property. However, the secured claim of BNY/Mellon is provided for and treated as set forth in the
15 Chapter 11 confirmed plan of 20th Street, LLC, Case No. 2-09-bk-0079. Notwithstanding the
16 treatment of BNY/Mellon as an unsecured creditor in these proceedings, no payment will be made
17 to BNY/Mellon under the Chapter 11 Plan of Reorganization of the Debtors herein. **This class is not**
18 **impaired.**
19
20
21

22 **Real Estate - 8729 West Bobby Lopez Drive, Tolleson, AZ 85353**

23 **Unsecured Claim (Class 6 - JPMorgan Chase Bank, National Association - Claim #8)**

24 JPMorgan Chase Bank National Association (“Chase Bank”) shall be classified and treated
25 as a general unsecured creditor. It is hereby acknowledged that Chase Bank holds a perfected
26 secured mortgage upon the identified property. However, the secured claim of Chase Bank is
27
28

1 provided for and treated as set forth in the Chapter 11 confirmed plan of 20th Street, LLC, Case No.
2 2-09-bk-0079. Notwithstanding the treatment of Chase Bank as an unsecured creditor in these
3 proceedings, no payment will be made to Chase Bank under the Chapter 11 Plan of Reorganization
4 of the Debtors herein. **This class is not impaired.**

6 **Real Estate - 8512 East Roanoke Avenue, Scottsdale, AZ, 85257**

7 **Unsecured Claim (Class 7 - Bank of America, N.A. - Claim #19 and/or Ventures Trust 2013-**
8 **I-H-R by MCM Capital Partners, LLC, its trustee - Claim 20 or some other assignee)**

9 On May 1, 2014, "Bank of America, N.A.", ("BOA") through its Attorney, McCarthy
10 Holthus & Levine, P.C., caused to be filed a "secured" Proof of Claim, Claim Number 19. Attached
11 to the Claim is a copy of a Deed of Trust dated October 12, 2006 and recorded on October 18, 2006
12 at the Maricopa County Recorder's Office under Instrument Number 20061374833. This Deed of
13 Trust asserts a security interest in real property located at 8512 East Roanoke Avenue, Scottsdale,
14 Arizona, 85257.
15

16 On May 4, 2015 (one year after the filing of Claim 19), "Ventures Trust 2013-I-H-R by
17 MCM Capital Partners, LLC, its trustee" ("Ventures Trust") through its Attorney, Law Offices of
18 Les Zieve, caused to be filed a "secured" Proof of Claim, Claim Number 20. The first page of the
19 Proof of Claim asserts a security interest in the Debtors' homestead residence. This assertion is
20 false. Attached to the Proof of Claim is a copy of a Deed of Trust dated October 12, 2006 and
21 recorded on October 18, 2006 at the Maricopa County Recorder's Office under Instrument Number
22 20061374833. This Deed of Trust asserts a security interest in real property located at 8512 East
23 Roanoke Avenue, Scottsdale, Arizona, 85257.
24
25
26
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1 It is not known, nor is it evident by either Claim 19 or Claim 20, which of these two
2 “creditors” hold the Note and Deed of Trust for the property located at 8512 East Roanoke Avenue,
3 Scottsdale, Arizona, 85257. Regardless of who holds the Note and Deed of Trust, either BOA or
4 Ventures Trust (or some other assignee) shall be classified and treated as a general unsecured
5 creditor. It is hereby acknowledged that one of them, either BOA or Ventures Trust (or some other
6 assignee) holds a perfected secured mortgage upon the identified property. However, the secured
7 claim of BOA or Ventures Trust (or some other assignee) is provided for and treated as set forth in
8 the Chapter 11 confirmed plan of 20th Street, LLC, Case No. 2-09-bk-0079. Notwithstanding the
9 treatment of BOA or Ventures Trust (or some other assignee) as an unsecured creditor in these
10 proceedings, no payment will be made to BOA or Ventures Trust (or some other assignee) under the
11 Chapter 11 Plan of Reorganization of the Debtors herein. **This class is not impaired.**

12
13
14
15 Unsecured Claim (Class 8 - Presto Auto Loans, Inc. - Claim # 3)

16 Presto Auto Loans, Inc. is secured by a lien on a 2006 Nissan 350Z in the amount of
17 \$7,102.74. The Debtors have surrendered the vehicle in full satisfaction of the lien so long as the
18 case is completed and is discharged. **This class is not impaired.**

19
20 Priority Claims - (Class 9 - City of Phoenix Privilege Tax Claim #21)

21 The City of Phoenix has filed a Proof of Claim in the amount of \$5,617.96 for delinquent
22 privilege taxes. These taxes are associated with the rental of the real property owned by 20th Street,
23 LLC and are being paid for by that entity. As a result, any such liability will not be provided for
24 under this Plan. **This class is not impaired.**

1 Unsecured Claims (Class 10)

2 All allowed and approved claims under this Class shall be paid, *pro rata*, from all funds
3 available for distribution as set forth in the Disbursement Schedule attached hereto as Exhibit "C".
4

5 The projected dividend listed below is to be paid over a period of sixty (6) months, commencing in
6 month one (1) of the Plan. As stated in Exhibit "C", the projected dividend may change in the event
7 that any creditor listed below whose claim number is marked "NC" files a proof of claim in amount
8 different from the amount listed below or by the filing of an amended proof of claim by any creditor
9 listed.
10

11 All claims in this Class will be not be entitled to post-petition interest or late fees. The
12 Debtors may pre-pay any amounts due any creditor in this Class prior to the due dates in the Plan of
13 Reorganization without penalty and without prior notice or Court approval unless otherwise provided
14 for in the Plan of Reorganization. All claims in this Class, upon the completion of the Plan of
15 Reorganization and the entry of the Discharge Order, shall be deemed discharged. **This class is**
16 **impaired.** Class 10 shall be made up of the following creditors:
17

19	Creditor	Claim	Claim_	Projected
20	<u>Name</u>	<u>No.</u>	<u>Amount</u>	<u>Dividend</u>
21	Discover Bank	1	\$ 6,752.50	\$ 3,423.20
22	Capital One Bank (USA), NA	6	\$ 11,393.95	\$ 5,776.53
23	Wells Fargo Bank, NA	10	\$ 90,081.64	\$ 4,567.04
24	Nordstrom, FSB	11	\$ 3,691.96	\$ 1,871.95
25	Dell Financial Services, LLC	14	\$ 193.54	\$ 98.08
26	Portfolio Recovery Associates, LLC ³	15	\$ 384.23	\$ 194.96
27	Arizona Pubic Service	NC	\$ 321.00	\$ 162.77
28	AT & T Mobility	NC	\$ 1,835.00	\$ 930.26
	Bureau of Medical Economics	NC	\$ 730.00	\$ 370.06
	Bureau of Medical Economics	NC	\$ 300.00	\$ 152.23
	Capital One	NC	\$ 1,139.95	\$ 577.95

³Shown on schedules as HSBC

1	Chase	NC	\$ 23,803.00	\$12,067.53
2	Doris & Company, CPAs	NC	\$ 12,714.88	\$ 6,446.24
	Receivables Performance	NC	\$ 246.00	\$ 124.85
3	Receivables Performance	NC	\$ 65.00	\$ 33.09
4	Sprint	NC	\$ 387.00	\$ 196.16
	Target National Bank	NC	\$ 6,387.44	\$ 3,238.46
5	Vacation Resorts International	NC	\$ 2,092.77	\$ 1,061.13
	Webband/DFS	NC	\$ 201.00	\$ 101.40
6	HSBC	NC	\$ 473.00	\$ 239.79
7				
	TOTAL		\$163,193.86	\$82,736.68

8

9 Unsecured Claims - Administrative Convenience Class (Class 10A)

10 This Class shall consist of all allowed and approved claims in Class 10 whose total *pro rata*

11 share totals \$400.00 or less. All creditors in this Class may have their *pro rata* share paid in full

12 within sixty (60) days from the date that an Order confirming the Debtors' Amended Plan of

13 Reorganization is entered by the Court, at the discretion of the Debtors. All claims in this Class will

14 be not be entitled to post-petition interest or late fees. All claims in this Class, upon the completion

15 of the Plan of Reorganization and the entry of the Discharge Order, shall be deemed discharged.

16 **This is a non voting class.**

17

18 Disputed Claims (Class 11)

19

20 Class 11 shall consist of those claim(s) in which the Debtors marked as disputed in its

21 Schedules and to which no proof of claim has been filed. These Claims are with the real estate vested

22 in 20th Street, LLC. **This class is not impaired and/or no claim will exist in this Class.** Class 11

23 shall be made up of the following creditor(s):

<u>Creditor Name</u>	<u>Claim Amount</u>
City of Scottsdale	\$ unknown

1 Debtors' Interest (Class 12)

2 Debtors shall retain all of the legal and equitable interest in exempt and non-exempt assets
3 of this estate, as all reconciliation issues have been met. All estate property shall vest in the Debtors
4 at confirmation. **This is a non voting class.**

6 **IX. DISPUTED CLAIMS**

7 The Debtors reserve the right to verify and object to any proof of claim. Payment of disputed
8 claims shall be made only after agreement has been reached between the Debtors and the Creditor
9 or upon the order of the Court. Any and all objections to proofs of claim will be filed within sixty
10 (60) days of the Effective Date of this plan or will be waived.

12 **X. EXECUTORY CONTRACTS**

13 There are no executory contracts or unexpired leases.

15 **XI. DOMESTIC SUPPORT OBLIGATIONS**

16 The Debtors do not have any ongoing Court ordered support obligations.

18 **XII. MEANS OF EXECUTION/PROJECTION**

19 This Plan will be a base Plan with minimum payments of all timely filed and allowed claims
20 to be made as set forth in the attached Disbursement Schedule. **The total amount to be paid to the**
21 **unsecured creditors, after payment of all administrative, secured and priority claims, will be**
22 **\$82,736.68 .**

23 The Debtors project that as of April 5, 2016 that they will have an average income of
24 \$12,988.76 per month and expenses of \$10,481.50 per month, leaving approximately \$2,500.00
25 available for the benefit of their creditors. (See Exhibit "A".) The source of the Debtors' income
26 will be the income generated from wages and commissions. An exemption has been claimed on
27
28

1 seventy-five percent (75%) of earned wages.

2 The Debtors believe that by virtue of the Plan that they will have the ability to pay all allowed
3 and approved claims pursuant to the Plan of Reorganization.

4
5 The Debtors submit that their Plan of Reorganization is in the best interests of the creditors
6 of this estate as the creditors will receive more than they would have received if this case were a case
7 under Chapter 7.

8 **XIII. CHAPTER 7 LIQUIDATION ANALYSIS**

9
10 Pursuant to the provisions of the Bankruptcy Code providing for Court approval of a Plan
11 of Reorganization, Debtors are required to pay creditors at least as much as creditors would receive
12 in a Chapter 7 liquidation case, after costs of administration and the liquidation of the Debtors'
13 assets. The Liquidation Analysis represents an estimate of recovery based upon hypothetical
14 liquidation assumptions whereby a Trustee would conduct the Chapter 7 liquidation to convert assets
15 to cash and settle claims. The determination of the hypothetical proceeds from the liquidation of
16 assets is an uncertain process involving the use of estimates and assumptions that, although
17 considered reasonable, are inherently subject to business, economic and competitive contingencies
18 beyond the control of the Debtors.

