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

9 In re:

10 **JOSEPH A OLADOKUN &**  
11 **FLORENCE A. OLADOKUN,**  
12 **Debtors.**

**Chapter 11**

**Case No. 4:12-bk-07178-BMW**

**DISCLOSURE STATEMENT IN SUPPORT OF  
DIAMOND CARE HEALTH NETWORK'S  
THIRD AMENDED CHAPTER 11 PLAN OF  
REORGANIZATION DATED SEPTEMBER 23, 2016**

14 Creditor Diamond Care Health Network, LLC (hereinafter "DCHN" or "Diamond") has  
15 prepared this Disclosure Statement to assist with the solicitation of acceptances of its *Diamond*  
16 *Care Health Network's Third Amended Chapter 11 Plan of Reorganization Dated September 23,*  
17 *2016* (the "Plan").  
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**LIST OF EXHIBITS**

1. Exhibit "1" Chapter 11 Plan of Reorganization
2. Exhibit "2" Financial Projections
3. Exhibit "3" Liquidation Analysis
4. Exhibit "4" Organization Chart for Oasis Pavilion Nursing and Rehabilitation Center, LLC
5. Exhibit "5" Organization Chart for Diamond Care Casa Grande Ventures, LLC
6. Exhibit "6" The Debtors' Objection to DCHN's Disclosure Statement
7. Exhibit "7" DCHN's Summary of Responses to the Debtor's Factual Assertions

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1                    **ARTICLE I - (INTRODUCTION TO THIS DISCLOSURE STATEMENT)**

2                    Diamond Care Health Network (“DCHN” or “Diamond”)<sup>1</sup> is the proponent of Diamond’s  
3 Third Amended Chapter 11 Plan of Reorganization dated September 23, 2016 (the “Plan”),  
4 which is attached to this Disclosure Statement as **Exhibit “1”**. The Plan sets forth the manner in  
5 which the Claims against the Debtors will be treated following their emergence from Chapter 11.  
6 This Disclosure Statement describes certain aspects of the Plan, Debtors’ current and future  
7 income and expenses and the proposed reorganization of the Debtors, and other related matters.  
8 As set forth in the Plan, certain property of the Estate will be auctioned to the highest bidder at  
9 the Confirmation Hearing. DCHN will make the opening bid at the Auction in an amount equal  
10 to the aggregate amount of all Allowed Administrative Claims, the Allowed Claim of the  
11 Internal Revenue Service and all Allowed General Unsecured Claims<sup>2</sup> plus all accrued interest  
12 on the General Unsecured Claim at the rate of 3.5% *per annum* from April of 2012 when this  
13 case was filed through the date the Plan is confirmed. Diamond believes that this amount will  
14 be substantially in excess of the fair market value of those assets. That property will be  
15 transferred to Diamond or the person who is the prevailing bidder in exchange for payment of the  
16 purchase price on the Effective Date and the Debtors, as the Reorganized Debtors, will continue  
17 to own the remainder of their assets after that date.  
18

19                    Diamond has prepared and filed this Disclosure Statement in accordance with Section  
20 1125 of the Code for the purpose of soliciting acceptances of the above-referenced Plan from  
21 holders of impaired claims and equity interests. This Disclosure Statement has been compiled to  
22

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23  
24 <sup>1</sup> Capitalized terms not otherwise defined in this Disclosure Statement shall have the meanings ascribed to them in  
25 the Plan. To the extent a particular term is not defined in the Plan, the terms used in this Disclosure Statement shall  
26 have the same meanings as those terms have in the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.* (the “Code”), or as  
those terms have in the Federal Rules of Bankruptcy Procedure.

1 incorporate "adequate information" to enable creditors to make an informed judgment as to  
2 whether they should vote to accept or reject the Plan.

3 The Bankruptcy Court provisionally approved this Disclosure Statement on September  
4 14, 2016 as containing information of a kind, and in sufficient detail, adequate to enable a  
5 hypothetical, reasonable investor typical of each of the classes of claims and interests being  
6 solicited to make an informed judgment whether to vote to accept or reject the Plan.

7  
8 **ARTICLE II - (DATE AND TIME OF HEARING ON CONFIRMATION  
OF THE PLAN)**

9 A Hearing on Confirmation of the Plan will be held before the Honorable Judge Brenda  
10 Moody Whinery, United States Bankruptcy Judge, commencing at 10:45 a.m. on November 9,  
11 2016 in Courtroom No. 446 at the United States Bankruptcy Court, United States Bankruptcy  
12 Court, located at 38 South Scott Avenue, Courtroom 446, Tucson, Arizona, 85701. The Hearing  
13 may be continued from time to time without further written notice.