19
20
21 The Debtors' primary assets are their interest in 20th Street, LLC ("20th Street") and the newly
22 acquired scooter sales business. The Debtors have a 100% interest in these entities. The Debtors
23 value their interest in both at \$0.00. The scooter business is a start-up and 20th Street filed for relief
24 under Chapter 11 on August 20, 2009, Case No. 2-09-bk-20079 EPB. An Order confirming 20th
25 Street's Plan of Reorganization was entered by the Court on August 2, 2010. Although the Debtors
26 strongly believe that 20th Street will be able to complete its Plan of Reorganization, there are many
27
28

1 factors beyond the Debtors' ability to control that may affect 20th Street's performance under the
2 Plan. 20th Street's ability to complete its Plan of Reorganization is dependent on the continued
3 growth of the economy and real estate market.
4

5 The Debtors' have 100% ownership in Security Pacific Properties and 100% ownership in
6 Arroyo 2 LLC. These LLC were set up to hold real estate investments but were never activated or
7 used. The Debtors' have 100% ownership in a family trust that was never funded.
8

9 The Debtors' household goods and furnishings have minimal value. The Debtors had a
10 checking account on the date that their Chapter 11 petition was filed containing \$500.00 and cash
11 on hand in the amount of \$1,000.00.
12

13 The Debtors owned a 2004 Lincoln Navigator which was valued at \$9,000.00 in the
14 schedules. The vehicle was subject to a lien in favor of Auto Junction in the amount of \$4,652.43,
15 which Debtors have paid in full. The Debtors also owns a 2002 Chevy Tahoe which was valued at
16 \$9,000.00. The vehicle was subject to a lien in favor Car Connection in the amount of \$5,500.00
17 which Debtors have paid in full. The Debtors own a 2003 Honda 250 Motorcycle valued a \$500.00
18 and owned free and clear.
19

20 The Debtors believe that should this case be converted to a case under Chapter 7, that there
21 will be no funds available to make a distribution to the general unsecured creditors after payment of
22 administrative, secured and priority claims.
23
24
25
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LIQUIDATION ANALYSIS

ASSETS	VALUE	LIEN	EXEMPTION	REMAINING VALUETOESTATE
Homestead residence	\$820,000.00	\$1,293,000.00	\$150,000.00	\$-0-
Rental property	\$-0- asset abandoned	N/A	N/A	N/A
4 Timeshares	\$ 5,500.00	\$-0-	\$-0-	\$5,000.00
Cash on hand -filing date	\$ 1,000.00	\$-0-	\$-0-	\$1,000.00
Bank Account	\$ 500.00	\$-0-	\$ 300.00	\$ 200.00
Household goods	\$ 1,150.00	\$-0-	\$ 8,000.00	\$-0-
Household goods	\$ 720.00	\$-0-	\$-0-	\$ 720.00
Books	\$ 10.00	\$-0-	\$ 10.00	\$-0-
Pictures	\$ 20.00	\$-0-	\$-0-	\$ 20.00
Clothing	\$ 1,000.00	\$-0-	\$ 1,000.00	\$-0-
Wedding/Engagement rg	\$ 1,000.00	\$-0-	\$ 2,000.00	\$-0-
Watch	\$ 100.00	\$-0-	\$ 100.00	\$-0-
Watch	\$ 100.00	\$-0-	\$ 100.00	\$-0-
Costume jewelry	\$ 100.00	\$-0-	\$-0-	\$ 100.00
Life Insurance policy	\$-0-	\$-0-	\$100%	\$-0-
20 th Street LLC	\$-0-	\$-0-	\$-0-	\$-0-
Security Pacific Prop.	\$-0-	\$-0-	\$-0-	\$-0-
Arroyo 2 LLC	\$-0-	\$-0-	\$-0-	\$-0-
Commissions	\$ 4,300.00	\$-0-	\$ 3,225.00	\$1,075.00
2004 Lincoln Navigator	\$ 9,000.00	\$4,625.43*	\$ 5,000.00	\$-0-
2003 Honda 250 MC	\$ 500.00	\$-0-	\$-0-	\$ 500.00
2002 Chevy Tahoe	\$ 9,000.00	\$5,500.00*	\$ 5,000.00	\$-0-
Computer/fax/desk/char	\$ 200.00	\$-0-	\$-0-	\$ 200.00
Dog/cat	\$ 20.00	\$-0-	\$ 20.00	\$-0-
Family trust	\$-0-	\$-0-	\$-0-	\$-0-
Arizona Mobility Scooters, LLC	\$-0- (post petition)	\$-0-	\$-0-	\$-0-
			TOTAL:	\$8,815.00

*As stated above, the liens were paid in full during the course of this case. The vehicles are currently free and clear.

CHAPTER 7 RECONCILIATION

Non exempt property	\$8,815.00
Less Chapter 7 Trustee Fees	< 1,631.50 >
Less cost of sale (10% of sale price)	< 881.50 >
Funds available after liquidation of all assets	\$ 6,302.00
Less Chapter 11 Admin. Fees as of 6/24/16	< 71,514.72 >
TOTAL AVAILABLE TO UNSECURED CREDITORS:	<\$-0-> or less

XIV. CRAM-DOWN

If all impaired classes do not accept the Plan, the Debtors and Debtors-in-Possession may use the "cram-down" provisions of the Bankruptcy Code. Cram-down is a colloquial term for

1 confirmation of a Plan over a dissent of a class of holders of claims of interests.

2 Absolute Priority Rule (*In re Zachary* 9th Cir.)

3
4 The rules for a cram-down of a Plan on unsecured creditors are generally contained in
5 §1129(b). A Chapter 11 Plan could generally be confirmed over the rejection of the Plan by
6 unsecured creditors if either the Plan paid the unsecured creditors in full or the Plan provided that
7 there was no class junior to the unsecured creditors that would receive or retain, under the Plan, on
8 account of such junior claim an interest in any property. 11 U.S.C. §1129(b)(2)(B)(ii) as amended
9 includes the following:
10

11 “except that in a case in which the debtor is an individual, the debtor
12 may retain property included in the estate under Section 1115, subject
13 to the requirements of subsection (a)(14) “sic (15)” of this section.”

14 The property subject to the absolute priority rule in Chapter 11 cases, is “the property the
15 debtor owned ‘as of the commencement of the case.’” *Zachary, id.*, citing *Ice House*, 571 F.3d at
16 737-38.

17 Prior to BAPCPA, Courts were divided on whether an individual debtor’s retention of
18 exempt property violated the absolute priority rule. Compare *In re Gosman*, 282 B.R. 45
19 (Bankr.S.D. Fla. 2002) (exempt property is within the definition of “any property” that cannot be
20 retained by the debtor) with *In re Egan*, 142 B.R. 730 (Bankr. E.D. Pa. 1992) which stated at 733:
21

22 “...if debtors intend to retain only exempt property, then they are
23 merely retaining that which is their absolute right to retain in any
24 event, and they are not, properly speaking, receiving or retaining ‘any
25 interest that is junior to the interests’ of any class of creditors.” Also
26 see *In re Gerard*, 495 B.R. 850 (Bankr. E.D. Wis. 2013)

27 As noted in *Gerard* at 855:

28 “The issue was thoroughly analyzed in a pre-BAPCPA case, *In re
Henderson*, 321 B.R. 550 (Bankr.M.D.Fla. 2005), *aff’d sub nom. Van*

1 *Buren Indus. Investors v. Henderson (In re Henderson)*, 341, B.R.
2 783 (M.D.Fla. 2006). Quoting the Seventh Circuit Court of Appeals,
3 the *Henderson* court noted that the absolute priority rule has three
4 components: (1) identification of the junior claims or interests; (2)
5 identification of the property retained by the holders of such claims
6 or interests; and (3) the determination whether the property is retained
7 ‘on account of’ the junior claim or interest. *Id.* at 559, citing *In re*
8 *Wabash Valley Power Association, Inc.*, 72 F.3d 1305, 1313 (7th Cir.
9 1995), *cert. denied*, 519 U.S. 965, 117 S.Ct. 389, 136 L.Ed.2d 305
10 (1996). The court in *Henderson* noted that once a debtor’s
11 exemptions have been approved, the exempt property is no longer
12 property of the bankruptcy estate. See also *Taylor v. Freeland &*
13 *Kronz*, 503 U.S. 638, 112 S.Ct. 1644, 118 L.Ed.2d 280 (1992) (unless
14 a party objects, the property claimed exempt is exempt from the
15 estate). Therefore, an individual debtor’s exempt property does not
16 fit within the third component, and retaining exempt property does
17 not implicate the absolute priority rule. In *In re Bullard*, 358 B.R.
18 541, 544 (Bankr.D.Conn. 2007), the bankruptcy court agreed that the
19 better line of authority holds that the debtor’s retention of his exempt
20 property does not offend § 1129(b)(2)(B) because such retention is
21 not “on account of the debtor’s junior interest” in property. Similarly,
22 the court in *In re Steedley*, 2010 WL 3528599, 2010 Bankr. LEXIS
23 3113 (Bankr.S.D.Ga. Aug. 27, 2010), concluded that a debtor does
24 not retain exempt property “on account of” an interest junior to the
25 creditors and thus does not violate the absolute priority rule by
26 proposing to keep exempt property. This Court agrees and adds that
27 the debtor’s exempt property that has been removed from the estate
28 prior to confirmation is not property that is received or retained
 “under the plan” as required for application of the absolute priority
 rule. The Court therefore holds that, although the absolute priority
 rule continues to apply in individual debtor cases, a debtor’s proposal
 to retain his exempt property does not violate the rule.”

22 **Compliance with the Absolute Priority Rule:**

- 23 1. The Plan provides for the payment of all allowed unsecured claims in full;
- 24 2. The Plan proposes “new value” as a Court created exception to the absolute
25 priority rule; or
- 26 3. The debtors do not retain any pre-petition non-exempt property.

28 Debtors herein will reserve the right to propose an Second Amended Plan should a

1 class of impaired creditors reject the Plan (Class 2C or 10)

2 **XV. DEFAULT**

3
4 The Debtors' failure to make any payment due since the filing for relief within sixty (60)
5 days after demand for payment after its due date shall constitute a default unless the Debtors and the
6 affected creditor agree to delayed payment. Any event of default occurring with respect to one (1)
7 claim shall not be an event of default with respect to any other claim.

8
9 The Notice of Default shall be effective when served simultaneously upon the Debtors and
10 Debtors' counsel. Any Notice of Default must be sent in writing to both the Debtors and the Debtors'
11 counsel at the addresses listed below:

12 Robert C. and Lynn B. Highsmith
13 22573 North 79th Place
14 Scottsdale, AZ 85255

15 Allan D. NewDelman
16 Allan D. NewDelman, P.C.
17 80 East Columbus Avenue
18 Phoenix, AZ 85012

19 If the default is not timely cured, creditor(s) may pursue any remedy provided by the state
20 or federal law, including foreclosing any security interest, suing on any promissory note issued or
21 continued in effect under the Plan. If any default is cured within the sixty (60) day cure period, then
22 the Creditor shall not be entitled to enforce any remedies which would be otherwise available on
23 account of the default. The default and cure provisions contained in the Plan of Reorganization shall
24 supercede any provisions contained in any other agreement between the Debtors and any creditor
25 affected by the Plan of Reorganization.

26
27 The default and cure provisions contained herein shall not supercede any provisions
28 contained in any Deed of Trust or other agreement between the Debtors and any creditor entered into

1 and approved by the Court during the pendency of this case.

2 **XVI. CLOSING OF CASE**

3
4 The Debtors may seek a final decree and an Order closing this case upon the conclusion of
5 all administrative matters and provided that the Debtors have commenced payments required to be
6 made pursuant to the Plan of Reorganization.

7 **ALL CREDITORS SHALL REMAIN BOUND BY TERMS AND CONDITIONS SET**
8 **FORTHIN THE DEBTOR'S PLAN OF REORGANIZATION. NO CREDITOR SHALL BE**
9 **ALLOWED TO TAKE ANY COLLECTION ACTION AGAINST THE DEBTORS AS**
10 **LONG AS THE DEBTORS REMAIN IN COMPLIANCE WITH THEIR PLAN OF**
11 **REORGANIZATION.**
12

13 **XVII. TAX CONSEQUENCES**

14
15 Neither the Debtors nor their lawyer can make any statements with regard to the tax
16 consequences of the Plan on any of the creditors. Each creditor in this case, when analyzing the
17 Plan, should consult with its own professional advisors to determine whether or not acceptance of
18 the Plan by the creditor will result in any adverse tax consequences to the creditor.
19

20 **XVIII. IMPLEMENTATION AND CONSUMMATION OF PLAN**

21 The Debtors' status as Debtors-in-Possession, upon the entry of an Order confirming the
22 Debtors' Plan of Reorganization, shall terminate and the Debtors shall continue to operate their
23 business in the ordinary course and are authorized to engage in any lawful business activities and
24 transaction without Court approval.
25

26 All property of the estate shall vest in the Debtors and shall be free from attachment, levy,
27 garnishment or execution by creditors bound by the Plan.
28

1 Except as expressly stated in the Plan of Reorganization or otherwise allowed by the
2 Bankruptcy Court, no interest, penalty or late charge arising after the date that the Debtors' Chapter
3 11 petition was filed shall be allowed on any claim.
4

5 The Debtors may pre-pay any amounts due any creditor or Class of Creditors prior to the due
6 dates in the Plan of Reorganization without penalty and without prior notice or Court approval unless
7 otherwise provided for in the Plan of Reorganization.
8

9 Upon the entry of an Order confirming the Debtors' Plan of Reorganization, the Debtors shall
10 have the authority, without further Court approval or notice to creditors, to sell any or all of the
11 Debtors' real property (and any property that may be owned by any corporation to which the Debtors
12 have an interest in) provided that the net proceeds from such sale are sufficient to pay: (1) the
13 amounts due to any creditor holding a perfected lien against the property or as otherwise agreed to
14 by the parties; (2) reasonable sales costs, including ordinary real estate commissions; (3) reasonable
15 attorneys fees associated with the respective transaction; and (4) taxes, if any, resulting from the sale.
16

17 The terms of the Plan subsequent to confirmation shall bind the Debtors, any entity acquiring
18 property under the Plan, and creditor or claimant, whether or not such creditor or claimant has
19 accepted the Plan.
20

21 It shall be the obligation of each creditor participating under the Plan to keep the Debtors
22 advised of its current mailing address. In the event any payments tendered to creditors are mailed,
23 postage prepaid, addressed (1) to the address specified in the Debtors' schedules and statement, (2)
24 to the address specified in any proof of claim filed by a creditor or claimant herein or (3) to the
25 address provided by any such creditor or claimant for purposes of distribution, and if subsequently
26 the Post Office returns such distribution due to a lack or insufficiency of address or forwarding
27
28

1 address, the Debtors shall retain such distribution for a period of six months. Thereafter, the
2 distribution shall revert to the Debtors without further Order of the Court and free and clear of any
3 claim of the named distributee. The Debtors shall thereafter not be required to mail subsequent
4 distributions to any creditor for whom a distribution has been returned by the Post Office.
5

6 The Debtors reserve the right to modify the Plan in accordance with §1127 of the Bankruptcy
7 Code. The Plan may be modified prior to confirmation provided that the Plan still complies with
8 §1122 and §1123 of the Bankruptcy Code. The Plan may be modified subsequent to confirmation
9 and before substantial consummation of the Plan under such circumstances as may warrant such
10 under §1123 of the Bankruptcy Code. Any holder of a claim or interest that has been previously
11 accepted or rejected a confirmed Plan, shall be deemed to have accepted or rejected any subsequently
12 modified Plan unless the holder of such claim or interest changes its acceptance or rejection of the
13 Plan within the time fixed by the Court.
14
15

16 **XVIII. QUARTERLY FEES AND REPORTS**

17 Debtors shall continue to pay quarterly fees to the U.S. Trustee System until such time as a
18 Final Decree has been entered in this matter by the Court, closing this Chapter 11 proceeding.
19 Debtors shall continue to file monthly operating reports until such time as the Court enters an Order
20 confirming this Plan of Reorganization. At such time, Debtors shall cease filing monthly operating
21 reports and shall begin filing 90 day reports. These 90 day reports shall be filed until such time as
22 a Final Decree has been entered in this matter by the Court, closing this Chapter 11 proceeding.
23
24

25 **XIV. RETENTION OF JURISDICTION**

26 The Bankruptcy Court will retain jurisdiction over this case for purposes of determining the
27 allowance of claims or objections to claims. The Court will also retain jurisdiction for purposes of
28

1 fixing allowances for compensation and/or for purposes of determining the allowability of any other
2 claimed administrative expenses. The Court will also retain jurisdiction for the purpose of
3 establishing bar dates and making a determination with respect to all disputed claims. Finally, the
4 Court shall retain jurisdiction for purposes of determining any dispute arising from the interpretation,
5 implementation or consummation of the Plan and to implement and enforce the provisions of the
6 Plan and to enter a Chapter 11 Discharge Order. Notwithstanding anything to the contrary contained
7 herein, the Debtors shall not be bound by estoppel, the principles of res judicata or collateral estoppel
8 with respect to any term or provision contained herein in the event the Plan is not confirmed.
9

11 **XX. REPRESENTATION**

12 No representations concerning the Debtors are authorized by the Debtors other than as set
13 forth in this statement. Any representation or inducement made to secure your acceptance which is
14 other than as contained in this statement should not be relied upon by you in arriving at your
15 decision, and such additional representations and inducements should be reported to counsel for the
16 Debtors, who, in turn, shall deliver such information to the Bankruptcy Court for such action as may
17 be deemed appropriate.
18
19

20 **XXI. CONCLUSION**

21 It is respectfully submitted that Debtors have given every thought to the complex problems
22 confronting them, and, with the assistance of counsel, has devised and formulated this Plan with the
23 hope that the equitableness of the Plan will be considered by the creditors. It is sincerely hoped that
24 all creditors will join in and consent to the Plan so that they, as well as the Debtors, will receive the
25 maximum results.
26
27
28

1 DATED this 15 day of July, 2016.

2 ALLAN D. NEWDELMAN, P.C.

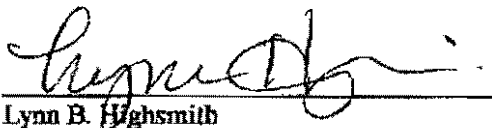
3
4 /s/ Allan D. NewDelman
5 Allan D. NewDelman
6 Attorney for Debtors
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The above 35 page (plus exhibits)
Amended Disclosure Statement
is approved as to form and content:



Robert C. Highsmith



Lynn B. Highsmith

EXHIBIT "A"
TO THE DISCLOSURE STATEMENT

1 Allan D. NewDelman, Esq. (004066)
2 ALLAN D. NEWDELMAN, P.C.
3 80 East Columbus Avenue
4 Phoenix, AZ 85012
5 (602) 264-4550
6 anewdelman@adnlaw.net

7 IN THE UNITED STATES BANKRUPTCY COURT
8 FOR THE DISTRICT OF ARIZONA

9 In re) In Proceedings Under
10) Chapter Eleven
11 ROBERT C. HIGHSMITH and LYNN)
12 B. HIGHSMITH,) CASE NO. 2-12-bk-05374 GBN
13) AMENDED SCHEDULE I AND J
14)
15 Debtor(s).)

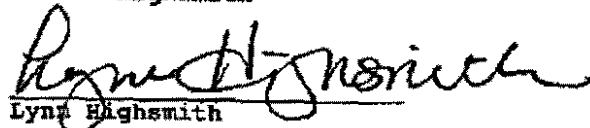
16 Debtor(s), ROBERT and LYNN HIGHSMITH, pursuant to Bankruptcy
17 Rule 1009(a), hereby file(s) this Amended Schedule I and J.

18 DATED this 28 day of March, 2016.

19 ALLAN D. NEWDELMAN, P.C.

20 
21 Robert Highsmith

22 
23 Allan D. NewDelman

24 
25 Lynn Highsmith

Debtor 1 ROBERT HIGHSMITH

Debtor 2 LYNN HIGHSMITH
(Spouse, if filing)

United States Bankruptcy Court for the: DISTRICT OF ARIZONA

Case number (if known): 2-12-bk-05374-GBN

Check if this is:
 An amended filing
 A supplement showing postpetition chapter 13 income as of the following date:

MM/DD/YYYY

Official Form 106I

Schedule I: Your Income

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is filing with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part I Describe Employment

	Debtor 1	Debtor 2 or non-filing spouse
1. Fill in your employment information. If you have more than one job, attach a separate page with information about additional employers. Include part-time, seasonal, or self-employed work. Occupation may include student or homemaker, if it applies.	Employment status* <input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed Occupation: <u>REALTOR</u> Employer's name: <u>HOMESMART</u> Employer's address: <u>9388 E HARTFORD #100</u>	Employment status* <input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed Occupation: <u>YOGA INSTRUCTOR</u> Employer's name: <u>SUMITS YOGA GRAYHAWK</u> Employer's address: <u>20343 WEST HAYDEN SCOTTSDALE, AZ</u>
How long employed there?	<u>1 YEAR</u>	<u>7 YEARS</u>

*See Attachment for Additional Employment Information

Part II Give Details About Monthly Income

Estimate monthly income as of the date you file this form. If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

	For Debtor 1	For Debtor 2 or non-filing spouse
2. List monthly gross wages, salary, and commissions (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	\$ <u>3,000.00</u>	\$ <u>1,800.00</u>
3. Estimate and list monthly overtime pay.	+\$ <u>0.00</u>	-\$ <u>0.00</u>
4. Calculate gross income. Add line 2 + line 3.	\$ <u>3,000.00</u>	\$ <u>1,800.00</u>

Debtor 1 **ROBERT HIGHSMITH**
Debtor 2 **LYNN HIGHSMITH**

Case number (if any) **2-12-bk-05374 GBN**

Copy line 4 here 4. \$ 5,000.00 \$ 1,800.00

5. List all payroll deductions:

5a. Tax, Medicare, and Social Security deductions	5a. \$ <u>0.00</u>	\$ <u>38.02</u>
5b. Mandatory contributions for retirement plans	5b. \$ <u>0.00</u>	\$ <u>0.00</u>
5c. Voluntary contributions for retirement plans	5c. \$ <u>0.00</u>	\$ <u>0.00</u>
5d. Required repayments of retirement fund loans	5d. \$ <u>0.00</u>	\$ <u>0.00</u>
5e. Insurance	5e. \$ <u>0.00</u>	\$ <u>0.00</u>
5f. Domestic support obligations	5f. \$ <u>0.00</u>	\$ <u>0.00</u>
5g. Union dues	5g. \$ <u>0.00</u>	\$ <u>0.00</u>
5h. Other deductions. Specify: _____	5h. \$ <u>0.00</u>	\$ <u>0.00</u>
5. Add the payroll deductions. Add lines 5a+5b+5c+5d+5e+5f+5g+5h.		
		5. \$ <u>0.00</u> \$ <u>38.02</u>
7. Calculate total monthly take-home pay. Subtract line 5 from line 4.		
		7. \$ <u>5,000.00</u> \$ <u>1,764.38</u>

6. List all other income regularly received:

6a. Net income from rental property and from operating a business, profession, or farm <small>Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income.</small>	6a. \$ <u>0.00</u>	\$ <u>0.00</u>
6b. Interest and dividends	6b. \$ <u>0.00</u>	\$ <u>0.00</u>
6c. Family support payments that you, a non-filing spouse, or a dependent regularly receive <small>Include alimony, spousal support, child support, maintenance, divorce settlement, and property settlement.</small>	6c. \$ <u>0.00</u>	\$ <u>0.00</u>
6d. Unemployment compensation	6d. \$ <u>0.00</u>	\$ <u>0.00</u>
6e. Social Security	6e. \$ <u>0.00</u>	\$ <u>0.00</u>
6f. Other government assistance that you regularly receive <small>Include cash assistance and the value (if known) of any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies.</small>	6f. \$ <u>0.00</u>	\$ <u>0.00</u>
6g. Pension or retirement income	6g. \$ <u>0.00</u>	\$ <u>0.00</u>
6h. Other monthly income. Specify: AVERAGE COMMISSIONS FROM 2ND JOB AVERAGE INCOME FROM 2ND JOB	6h. \$ <u>6,000.00</u>	\$ <u>0.00</u>
		\$ <u>0.00</u> \$ <u>224.38</u>
8. Add all other income. Add lines 6a+6b+6c+6d+6e+6f+6g+6h.		
		8. \$ <u>6,000.00</u> \$ <u>224.38</u>

10. Calculate monthly income. Add line 7 + line 8.

10. \$ <u>11,000.00</u> + \$ <u>1,988.78</u> = \$ <u>12,988.78</u>
--

11. State all other regular contributions to the expenses that you list in Schedule J. Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives. Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J. Specify: _____ 11. +\$ 0.00

12. Add the amount in the last column of line 10 to the amount in line 11. The result is the combined monthly income. Write that amount on the Summary of Schedules and Statistical Summary of Certain Liabilities and Related Data, if it applies.

12. \$ <u>12,988.78</u>
Combined monthly income

13. Do you expect an increase or decrease within the year after you file this form?
 No.
 Yes. Explain: _____

Debtor 1 **ROBERT HIGHSMITH**
Debtor 2 **LYNN HIGHSMITH**

Case Number (if any) **2-12-bk-05374 GBN**

Official Form B 61
Attachment for Additional Employment Information

Debtor	
Occupation	SALES
Name of Employer	ARIZONA MOBILITY SCOOTERS
How long employed	
Address of Employer	9420 WEST BELL #100 SUN CITY, AZ 85351
Spouse	
Occupation	YOGA INSTRUCTOR
Name of Employer	SUNIT YOGA
How long employed	
Address of Employer	10050 N SCOTTSDALE RD PARADISE VALLEY, AZ

Debtor 1: ROBERT HIGHSMITH

Debtor 2: LYNN HIGHSMITH
(Spouse, if filing)

United States Bankruptcy Court for the: DISTRICT OF ARIZONA

Case number: 2-12-bk-05374 GBN
(if known)

Check if this is:

An amended filing

A supplement showing postpetition chapter 13 expenses as of the following date:

MM / DD / YYYY

Official Form 106J
Schedule J: Your Expenses

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part I Describe Your Household

1. Is this a joint case?
- No. Go to line 2.
- Yes. Does Debtor 2 live in a separate household?
- No
- Yes. Debtor 2 must file Official Form 106J-2, Expenses for Separate Household of Debtor 2.

2. Do you have dependents? No
- Yes. Do not list Debtor 1 and Debtor 2. Do not state the dependent's names.
- | Dependent's relationship to Debtor 1 or Debtor 2 | Dependent's age | Does dependent live with you? |
|--|-----------------|---|
| SON | 17 | <input checked="" type="checkbox"/> Yes |
| SON | 24 | <input checked="" type="checkbox"/> Yes |
| | | <input type="checkbox"/> No |
| | | <input type="checkbox"/> Yes |
| | | <input type="checkbox"/> No |
| | | <input type="checkbox"/> Yes |
3. Do your expenses include expenses of people other than yourself and your dependents? No Yes

Part II Estimate Your Ongoing Monthly Expenses

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental Schedule J, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on Schedule K: Your Income (Official Form 106J)

Your Expenses

4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot.
4. \$ 3,550.00
- If not included in line 4:
- 4a. Real estate taxes 4a. \$ 0.00
- 4b. Property, homeowner's, or renter's insurance 4b. \$ 149.00
- 4c. Home maintenance, repair, and upkeep expenses 4c. \$ 179.00
- 4d. Homeowner's association or condominium dues 4d. \$ 70.00
5. Additional mortgage payments for your residence, such as home equity loans 5. \$ 0.00

Debtor 1 **ROBERT HIGHSMITH**
Debtor 2 **LYNN HIGHSMITH**

Case number (if known) **2-12-bk-05374 GBN**

6. Utilities:		
6a. Electricity, heat, natural gas	6a. \$	410.00
6b. Water, sewer, garbage collection	6b. \$	175.00
6c. Telephone, cell phone, internet, satellite, and cable services	6c. \$	292.00
6d. Other. Specify: <u>POOL MAINTENANCE</u>	6d. \$	100.00
7. Food and housekeeping supplies	7. \$	700.00
8. Childcare and children's education costs	8. \$	0.00
9. Clothing, laundry, and dry cleaning	9. \$	50.00
10. Personal care products and services	10. \$	65.00
11. Medical and dental expenses	11. \$	50.00
12. Transportation. Include gas, maintenance, bus or train fare. Do not include car payments.	12. \$	600.00
13. Entertainment, clubs, recreation, newspapers, magazines, and books	13. \$	100.00
14. Charitable contributions and religious donations	14. \$	100.00
15. Insurance. Do not include insurance deducted from your pay or included in lines 4 or 20.		
15a. Life insurance	15a. \$	52.00
15b. Health insurance	15b. \$	1,300.00
15c. Vehicle insurance	15c. \$	597.00
15d. Other insurance. Specify:	15d. \$	0.00
16. Taxes. Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: <u>INCOME TAX ON EARNINGS</u>		16. \$ 150.00
17. Installment or lease payments:		
17a. Car payments for Vehicle 1	17a. \$	350.00
17b. Car payments for Vehicle 2	17b. \$	0.00
17c. Other. Specify:	17c. \$	0.00
17d. Other. Specify:	17d. \$	0.00
18. Your payments of alimony, maintenance, and support (that you did not report as deducted from your pay on line 5, Schedule I, Your Income (Official Form 1041)).	18. \$	0.00
19. Other payments you make to support others who do not live with you.	\$	0.00
Specify:		19.
20. Other real property expenses not included in lines 4 or 5 of this form or on Schedule I: Your Income.		
20a. Mortgages on other property	20a. \$	0.00
20b. Real estate taxes	20b. \$	0.00
20c. Property, homeowner's, or renter's insurance	20c. \$	0.00
20d. Maintenance, repair, and upkeep expenses	20d. \$	0.00
20e. Homeowner's association or condominium dues	20e. \$	0.00
21. Other. Specify: <u>TIMESHARE MAINTENANCE FEE</u>	21. +\$	62.50
<u>WIFE'S WORK RELATED EXPENSES</u>	+\$	690.00
<u>SCHOOL SUPPLIES FOR MINOR SON</u>	+\$	400.00
22. Calculate your monthly expenses		
22a. Add lines 4 through 21.	\$	10,481.50
22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 1041-2	\$	
22c. Add line 22a and 22b. The result is your monthly expenses.	\$	10,481.50
23. Calculate your monthly net income.		
23a. Copy line 12 (your combined monthly income) from Schedule I.	23a. \$	12,989.76
23b. Copy your monthly expenses from line 22c above.	23b. -\$	10,481.50
23c. Subtract your monthly expenses from your monthly income. The result is your monthly net income.	23c. \$	2,507.26
24. Do you expect an increase or decrease in your expenses within the year after you file this form? For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?		
<input checked="" type="checkbox"/> No.		
<input type="checkbox"/> Yes. Explain here: _____		

**EXHIBIT “B”
TO THE DISCLOSURE STATEMENT**

1 Allan D. NewDelman, Esq. (004066)
2 ALLAN D. NEWDELMAN, P.C.
3 80 East Columbus Avenue
4 Phoenix, Arizona 85012
5 Telephone: (602) 264-4550
6 Facsimile: (602) 277-0144
7 E-Mail: anewdelman@adnlaw.net
8 Attorney for Debtors

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IN THE UNITED STATES BANKRUPTCY COURT

IN AND FOR THE DISTRICT OF ARIZONA

In re:)	In Proceedings Under
)	Chapter Eleven
ROBERT C. HIGHSMITH, and LYNN)	
B. HIGHSMITH,)	Case No. 2-12-bk-05374 GBN
)	
)	AMENDED
)	PLAN OF REORGANIZATION
)	
Debtors.)	DATED: July <u>15</u> , 2016

Debtors, Robert and Lynn Highsmith hereby submit this Amended Plan of Reorganization in accordance with 11 U.S.C. §1121(a).

I. DEFINITIONS

As utilized in this Amended Plan of Reorganization (hereinafter "Plan") and in the Amended Disclosure Statement (hereinafter "Disclosure Statement") which accompanies this Amended Plan of Reorganization, the following definitions apply to the following terms:

1. "Adequate information" means information that would enable a hypothetical reasonable investor typical of holders of claims or interest of the Debtors's estate to make an informed judgment about the Debtors' Amended Plan of Reorganization.

2. "Allowed and Approved Claim" shall mean a timely filed Proof of Claim pursuant to an Order of the Court setting a bar date to which that claim should be filed and no objection to the claim

1 having been filed. If an objection to a claim is filed, said claim will be allowed to the extent ordered
2 by the Court.

3
4 3. "Bankruptcy Code" shall mean the Bankruptcy Code as set forth in Title 11 of the United
5 States Code.

6 4. "Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of
7 Arizona.

8
9 5. "Confirmation of the Plan" shall mean the entry of an order by the Bankruptcy Court
10 confirming the Amended Plan of Reorganization in accordance with §1129 of the Bankruptcy Code.

11 6. "Consummation of the Plan" means the accomplishment of all things required or provided
12 for under the terms of the Plan.

13 7. "Court" shall mean the United States Bankruptcy Court for the District of Arizona.

14
15 8. "Creditors" shall mean all persons holding claims for secured and unsecured obligations,
16 liabilities, demands or claims of any nature whatsoever against the Debtors arising at any time prior
17 to confirmation of the Plan and administrative creditors.

18
19 9. "Debtors" are Robert and Lynn Highsmith, the petitioners in the above-captioned
20 Bankruptcy case.

21 10. "Disclosure Statement" or "Amended Disclosure Statement" shall mean the Amended
22 Disclosure Statement filed in this case approved, after notice and a hearing by the Court as being in
23 conformity with §1125 of the Bankruptcy Code.

24
25 11. "Effective date" shall be the same as the Plan distribution date as set forth herein below.

26 12. "Petition" means the original Chapter 11 Petition filed by the Debtors.

27 13. "Plan" or "Amended Plan" shall mean the Amended Plan of Reorganization
28

1 accompanying the Amended Disclosure Statement as it may be amended, modified and/or
2 supplemented pursuant to which Debtors propose payment in whole or in part of creditors' claims.

3
4 14. "Plan distribution date" shall be 30 days from the date that the Debtors' Amended
5 Chapter 11 Plan of Reorganization is confirmed and every thirty (30) days thereafter.

6 15. All other terms not specifically defined by this Plan or Disclosure Statement shall have
7 the meaning as designated in §101 of the Bankruptcy Code or, if not contained therein, their ordinary
8 meaning.
9

10 **II. CLASSES OF CLAIMS**

11 Administrative Claims.

12 These claims consist of the expenses of administration of the estate including attorney fees
13 for Debtors' counsel and any unpaid fees to the U.S. Trustee.
14

15 Unsecured Claims.

16 As stated in the various classes provided for below, Debtors have general unsecured claims,
17 in the sum of \$163,193.86¹. The Debtors' Chapter 11 Plan of Reorganization will be a base Plan and
18 general unsecured creditors, who hold allowed claims, shall share in a total distribution of
19 \$82,736.68 divided between the unsecured creditors on a pro rata basis. The total amount paid to
20 Administrative, secured and general unsecured creditors will be \$150,000.00 over a 60 month period.
21

22 Secured Claims.

23 As reflected in the schedules, the Proof of Claims filed in this case, any amendments thereto
24
25

26 ¹This amount does not include any claim that is provided for in the Chapter 11 of 20th Street LLC and which is
27 specifically excluded for payment as stated in this Amended Disclosure Statement and the corresponding Amended
28 Chapter 11 Plan or Reorganization.

1 and as stated in the various classes provided for below, Debtors currently have secured claims in the
2 amount of \$1,244,054.18.²

3
4 Tax Claims.

5 While the Debtors schedules reflect no secured or priority tax claims, the City of Phoenix has
6 filed a Proof of Claim asserting a secured tax claim in the amount of \$5,617.96 for transaction
7 privilege (sales) and use taxes. These taxes relate to the rental property owned by 20th Street, LLC
8 are being paid by 20th Street, LLC through an installment agreement with the City. As a result, any
9 such liability will not be provided for under this Plan.
10

11 Domestic Support Claims.

12 As reflected in the schedules filed by the Debtors, there are no domestic support orders
13 against the Debtors.
14

15 **III. TREATMENT OF CLAIMS NOT IMPAIRED UNDER THE PLAN**

16 Classes 1, 2, 2A, 2B, 3, 4, 5, 6, 7, 8, 9, 10A, 11, and 12 are not impaired under the Plan in
17 that the Plan does not alter the legal or contractual rights to which the holders of such claims are
18 entitled and/or the Bankruptcy Code permits payment over an extended period of time and/or the
19 holder of the claim has agreed to a different treatment.
20

21 **IV. TREATMENT OF IMPAIRED CLAIMS UNDER THE PLAN**

22 Class 2C and 10 are impaired under the Plan. All allowed and approved claims or judicially
23 determined claims will receive those amounts as reflected in the payment schedule under the Plan
24 (Article V of the Plan).
25

26
27

²This amount does not include any claim that is provided for in the Chapter 11 of 20th Street LLC and which is
28 specifically excluded for payment as stated in this Amended Disclosure Statement and the corresponding Amended
Chapter 11 Plan of Reorganization.

1 V. PAYMENT SCHEDULE UNDER THE PLAN

2 The Plan provides for twelve (12) classes of claims with four (4) subclasses of claims to be
3 paid or administered in the following manner:
4

5 Administrative Claims (Class 1).

6 These claims are for the expenses of administration of the estate, including attorneys fees for
7 Debtor's Bankruptcy Counsel and the U.S. Trustee, if any. The total amount of attorneys fees owed
8 to Debtors' Bankruptcy Counsel, Allan D. NewDelman, as of June 24, 2016 is \$71,514.82 subject
9 to an offset against the retainers of \$10,785.19 leaving a current balance of \$60,734.63. Debtors
10 believe, at the time that the Debtors' Amended Chapter 11 Plan is confirmed, that there will an
11 additional attorney's fees administrative expense claim in the approximate amount of \$5,000.00
12 bringing the total balance due but not paid to \$65,734.63. The additional \$5,000.00 includes
13 anticipated fees for administration of the Debtors' Amended Chapter 11 case, for preparing the
14 Debtors' Amended Disclosure Statement and Amended Plan of Reorganization and to cover the
15 anticipated fees through the confirmation process. This claim shall be paid in cash, or in the amounts
16 allowed by the Court upon the Plan distribution date unless otherwise agreed to between the Debtors
17 and the administrative creditor (See Exhibit "C"). **This class is not impaired.**

21 Real estate claims - Homestead residence located at 22573 North 79th Place, Scottsdale,

22 AZ 85255

23 Secured Claim (Class 2 - Capital One, N.A.- claim # 17)

24 The Creditor is secured by a first position Deed of Trust against Debtors' Homestead
25 residence located at 22573 North 79th Place, Scottsdale, AZ 85255. During the course of this
26 Chapter 11 proceeding, the Debtors have successfully modified the loan and are current in their
27
28

1 monthly payments to this lender. The Debtors will continue to service this loan pursuant to the terms
2 and conditions of the loan modification. **This class is not impaired.**

3
4 **Unsecured Claim (Class 2A- Wells Fargo Bank, N.A., Home Equity Group - claim # 10)**

5 The Creditor is secured by a second lien on the real property located at 22573 North 79th
6 Place, Scottsdale, AZ 85255. A Complaint to Determine the Validity, Priority or Interest in Property
7 was filed against the Creditor on January 25, 2013 Adversary Case No. 13-ap-0083 GBN to which
8 no response was filed. A default judgment was entered by the Court on March 19, 2013.
9

10 The Creditor shall have a general unsecured claim in the amount of \$90,081.64 which shall
11 be paid as a member of Class 10. **This is a non voting class.**

12 **Unsecured Claim (Class 2B - Target National Bank f/k/a Retailers Bank)**

13
14 The Creditor is secured by a judgment lien claim on the property located at 22573 N. 79th
15 Place, Scottsdale, AZ 85255 recorded in the Maricopa County Recorder's Office Instrument Number
16 2011-392820 in the sum of \$5,620.98. A Complaint to Determine the Validity, Priority or Interest
17 in Property was filed against the Creditor on January 25, 2013 Adversary Case No. 13-ap-0083 GBN
18 to which no response was filed. A default judgment was entered by the Court on March 19, 2013.
19

20 The Creditor shall have a general unsecured claim for the amount owing which will be paid as a
21 member of Class 10. The confirmed Plan shall be *res judicata* and shall forever bar any claim
22 (whether secured, unsecured or otherwise) of said creditor against the Debtors or the estate. **This is**
23 **a non voting class.**

24
25 **"Secured" Claim (Class 2C - Sonoran Hills Master Community Homeowners Association**
26 **-claim # 5)**

27 The Creditor filed a secured proof of claim in the amount of \$5,289.18. A Complaint to
28 Determine the Validity, Priority or Interest in Property was filed against the Creditor on January 25,

1 2013 Adversary Case No. 13-ap-0083 GBN. The parties entered a Stipulated Order to Treat
2 Defendant, Sonoran Hills Master Community Homeowners Association as Secured Based Upon Its
3 Statutory Lien and Unsecured Based Upon its Judgment Lien as to Pre-Petition Amounts
4 (“Stipulation”). Sonoran Hills Master Community Homeowners Association’s (“Sonoran Hills”)
5 pre-petition claim in the amount of \$5,289.18 but now reduced to \$1,528.69 from credits received,
6 shall be classified and treated as a secured claim based solely upon Sonoran Hills Statutory Lien
7 Rights pursuant to ARS §33-1256, and Debtors’ Plan will not impair or reduce Sonoran Hills’
8 secured position.
9

10
11 For the purposes only of this Plan, the recording on June 10, 2011 at the Maricopa County
12 Recorder’s Office, under Instrument Number 2011-0487299, of the Judgment on Stipulation entered
13 April 1, 2011, by the Clerk of the Desert Ridge Precinct justice Court in and for Maricopa County,
14 Arizona under Case number CC2011-046596, and subsequently entered as a Transfer of judgment
15 by the Clerk of the Superior Court, Maricopa County under Case Number TJ2011-011093 on June
16 10, 2011, in favor of Sonoran Hills, against the Debtors shall be deemed invalid for the purposes of
17 this Bankruptcy.
18

19
20 It is further stipulated the Debtors shall provide for the curing of the aforementioned pre-
21 petition secured claim through the Plan as an impaired class and that Sonoran Hills shall vote in
22 favor to the Plan so long as the Plan is in conformity with the Stipulation entered in 13-ap-00083 at
23 DE 15.
24

25 It is further stipulated that the Debtors shall provide payment of all post-petition assessments
26 and other amounts due and owing pursuant to the recorded CC&Rs to Sonoran Hills, within thirty
27 (30) days of the due date of the same. Should the Debtors fail to tender any assessment within 30
28

1 days of its due date, Sonoran Hills shall send to the Debtors and Debtors' counsel written notice of
2 the default stating that the Debtor shall have fifteen (15) days from the date of the notice to cure the
3 default or submit proof that no default exists. Should Debtors fail to cure the default or submit proof
4 that no default exists within 15 days of the date of the Notice, all of Sonoran Hills' lien rights,
5 including that of the aforementioned Judgment Lien, shall be restored and Automatic Stay of 11 USC
6 §362 shall be lifted as to Sonoran Hills' claims without further Order of the Court. **This class is**
7 **impaired.**

8
9 **Real estate claims - property located at 4620 East Running Deer Trail, Cave Creek, AZ**
10 **85331 - no class designation**

11 All lienholders associated with this property have been paid via a short sale of the property
12 and/or have no claim against the Debtor as there is no privity of contract. As a result, the following
13 creditors shall have no claim in this Chapter 11 proceeding:

- 14
15 a. US Bank, N.A., as Trustee for the Master Asset Backed Securities Trust 2006-
16 WMC4, Mortgage Pass-Through Certificates Series 2006-WMC4 Claim # 16
17
18 b. US Bank, N.A., as Trustee for Master Asset Backed Securities Trust 2006-WMC4,
19 Mortgage Pass-Through Certificates, Series 2006-WMC4; JP Morgan Chase Bank,
20 NA its Successors or Assigns.
21
22 c. US Household Mortgage Services d.b.a. Household Realty Corporation, Its
23 Successors or Assigns.
24
25 d. Diamond Creek Homeowners Association.

26 **Real Estate - 17606 North 17th Place No. 1092, Phoenix, AZ 85022**

27 **Unsecured Claim (Class 3 - The Bank of New York Mellon FKA The Bank of New York as**
28 **Successor Trustee to JPMorgan Chase Bank N.A., As Trustee for the Certificateholders of Bear**
Stearns Alt A Trust 2005-5, Mortgage Pass-Through Certificates, Series 2005.5 - Claim #7)

The Bank of New York Mellon FKA The Bank of New York as Successor Trustee to
JPMorgan Chase Bank N.A., As Trustee for the Certificateholders of Bear Stearns Alt A Trust 2005-
5, Mortgage Pass-Through Certificates, Series 2005.5 ("Bank of New York") shall be classified and

1 treated as a general unsecured creditor. It is hereby acknowledged that Bank of New York holds
2 a perfected secured mortgage upon the identified property. However, the secured claim of Bank of
3 New York is provided for and treated as set forth in the Chapter 11 confirmed plan of 20th Street,
4 LLC, Case No. 2-09-bk-0079. Notwithstanding the treatment of Bank of New York as an unsecured
5 creditor in these proceedings, no payment will be made to Bank of New York under the Chapter 11
6 Plan of Reorganization of the Debtors herein. **This class is not impaired.**

7
8
9 **Real Estate - 6824 West Morrow Drive Glendale, AZ 85308**

10 **Unsecured Claim (Class 4 - JPMorgan Chase Bank, National Association - Claim #9)**

11 JPMorgan Chase Bank National Association (“Chase”) shall be classified and treated as a general
12 unsecured creditor. It is hereby acknowledged that Chase holds a perfected secured mortgage upon
13 the identified property. However, the secured claim of Chase is provided for and treated as set forth
14 in the Chapter 11 confirmed plan of 20th Street, LLC, Case No. 2-09-bk-0079. Notwithstanding the
15 treatment of Chase as an unsecured creditor in these proceedings, no payment will be made to Chase
16 under the Chapter 11 Plan of Reorganization of the Debtors herein. **This class is not impaired.**

17
18
19 **Real Estate - 16806 North 20th Street Phoenix, AZ**

20 **Unsecured Claim (Class 5 - The Bank of New York Mellon as trustee for CWALT 2006-
21 HY10 c/o Shellpoint Mortgage Servicing - Claim #18)**

22 T he Bank of New York Mellon as trustee for CWALT 2006-HY10 c/o Shellpoint Mortgage
23 Servicing (“BNY/Mellon”) shall be classified and treated as a general unsecured creditor. It is
24 hereby acknowledged that BNY/Mellon holds a perfected secured mortgage upon the identified
25 property. However, the secured claim of BNY/Mellon is provided for and treated as set forth in the
26 Chapter 11 confirmed plan of 20th Street, LLC, Case No. 2-09-bk-0079. Notwithstanding the
27 treatment of BNY/Mellon as an unsecured creditor in these proceedings, no payment will be made
28

1 to BNY/Mellon under the Chapter 11 Plan of Reorganization of the Debtors herein. **This class is not**
2 **impaired.**

3
4 **Real Estate - 8729 West Bobby Lopez Drive, Tolleson, AZ 85353**

5 **Unsecured Claim (Class 6 - JPMorgan Chase Bank, National Association - Claim #8)**

6 JPMorgan Chase Bank National Association (“Chase Bank”) shall be classified and treated
7 as a general unsecured creditor. It is hereby acknowledged that Chase Bank holds a perfected
8 secured mortgage upon the identified property. However, the secured claim of Chase Bank is
9 provided for and treated as set forth in the Chapter 11 confirmed plan of 20th Street, LLC, Case No.
10 2-09-bk-0079. Notwithstanding the treatment of Chase Bank as an unsecured creditor in these
11 proceedings, no payment will be made to Chase Bank under the Chapter 11 Plan of Reorganization
12 of the Debtors herein. **This class is not impaired.**

13
14
15 **Real Estate - 8512 East Roanoke Avenue, Scottsdale, AZ, 85257**

16 **Unsecured Claim (Class 7 - Bank of America, N.A. - Claim #19 and/or Ventures Trust 2013-**
17 **I-H-R by MCM Capital Partners, LLC, its trustee - Claim 20 or some other assignee)**

18 On May 1, 2014, “Bank of America, N.A.”, (“BOA”) through its Attorney, McCarthy
19 Holthus & Levine, P.C., caused to be filed a “secured” Proof of Claim, Claim Number 19. Attached
20 to the Claim is a copy of a Deed of Trust dated October 12, 2006 and recorded on October 18, 2006
21 at the Maricopa County Recorder’s Office under Instrument Number 20061374833. This Deed of
22 Trust asserts a security interest in real property located at 8512 East Roanoke Avenue, Scottsdale,
23 Arizona, 85257.

24
25 On May 4, 2015 (one year after the filing of Claim 19), “Ventures Trust 2013-I-H-R by
26 MCM Capital Partners, LLC, its trustee” (“Ventures Trust”) through its Attorney, Law Offices of
27 Les Zieve, caused to be filed a “secured” Proof of Claim, Claim Number 20. The first page of the
28

1 Proof of Claim asserts a security interest in the Debtors' homestead residence. This assertion is
2 false. Attached to the Proof of Claim is a copy of a Deed of Trust dated October 12, 2006 and
3 recorded on October 18, 2006 at the Maricopa County Recorder's Office under Instrument Number
4 20061374833. This Deed of Trust asserts a security interest in real property located at 8512 East
5 Roanoke Avenue, Scottsdale, Arizona, 85257.
6

7 It is not known, nor is it evident by either Claim 19 or Claim 20, which of these two
8 "creditors" hold the Note and Deed of Trust for the property located at 8512 East Roanoke Avenue,
9 Scottsdale, Arizona, 85257. Regardless of who holds the Note and Deed of Trust, either BOA or
10 Ventures Trust (or some other assignee) shall be classified and treated as a general unsecured
11 creditor. It is hereby acknowledged that one of them, either BOA or Ventures Trust (or some other
12 assignee) holds a perfected secured mortgage upon the identified property. However, the secured
13 claim of BOA or Ventures Trust (or some other assignee) is provided for and treated as set forth in
14 the Chapter 11 confirmed plan of 20th Street, LLC, Case No. 2-09-bk-0079. Notwithstanding the
15 treatment of BOA or Ventures Trust (or some other assignee) as an unsecured creditor in these
16 proceedings, no payment will be made to BOA or Ventures Trust (or some other assignee) under the
17 Chapter 11 Plan of Reorganization of the Debtors herein. **This class is not impaired.**
18
19
20

21 **Unsecured Claim (Class 8 - Presto Auto Loans, Inc. - Claim # 3)**

22 Presto Auto Loans, Inc. is secured by a lien on a 2006 Nissan 350Z in the amount of
23 \$7,102.74. The Debtors have surrendered the vehicle in full satisfaction of the lien so long as the
24 case is completed and is discharged. **This class is not impaired.**
25

26 **Priority Claims - (Class 9 - City of Phoenix Privilege Tax Claim #21)**

27 The City of Phoenix has filed a Proof of Claim in the amount of \$5,617.96 for delinquent
28 privilege taxes. These taxes are associated with the rental of the real property owned by 20th Street,

1 LLC and are being paid for by that entity. As a result, any such liability will not be provided for
2 under this Plan. **This class is not impaired.**

3
4 **Unsecured Claims (Class 10)**

5 All allowed and approved claims under this Class shall be paid, *pro rata*, from all funds
6 available for distribution as set forth in the Disbursement Schedule attached hereto as Exhibit "C".

7 The projected dividend listed below is to be paid over a period of sixty (6) months, commencing in
8 month one (1) of the Plan. As stated in Exhibit "C", the projected dividend may change in the event
9 that any creditor listed below whose claim number is marked "NC" files a proof of claim in amount
10 different from the amount listed below or by the filing of an amended proof of claim by any creditor
11 listed.
12

13 All claims in this Class will be not be entitled to post-petition interest or late fees. The
14 Debtors may pre-pay any amounts due any creditor in this Class prior to the due dates in the Plan of
15 Reorganization without penalty and without prior notice or Court approval unless otherwise provided
16 for in the Plan of Reorganization. All claims in this Class, upon the completion of the Plan of
17 Reorganization and the entry of the Discharge Order, shall be deemed discharged. **This class is**
18 **impaired.** Class 10 shall be made up of the following creditors:
19
20

21 **Unsecured Claims (Class 10)**

22 All allowed and approved claims under this Class shall be paid, *pro rata*, from all funds
23 available for distribution as set forth in the Disbursement Schedule attached hereto as Exhibit "C".

24 The projected dividend listed below is to be paid over a period of sixty (6) months, commencing in
25 month one (1) of the Plan. As stated in Exhibit "C", the projected dividend may change in the event
26 that any creditor listed below whose claim number is marked "NC" files a proof of claim in amount
27 different from the amount listed below or by the filing of an amended proof of claim by any creditor
28

1 listed.

2 All claims in this Class will be not be entitled to post-petition interest or late fees. The
3 Debtors may pre-pay any amounts due any creditor in this Class prior to the due dates in the Plan of
4 Reorganization without penalty and without prior notice or Court approval unless otherwise provided
5 for in the Plan of Reorganization. All claims in this Class, upon the completion of the Plan of
6 Reorganization and the entry of the Discharge Order, shall be deemed discharged. This class is
7 impaired. Class 10 shall be made up of the following creditors:
8
9

Creditor <u>Name</u>	Claim <u>No.</u>	Claim <u>Amount</u>	Projected <u>Dividend</u>
Discover Bank	1	\$ 6,752.50	\$ 3,423.20
Capital One Bank (USA), NA	6	\$ 11,393.95	\$ 5,776.53
Wells Fargo Bank, NA	10	\$ 90,081.64	\$ 4,567.04
Nordstrom, FSB	11	\$ 3,691.96	\$ 1,871.95
Dell Financial Services, LLC	14	\$ 193.54	\$ 98.08
Portfolio Recovery Associates, LLC ³	15	\$ 384.23	\$ 194.96
Arizona Pubic Service	NC	\$ 321.00	\$ 162.77
AT & T Mobility	NC	\$ 1,835.00	\$ 930.26
Bureau of Medical Economics	NC	\$ 730.00	\$ 370.06
Bureau of Medical Economics	NC	\$ 300.00	\$ 152.23
Capital One	NC	\$ 1,139.95	\$ 577.95
Chase	NC	\$ 23,803.00	\$12,067.53
Doris & Company, CPAs	NC	\$ 12,714.88	\$ 6,446.24
Receivables Performance	NC	\$ 246.00	\$ 124.85
Receivables Performance	NC	\$ 65.00	\$ 33.09
Sprint	NC	\$ 387.00	\$ 196.16
Target National Bank	NC	\$ 6,387.44	\$ 3,238.46
Vacation Resorts International	NC	\$ 2,092.77	\$ 1,061.13
Webband/DFS	NC	\$ 201.00	\$ 101.40
HSBC	NC	\$ 473.00	\$ 239.79
TOTAL		\$163,193.86	\$82,736.68

3Shown on schedules as HSBC

1 (60) days of the Effective Date of this plan or will be waived.

2 **VII. EXECUTORY CONTRACTS**

3 There are no executory contracts or unexpired leases.

4 **VIII. DOMESTIC SUPPORT OBLIGATIONS**

5 The Debtors do not have any ongoing Court ordered support obligations.

6 **IX. MEANS OF EXECUTION/PROJECTION**

7 This Plan will be a base Plan with minimum payments of all timely filed and allowed claims
8 to be made as set forth in the attached Disbursement Schedule. **The total amount to be paid to the
9 unsecured creditors, after payment of all administrative, secured and priority claims, will be
10 \$82,736.68 .**

11 The Debtors project that as of April 5, 2016 that they will have an average income of
12 \$12,988.76 per month and expenses of \$10,481.50 per month, leaving approximately \$2,500.00
13 available for the benefit of their creditors. (See Exhibit "A".) The source of the Debtors' income
14 will be the income generated from wages and commissions. An exemption has been claimed on
15 seventy-five percent (75%) of earned wages.

16 The Debtors believe that by virtue of the Plan that they will have the ability to pay all allowed
17 and approved claims pursuant to the Plan of Reorganization.

18 The Debtors submit that their Plan of Reorganization is in the best interests of the creditors
19 of this estate as the creditors will receive more than they would have received if this case were a case
20 under Chapter 7.

21 **X. QUARTERLY FEES AND REPORTS**

22 Debtors shall continue to pay quarterly fees to the U.S. Trustee System until such time as a
23 Final Decree has been entered in this matter by the Court, closing this Chapter 11 proceeding.

1 Debtors shall continue to file monthly operating reports until such time as the Court enters an Order
2 confirming this Chapter 11 Plan of Reorganization. At such time, Debtors shall cease filing monthly
3 operating reports and shall begin filing 90 day reports. These 90 day reports shall be filed until such
4 time as a Final Decree has been entered in this matter by the Court, closing this Chapter 11
5 proceeding.
6

7 **XI. IMPLEMENTATION AND CONSUMMATION OF PLAN**

8
9 The Debtors's status as Debtors-in-Possession, upon the entry of an Order confirming the
10 Debtors' Plan of Reorganization, shall terminate and the Debtors shall continue to operate the
11 business in the ordinary course and is authorized to engage in any lawful business activities and
12 transaction without Court approval.
13

14 All property of the estate shall vest in the Debtors and shall be free from attachment, levy,
15 garnishment or execution by creditors bound by the Plan. Although property of the estate shall vest
16 with the Debtors upon confirmation of the Plan creditors holding non-dischargeable judgments may
17 not enforce said judgments until after the Case is either dismissed or discharged.
18

19 Except as expressly stated in the Plan of Reorganization or otherwise allowed by the
20 Bankruptcy Court, no interest, penalty or late charge arising after the date that the Debtors' Chapter
21 11 petition was filed shall be allowed on any claim.
22

23 The Debtors may pre-pay any amounts due any creditor or Class of Creditors prior to the due
24 dates in the Plan of Reorganization without penalty and without prior notice or Court approval unless
25 otherwise provided for in the Plan of Reorganization.
26

27 Upon the entry of an Order confirming the Debtors' Plan of Reorganization, the Debtors shall
28 have the authority, without further Court approval or notice to creditors, to sell any or all of the
Debtors' real property (and any property that may be owned by any corporation to which the Debtors

1 has an interest in) provided that the net proceeds from such sale are sufficient to pay: (1) the amounts
2 due to any creditor holding a perfected lien against the property or as otherwise agreed to by the
3 parties; (2) reasonable sales costs, including ordinary real estate commissions; (3) reasonable
4 attorneys fees associated with the respective transaction; and (4) taxes, if any, resulting from the sale.
5

6 The terms of the Plan subsequent to confirmation shall bind the Debtors, any entity acquiring
7 property under the Plan, and creditor or claimant, whether or not such creditor or claimant has
8 accepted the Plan.
9

10 It shall be the obligation of each creditor participating under the Plan to keep the Debtors
11 advised of its current mailing address. In the event any payments tendered to creditors are mailed,
12 postage prepaid, addressed (1) to the address specified in the Debtors' schedules and statement, (2)
13 to the address specified in any proof of claim filed by a creditor or claimant herein or (3) to the
14 address provided by any such creditor or claimant for purposes of distribution, and if subsequently
15 the Post Office returns such distribution due to a lack or insufficiency of address or forwarding
16 address, the Debtors shall retain such distribution for a period of six months. Thereafter, the
17 distribution shall revert to the Debtors without further Order of the Court and free and clear of any
18 claim of the named distributee. The Debtors shall thereafter not be required to mail subsequent
19 distributions to any creditor for whom a distribution has been returned by the Post Office.
20
21

22 The Debtors reserve the right to modify the Plan in accordance with §1127 of the Bankruptcy
23 Code. The Plan may be modified prior to confirmation provided that the Plan still complies with
24 §1122 and §1123 of the Bankruptcy Code. The Plan may be modified subsequent to confirmation
25 and before substantial consummation of the Plan under such circumstances as may warrant such
26 under §1123 of the Bankruptcy Code. Any holder of a claim or interest that has been previously
27 accepted or rejected a confirmed Plan, shall be deemed to have accepted or rejected any subsequently
28

1 modified Plan unless the holder of such claim or interest changes its acceptance or rejection of the
2 Plan within the time fixed by the Court.

3 XII. DEFAULT

4
5 The Debtors' failure to make any payment due under the Plan within sixty (60) days after
6 demand for payment after its due date shall constitute a default unless the Debtors and the affected
7 creditor agree to delayed payment. Any event of default occurring with respect to one (1) claim shall
8 not be an event of default with respect to any other claim.
9

10 The Notice of Default shall be effective when served simultaneously upon the Debtors and
11 Debtors' counsel. Any Notice of Default must be sent in writing to both the Debtors and the
12 Debtors' counsel at the addresses listed below:

13
14 Robert C. and Lynn B. Highsmith
15 22573 North 79th Place
16 Scottsdale, AZ 85255

17 Allan D. NewDelman
18 Allan D. NewDelman, P.C.
19 80 East Columbus Avenue
20 Phoenix, AZ 85012

21 If the default is not timely cured, creditor(s) may pursue any remedy provided by the state
22 or federal law, including foreclosing any security interest, suing on any promissory note issued or
23 continued in effect under the Plan. If any default is cured within the sixty (60) day cure period, then
24 the Creditor shall not be entitled to enforce any remedies which would be otherwise available on
25 account of the default. The default and cure provisions contained in the Plan of Reorganization shall
26 supercede any provisions contained in any other agreement between the Debtor and any creditor
27 affected by the Plan of Reorganization.
28

1 The default and cure provisions contained herein shall not supercede any provisions
2 contained in any Deed of Trust or other agreement between the Debtor and any creditor entered into
3 and approved by the Court during the pendency of this case.
4

5 XIII. CLOSING OF CASE

6 The Debtors may seek a final decree and an Order closing this case upon the conclusion of
7 all administrative matters and provided that the Debtors has commenced payments required to be
8 made pursuant to the Plan of Reorganization.
9

10 ALL CREDITORS SHALL REMAIN BOUND BY TERMS AND CONDITIONS SET
11 FORTH IN THE DEBTORS' CHAPTER 11 PLAN OF REORGANIZATION. NO
12 CREDITOR SHALL BE ALLOWED TO TAKE ANY COLLECTION ACTION AGAINST
13 THE DEBTORS AS LONG AS THE DEBTORS REMAINS IN COMPLIANCE WITH HIS
14 CHAPTER 11 PLAN OF REORGANIZATION.
15

16 XIV. RETENTION OF JURISDICTION

17 The Bankruptcy Court will retain jurisdiction over this case for purposes of determining the
18 allowance of claims or objection to claims. The Court will also retain jurisdiction for purposes of
19 fixing allowances for compensation and/or for purposes of determining the allowability of any other
20 claimed administrative expenses. The Court will also retain jurisdiction for the purpose of
21 establishing bar dates and making a determination with respect to all disputed claims. Finally, the
22 Court shall retain jurisdiction for purposes of determining any dispute arising from the interpretation,
23 implementation or consummation of the Plan and to implement and enforce the provisions of the
24 Plan. Notwithstanding anything to the contrary contained herein, the Debtors shall not be bound by
25 estoppel, the principles of res judicata or collateral estoppel with respect to any term or provision
26 contained herein in the event the Plan is not confirmed.
27
28

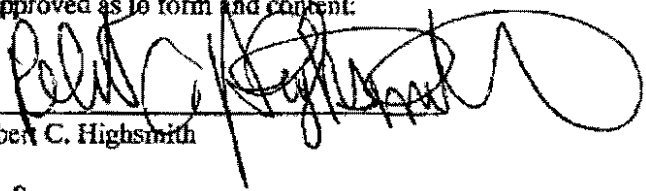
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DATED this 15 day of July, 2016.

ALLAN D. NEWDELMAN, P.C.

/s/ ADN 004066
Allan D. NewDelman
Attorney for Debtor

The above 19 page (plus exhibits)
Amended Chapter 11 Plan of Reorganization
is approved as to form and content:


Robert C. Highsmith

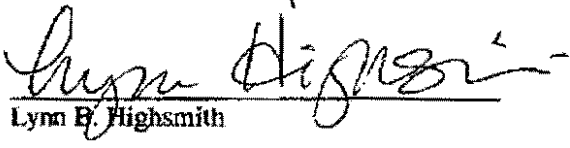

Lynn E. Highsmith

EXHIBIT "A"
TO THE PLAN OF REORGANIZATION

Robert C. Highsmith & Lynn B. Highsmith

USBC 12-05374 GBN

Distribution of Payments to Made Under Chapter 11 Plan

Payment Period	ADN Admin Claim	Sonoran Hills HOA	General Unsecured	Total Monthly Payment
Month 1	1,721.31	528.69	250.00	2,500.00
Month 2	1,750.00	500.00	250.00	2,500.00
Month 3	1,750.00	500.00	250.00	2,500.00
Month 4	2,250.00	0.00	250.00	2,500.00
Month 5	2,250.00	0.00	250.00	2,500.00
Month 6	2,250.00	0.00	250.00	2,500.00
Month 7	2,250.00	0.00	250.00	2,500.00
Month 8	2,250.00	0.00	250.00	2,500.00
Month 9	2,250.00	0.00	250.00	2,500.00
Month 10	2,250.00	0.00	250.00	2,500.00
Month 11	2,250.00	0.00	250.00	2,500.00
Month 12	2,250.00	0.00	250.00	2,500.00
YEAR 1 TOTAL	\$25,471.31	\$1,528.69	\$3,000.00	\$30,000.00
Month 13	2,250.00	0.00	250.00	2,500.00
Month 14	2,250.00	0.00	250.00	2,500.00
Month 15	2,250.00	0.00	250.00	2,500.00
Month 16	2,250.00	0.00	250.00	2,500.00
Month 17	2,250.00	0.00	250.00	2,500.00
Month 18	2,250.00	0.00	250.00	2,500.00
Month 19	2,250.00	0.00	250.00	2,500.00
Month 20	2,250.00	0.00	250.00	2,500.00
Month 21	2,250.00	0.00	250.00	2,500.00
Month 22	2,250.00	0.00	250.00	2,500.00
Month 23	2,250.00	0.00	250.00	2,500.00
Month 24	2,250.00	0.00	250.00	2,500.00
YEAR 2 TOTALS	\$27,000.00	\$0.00	\$3,000.00	\$30,000.00

Robert C. Highsmith & Lynn B. Highsmith

USBC 12-05374 GBN

Distribution of Payments to Made Under Chapter 11 Plan

Payment Period	ADN Admin Claim	Sonoran Hills HOA	General Unsecured	Total Monthly Payment
Month 25	2,250.00	0.00	250.00	2,500.00
Month 26	2,250.00	0.00	250.00	2,500.00
Month 27	2,250.00	0.00	250.00	2,500.00
Month 28	2,250.00	0.00	250.00	2,500.00
Month 29	2,250.00	0.00	250.00	2,500.00
Month 30	2,013.32	0.00	486.68	2,500.00
Month 31	0.00	0.00	2,500.00	2,500.00
Month 32	0.00	0.00	2,500.00	2,500.00
Month 33	0.00	0.00	2,500.00	2,500.00
Month 34	0.00	0.00	2,500.00	2,500.00
Month 35	0.00	0.00	2,500.00	2,500.00
Month 36	0.00	0.00	2,500.00	2,500.00
YEAR 3 TOTALS	\$13,263.32	\$0.00	\$16,736.68	\$30,000.00
Month 37	0.00	0.00	2,500.00	2,500.00
Month 38	0.00	0.00	2,500.00	2,500.00
Month 39	0.00	0.00	2,500.00	2,500.00
Month 40	0.00	0.00	2,500.00	2,500.00
Month 41	0.00	0.00	2,500.00	2,500.00
Month 42	0.00	0.00	2,500.00	2,500.00
Month 43	0.00	0.00	2,500.00	2,500.00
Month 44	0.00	0.00	2,500.00	2,500.00
Month 45	0.00	0.00	2,500.00	2,500.00
Month 46	0.00	0.00	2,500.00	2,500.00
Month 47	0.00	0.00	2,500.00	2,500.00
Month 48	0.00	0.00	2,500.00	2,500.00
YEAR 4 TOTALS	\$0.00	\$0.00	\$30,000.00	\$30,000.00

Robert C. Highsmith & Lynn B. Highsmith

USBC 12-05374 GBN

Distribution of Payments to Made Under Chapter 11 Plan

Payment Period	ADN Admin Claim	Sonoran Hills HOA	General Unsecured	Total Monthly Payment
Month 49	0.00	0.00	2,500.00	2,500.00
Month 50	0.00	0.00	2,500.00	2,500.00
Month 51	0.00	0.00	2,500.00	2,500.00
Month 52	0.00	0.00	2,500.00	2,500.00
Month 53	0.00	0.00	2,500.00	2,500.00
Month 54	0.00	0.00	2,500.00	2,500.00
Month 55	0.00	0.00	2,500.00	2,500.00
Month 56	0.00	0.00	2,500.00	2,500.00
Month 57	0.00	0.00	2,500.00	2,500.00
Month 58	0.00	0.00	2,500.00	2,500.00
Month 59	0.00	0.00	2,500.00	2,500.00
Month 60	0.00	0.00	2,500.00	2,500.00
YEAR 5 TOTALS	\$0.00	\$0.00	\$30,000.00	\$30,000.00
GRAND TOTALS	\$65,734.63	\$1,528.69	\$82,736.68	\$150,000.00
	65,734.63	1,528.69	82,736.68	150,000.00

EXHIBIT "B"
TO THE PLAN OF REORGANIZATION

1 Allan D. NewDelman, Esq. (004066)
 2 ALLAN D. NEWDELMAN, P.C.
 3 80 East Columbus Avenue
 4 Phoenix, AZ 85012
 5 (602) 264-4550
 6 anewdelman@adnlaw.net

7 IN THE UNITED STATES BANKRUPTCY COURT
 8 FOR THE DISTRICT OF ARIZONA

9 In re) In Proceedings Under
 10) Chapter Eleven
 11 ROBERT C. HIGHSMITH and LYNN) CASE NO. 2-12-bk-05374 GBN
 12 B. HIGHSMITH,) AMENDED SCHEDULE I AND J
 13)
 14) Debtor(s).)

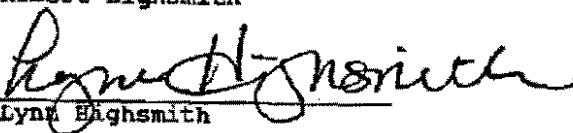
15 Debtor(s), ROBERT and LYNN HIGHSMITH, pursuant to Bankruptcy
 16 Rule 1009(a), hereby file(s) this Amended Schedule I and J.

17 DATED this 28 day of March, 2016.

18 ALLAN D. NEWDELMAN, P.C.

19 
 20 Robert Highsmith

21 
 22 Allan D. NewDelman

23 
 24 Lynn Highsmith

Debtor 1 ROBERT HIGHSMITH

Debtor 2 LYNN HIGHSMITH
Spouse, if filing

United States Bankruptcy Court for the: DISTRICT OF ARIZONA

Case number 2-12-bk-05374 GBN
(if known)

Check if this is:
 An amended filing
 A supplement showing postpetition chapter 13 income as of the following date:

MM/DD/YYYY

Official Form 1061

Schedule I: Your Income

12/15

Be as complete and accurate as possible. If two married people are filing together (Debtor 1 and Debtor 2), both are equally responsible for supplying correct information. If you are married and not filing jointly, and your spouse is living with you, include information about your spouse. If you are separated and your spouse is not filing with you, do not include information about your spouse. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part I Describe Employment

1. Fill in your employment information.

If you have more than one job, attach a separate page with information about additional employers.

Include part-time, seasonal, or self-employed work.

Occupation may include student or homemaker, if it applies.

	Debtor 1	Debtor 2 or non-filing spouse
Employment status*	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed	<input checked="" type="checkbox"/> Employed <input type="checkbox"/> Not employed
Occupation	<u>REALTOR</u>	<u>YOGA INSTRUCTOR</u>
Employer's name	<u>HOMESMART</u>	<u>SUMITS YOGA GRAYHAWK</u>
Employer's address	<u>8388 E HARTFORD #100</u>	<u>28343 WEST HAYDEN SCOTTSDALE, AZ</u>
How long employed there?	<u>1 YEAR</u>	<u>7 YEARS</u>

*See Attachment for Additional Employment Information

Part II Give Details About Monthly Income

Estimate monthly income as of the date you file this form. If you have nothing to report for any line, write \$0 in the space. Include your non-filing spouse unless you are separated.

If you or your non-filing spouse have more than one employer, combine the information for all employers for that person on the lines below. If you need more space, attach a separate sheet to this form.

	For Debtor 1	For Debtor 2 or non-filing spouse
2. List monthly gross wages, salary, and commissions (before all payroll deductions). If not paid monthly, calculate what the monthly wage would be.	\$ <u>5,000.00</u>	\$ <u>1,800.00</u>
3. Estimate and list monthly overtime pay.	+\$ <u>0.00</u>	-\$ <u>0.00</u>
4. Calculate gross income. Add line 2 + line 3.	\$ <u>5,000.00</u>	\$ <u>1,800.00</u>

Debtor 1 **ROBERT HIGHSMITH**
Debtor 2 **LYNN HIGHSMITH**

Case number (if known) **2-12-bk-05374 GBN**

Copy line 4 here

4.	\$ 5,000.00	For Debtor 2 or non-filing spouse	\$ 1,906.78
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5. List all payroll deductions:

5a. Tax, Medicare, and Social Security deductions	5a. \$ 0.00	\$ 35.62
5b. Mandatory contributions for retirement plans	5b. \$ 0.00	\$ 0.00
5c. Voluntary contributions for retirement plans	5c. \$ 0.00	\$ 0.00
5d. Required repayments of retirement fund loans	5d. \$ 0.00	\$ 0.00
5e. Insurance	5e. \$ 0.00	\$ 0.00
5f. Domestic support obligations	5f. \$ 0.00	\$ 0.00
5g. Union dues	5g. \$ 0.00	\$ 0.00
5h. Other deductions. Specify:	5h. \$ 0.00	\$ 0.00

6. Add the payroll deductions. Add lines 5a+5b+5c+5d+5e+5f+5g+5h.	6. \$ 0.00	\$ 35.62
7. Calculate total monthly take-home pay. Subtract line 6 from line 4.	7. \$ 5,000.00	\$ 1,764.38

8. List all other income regularly received:

8a. Net income from rental property and from operating a business, profession, or farm. Attach a statement for each property and business showing gross receipts, ordinary and necessary business expenses, and the total monthly net income.	8a. \$ 0.00	\$ 0.00
8b. Interest and dividends	8b. \$ 0.00	\$ 0.00
8c. Family support payments that you, a non-filing spouse, or a dependent regularly receives. Include alimony, spousal support, child support, maintenance, divorce settlements, and property settlement.	8c. \$ 0.00	\$ 0.00
8d. Unemployment compensation	8d. \$ 0.00	\$ 0.00
8e. Social Security	8e. \$ 0.00	\$ 0.00
8f. Other government assistance that you regularly receive. Include cash assistance and the value (if known) of any non-cash assistance that you receive, such as food stamps (benefits under the Supplemental Nutrition Assistance Program) or housing subsidies. Specify:	8f. \$ 0.00	\$ 0.00
8g. Pension or retirement income	8g. \$ 0.00	\$ 0.00

8h. Other monthly income. Specify: AVERAGE COMMISSIONS FROM 2ND JOB AVERAGE INCOME FROM 2ND JOB	8h. \$ 5,000.00	\$ 0.00
	\$ 0.00	\$ 224.38

9. Add all other income. Add lines 8a+8b+8c+8d+8e+8f+8g+8h.	9. \$ 5,000.00	\$ 224.38
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10. Calculate monthly income. Add line 7 + line 9. Add the entries in line 10 for Debtor 1 and Debtor 2 or non-filing spouse.	10. \$ 11,000.00 + \$ 1,906.78 = \$ 12,906.78
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11. State all other regular contributions to the expenses that you list in Schedule J. Include contributions from an unmarried partner, members of your household, your dependents, your roommates, and other friends or relatives. Do not include any amounts already included in lines 2-10 or amounts that are not available to pay expenses listed in Schedule J. Specify: 11. +\$ 0.00

12. Add the amount in the last column of line 10 to the amount in line 11. The result is the combined monthly income. Write that amount on the Summary of Schedules and Statistical Summary of Certain Liabilities and Related Data, if it applies.	12. \$ 12,906.78
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13. Do you expect an increase or decrease within the year after you file this form?
 No.
 Yes. Explain: _____

Debtor 1 **ROBERT HIGHSMITH**
Debtor 2 **LYNN HIGHSMITH**

Case number plaintiff **2-12-bk-05374 GBN**

Official Form B 61
Attachment for Additional Employment Information

Debtor	
Occupation	SALES
Name of Employer	ARIZONA MOBILITY SCOOTERS
How long employed	
Address of Employer	9420 WEST BELL #103 SUN CITY, AZ 85351
Spouse	
Occupation	YOGA INSTRUCTOR
Name of Employer	SUMIT YOGA
How long employed	
Address of Employer	10060 N SCOTTSDALE RD PARADISE VALLEY, AZ

Debtor 1 ROBERT HIGHSMITH

Debtor 2 LYNN HIGHSMITH
(Spouse, if filing)

United States Bankruptcy Court for the: DISTRICT OF ARIZONA

Case number 2-12-bk-05374-GBN
(if known)

Check if this is:

An amended filing

A supplement showing postpetition chapter 13 expenses as of the following date:

MM/DD/YYYY

Official Form 106J
Schedule J: Your Expenses

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach another sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

Part I Describe Your Household

1. Is this a joint case?
- No. Go to line 2.
- Yes. Does Debtor 2 live in a separate household?
- No
- Yes. Debtor 2 must file Official Form 106J-2, Expenses for Separate Household of Debtor 2.
2. Do you have dependents? No
- | Do not list Debtor 1 and Debtor 2. Do not state the dependent's names. | <input checked="" type="checkbox"/> Yes. File out this information for each dependent. | Dependent's relationship to Debtor 1 or Debtor 2 | Dependent's age | Does dependent live with you? |
|--|--|--|-----------------|--|
| | | SON | 17 | <input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes |
| | | SON | 24 | <input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes |
| | | | | <input type="checkbox"/> No
<input type="checkbox"/> Yes |
| | | | | <input type="checkbox"/> No
<input type="checkbox"/> Yes |
3. Do your expenses include expenses of people other than yourself and your dependents? No Yes

Part II Estimate Your Ongoing Monthly Expenses

Estimate your expenses as of your bankruptcy filing date unless you are using this form as a supplement in a Chapter 13 case to report expenses as of a date after the bankruptcy is filed. If this is a supplemental Schedule J, check the box at the top of the form and fill in the applicable date.

Include expenses paid for with non-cash government assistance if you know the value of such assistance and have included it on Schedule K: Your Income (Official Form 106J).

	Your expenses
4. The rental or home ownership expenses for your residence. Include first mortgage payments and any rent for the ground or lot.	4. \$ 3,550.00
If not included in line 4:	
4a. Paid estate taxes	4a. \$ 0.00
4b. Property, homeowner's, or renter's insurance	4b. \$ 148.00
4c. Home maintenance, repair, and upkeep expenses	4c. \$ 179.00
4d. Homeowner's association or condominium dues	4d. \$ 70.00
5. Additional mortgage payments for your residence, such as home equity loans	5. \$ 0.00

Debtor 1 **ROBERT HIGHSMITH**
Debtor 2 **LYNN HIGHSMITH**

Case number (if known) **2-12-bk-05374 GBN**

6. **Utilities:**

6a. Electricity, heat, natural gas	6a. \$	410.00
6b. Water, sewer, garbage collection	6b. \$	175.00
6c. Telephone, cell phone, internet, satellite, and cable services	6c. \$	292.00
6d. Other. Specify: <u>POOL MAINTENANCE</u>	6d. \$	100.00

7. Food and housekeeping supplies **7. \$ 700.00**

8. Childcare and children's education costs **8. \$ 0.00**

9. Clothing, laundry, and dry cleaning **9. \$ 50.00**

10. Personal care products and services **10. \$ 65.00**

11. Medical and dental expenses **11. \$ 50.00**

12. Transportation. Include gas, maintenance, bus or train fare. Do not include car payments. **12. \$ 500.00**

13. Entertainment, clubs, recreation, newspapers, magazines, and books **13. \$ 100.00**

14. Charitable contributions and religious donations **14. \$ 100.00**

15. **Insurance.** Do not include insurance deducted from your pay or included in lines 4 or 20.

15a. Life insurance	15a. \$	52.00
15b. Health insurance	15b. \$	1,300.00
15c. Vehicle insurance	15c. \$	597.00
15d. Other insurance. Specify: _____	15d. \$	0.00

16. **Taxes.** Do not include taxes deducted from your pay or included in lines 4 or 20. Specify: INCOME TAX ON EARNINGS **16. \$ 150.00**

17. **Installment or lease payments:**

17a. Car payments for Vehicle 1	17a. \$	350.00
17b. Car payments for Vehicle 2	17b. \$	0.00
17c. Other. Specify: _____	17c. \$	0.00
17d. Other. Specify: _____	17d. \$	0.00

18. Your payments of alimony, maintenance, and support that you did not report as deducted from your pay on line 6, Schedule I, Your Income (Official Form 1081). **18. \$ 0.00**

19. Other payments you make to support others who do not live with you. **19. \$ 0.00**

20. **Other real property expenses not included in lines 4 or 6 of this form or on Schedule I: Your Income.**

20a. Mortgages on other property	20a. \$	0.00
20b. Real estate taxes	20b. \$	0.00
20c. Property, homeowner's, or renter's insurance	20c. \$	0.00
20d. Maintenance, repair, and upkeep expenses	20d. \$	0.00
20e. Homeowner's association or condominium dues	20e. \$	0.00

21. Other: Specify: TIMESHARE MAINTENANCE FEE **21. -\$ 62.58**
WIFE'S WORK RELATED EXPENSES **-\$ 590.08**
SCHOOL SUPPLIES FOR MINOR SON **-\$ 400.00**

22. **Calculate your monthly expenses.**

22a. Add lines 4 through 21.	\$	10,481.50
22b. Copy line 22 (monthly expenses for Debtor 2), if any, from Official Form 1081-2	\$	
22c. Add line 22a and 22b. The result is your monthly expenses.	\$	10,481.50

23. **Calculate your monthly net income.**

23a. Copy line 12 (your combined monthly income) from Schedule I.	23a. \$	12,989.76
23b. Copy your monthly expenses from line 22c above.	23b. -\$	10,481.50
23c. Subtract your monthly expenses from your monthly income. The result is your monthly net income.	23c. \$	2,507.26

24. **Do you expect an increase or decrease in your expenses within the year after you file this form?**
For example, do you expect to finish paying for your car loan within the year or do you expect your mortgage payment to increase or decrease because of a modification to the terms of your mortgage?
 No.
 Yes. Explain here:

EXHIBIT "C"
TO THE DISCLOSURE STATEMENT

Robert C. Highsmith & Lynn B. Highsmith

USBC 12-05374 GBN

Distribution of Payments to Made Under Chapter 11 Plan

Payment Period	ADN Admin Claim	Sonoran Hills HOA	General Unsecured	Total Monthly Payment
Month 1	1,721.31	528.69	250.00	2,500.00
Month 2	1,750.00	500.00	250.00	2,500.00
Month 3	1,750.00	500.00	250.00	2,500.00
Month 4	2,250.00	0.00	250.00	2,500.00
Month 5	2,250.00	0.00	250.00	2,500.00
Month 6	2,250.00	0.00	250.00	2,500.00
Month 7	2,250.00	0.00	250.00	2,500.00
Month 8	2,250.00	0.00	250.00	2,500.00
Month 9	2,250.00	0.00	250.00	2,500.00
Month 10	2,250.00	0.00	250.00	2,500.00
Month 11	2,250.00	0.00	250.00	2,500.00
Month 12	2,250.00	0.00	250.00	2,500.00
YEAR 1 TOTAL	\$25,471.31	\$1,528.69	\$3,000.00	\$30,000.00
Month 13	2,250.00	0.00	250.00	2,500.00
Month 14	2,250.00	0.00	250.00	2,500.00
Month 15	2,250.00	0.00	250.00	2,500.00
Month 16	2,250.00	0.00	250.00	2,500.00
Month 17	2,250.00	0.00	250.00	2,500.00
Month 18	2,250.00	0.00	250.00	2,500.00
Month 19	2,250.00	0.00	250.00	2,500.00
Month 20	2,250.00	0.00	250.00	2,500.00
Month 21	2,250.00	0.00	250.00	2,500.00
Month 22	2,250.00	0.00	250.00	2,500.00
Month 23	2,250.00	0.00	250.00	2,500.00
Month 24	2,250.00	0.00	250.00	2,500.00
YEAR 2 TOTALS	\$27,000.00	\$0.00	\$3,000.00	\$30,000.00

Robert C. Highsmith & Lynn B. Highsmith

USBC 12-05374 GBN

Distribution of Payments to Made Under Chapter 11 Plan

Payment Period	ADN Admin Claim	Sonoran Hills HOA	General Unsecured	Total Monthly Payment
Month 25	2,250.00	0.00	250.00	2,500.00
Month 26	2,250.00	0.00	250.00	2,500.00
Month 27	2,250.00	0.00	250.00	2,500.00
Month 28	2,250.00	0.00	250.00	2,500.00
Month 29	2,250.00	0.00	250.00	2,500.00
Month 30	2,013.32	0.00	486.68	2,500.00
Month 31	0.00	0.00	2,500.00	2,500.00
Month 32	0.00	0.00	2,500.00	2,500.00
Month 33	0.00	0.00	2,500.00	2,500.00
Month 34	0.00	0.00	2,500.00	2,500.00
Month 35	0.00	0.00	2,500.00	2,500.00
Month 36	0.00	0.00	2,500.00	2,500.00
YEAR 3 TOTALS	\$13,263.32	\$0.00	\$16,736.68	\$30,000.00
Month 37	0.00	0.00	2,500.00	2,500.00
Month 38	0.00	0.00	2,500.00	2,500.00
Month 39	0.00	0.00	2,500.00	2,500.00
Month 40	0.00	0.00	2,500.00	2,500.00
Month 41	0.00	0.00	2,500.00	2,500.00
Month 42	0.00	0.00	2,500.00	2,500.00
Month 43	0.00	0.00	2,500.00	2,500.00
Month 44	0.00	0.00	2,500.00	2,500.00
Month 45	0.00	0.00	2,500.00	2,500.00
Month 46	0.00	0.00	2,500.00	2,500.00
Month 47	0.00	0.00	2,500.00	2,500.00
Month 48	0.00	0.00	2,500.00	2,500.00
YEAR 4 TOTALS	\$0.00	\$0.00	\$30,000.00	\$30,000.00

Robert C. Highsmith & Lynn B. Highsmith

USBC 12-05374 GBN

Distribution of Payments to Made Under Chapter 11 Plan

Payment Period	ADN Admin Claim	Sonoran Hills HOA	General Unsecured	Total Monthly Payment
Month 49	0.00	0.00	2,500.00	2,500.00
Month 50	0.00	0.00	2,500.00	2,500.00
Month 51	0.00	0.00	2,500.00	2,500.00
Month 52	0.00	0.00	2,500.00	2,500.00
Month 53	0.00	0.00	2,500.00	2,500.00
Month 54	0.00	0.00	2,500.00	2,500.00
Month 55	0.00	0.00	2,500.00	2,500.00
Month 56	0.00	0.00	2,500.00	2,500.00
Month 57	0.00	0.00	2,500.00	2,500.00
Month 58	0.00	0.00	2,500.00	2,500.00
Month 59	0.00	0.00	2,500.00	2,500.00
Month 60	0.00	0.00	2,500.00	2,500.00
YEAR 5 TOTALS	\$0.00	\$0.00	\$30,000.00	\$30,000.00
GRAND TOTALS	\$65,734.63	\$1,528.69	\$82,736.68	\$150,000.00
	65,734.63	1,528.69	82,736.68	150,000.00