14 **ARTICLE III - (GENERAL DISCLAIMERS AND WARNINGS)**

15 AS NOTED ABOVE, THIS DISCLOSURE STATEMENT HAS BEEN  
16 PROMULGATED BY DIAMOND IN AN EFFORT TO SOLICIT CREDITORS AND  
17 EQUITY INTEREST HOLDERS TO VOTE TO ACCEPT THE PLAN. THE SOLICITATION  
18 IS A SOLICITATION BY DIAMOND ONLY. IT IS NOT A SOLICITATION BY THE  
19 ATTORNEYS OR ACCOUNTANTS FOR DIAMOND AND THE REPRESENTATIONS  
20 MADE HEREIN ARE ONLY THOSE OF DIAMOND AND NOT OF ITS ATTORNEYS OR  
21 ACCOUNTANTS.  
22

23  
24  
25 <sup>2</sup> The amount of DCHN's opening bid will be reduced by any amount paid to the IRS by any person after the date of  
26 the filing of the Second Amended Plan.

1 THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT  
2 CONSTITUTES NEITHER A CERTIFICATION THAT THE FACTUAL INFORMATION  
3 CONTAINED IN THIS DISCLOSURE STATEMENT IS ACCURATE NOR AN  
4 ENDORSEMENT OF THE PLAN.

5 THIS DISCLOSURE STATEMENT IS NOT THE PLAN. THIS DISCLOSURE  
6 STATEMENT AND THE COMPLETE COPY OF THE PLAN, WHICH IS ATTACHED,  
7 SHOULD BOTH BE READ IN THEIR ENTIRETY. FOR THE CONVENIENCE OF  
8 CREDITORS AND EQUITY INTEREST HOLDERS, THE PLAN IS SUMMARIZED IN THIS  
9 DISCLOSURE STATEMENT, BUT THE PLAN ITSELF AND NOT THE PLAN SUMMARY  
10 IS CONTROLLING IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE TWO.

11 UNLESS ANOTHER TIME IS EXPRESSLY SPECIFIED IN THIS DISCLOSURE  
12 STATEMENT, ALL STATEMENTS CONTAINED IN THIS DOCUMENT ARE MADE AS  
13 OF SEPTEMBER 23, 2016. UNDER NO CIRCUMSTANCES WILL THE DELIVERY OF  
14 THIS DISCLOSURE STATEMENT OR THE EXCHANGE OF ANY RIGHTS MADE IN  
15 CONNECTION WITH THE PLAN CREATE AN IMPLICATION OR REPRESENTATION  
16 THAT THERE HAS BEEN NO SUBSEQUENT CHANGE IN THE INFORMATION  
17 INCLUDED IN THIS DOCUMENT. DIAMOND ASSUMES NO DUTY TO UPDATE OR  
18 SUPPLEMENT ANY OF THE INFORMATION CONTAINED IN THIS DOCUMENT, AND  
19 THEY PRESENTLY DO NOT INTEND TO UNDERTAKE ANY SUCH UPDATES OR  
20 SUPPLEMENTS.  
21

22 MOST OF THE INFORMATION ABOUT THE DEBTORS, THEIR INCOME AND  
23 EXPENSES, THEIR ASSETS, THE VALUE OF THAT PROPERTY, THE CREDITORS IN  
24 THIS CASE, THE AMOUNT OF THEIR DEBTS, COLLATERAL FOR THOSE  
25

1 OBLIGATIONS AND OTHER MATTERS ARE DRAWN FROM DOCUMENTS PREPARED  
2 AND FILED BY THE DEBTORS. IN ADDITION, CERTAIN MATERIALS CONTAINED  
3 IN THIS DISCLOSURE STATEMENT ARE TAKEN DIRECTLY FROM OTHER, READILY  
4 ACCESSIBLE DOCUMENTS OR ARE DIGESTS OF DOCUMENTS. WHILE EFFORTS  
5 HAVE BEEN MADE TO CONVEY ACCURATELY THE CONTENTS OF SUCH  
6 DOCUMENTS, YOU ARE URGED TO EXAMINE THE DOCUMENTS THEMSELVES  
7 AND TO USE THE DESCRIPTIONS OF DOCUMENTS CONTAINED IN THIS  
8 DISCLOSURE STATEMENT ONLY AFTER HAVING CONDUCTED SUCH AN  
9 EXAMINATION.

10 NO REPRESENTATIONS OR ASSURANCES CONCERNING THE DEBTORS,  
11 INCLUDING, WITHOUT LIMITATION, ITS FUTURE OPERATIONS, THE VALUE OF  
12 THEIR PROPERTIES, OR THEIR INCOME AND EXPENSES AND ABILITY TO PAY  
13 THEIR DEBTS ARE AUTHORIZED BY DIAMOND OTHER THAN AS SET FORTH IN  
14 THIS DISCLOSURE STATEMENT. IN ARRIVING AT YOUR DECISION TO ACCEPT OR  
15 REJECT THE PLAN, YOU SHOULD NOT RELY UPON ANY REPRESENTATIONS OR  
16 INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN  
17 THOSE CONTAINED IN THIS DISCLOSURE STATEMENT. SUCH ADDITIONAL  
18 REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR  
19 DIAMOND, WHO, IN TURN, SHALL DELIVER SUCH INFORMATION TO THE COURT  
20 FOR SUCH ACTION AS MAY BE APPROPRIATE.

21 THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE  
22 STATEMENT HAS NOT BEEN SUBJECTED TO AN EXAMINATION BY INDEPENDENT,  
23 CERTIFIED PUBLIC ACCOUNTANTS. AS TO ALL FINANCIAL INFORMATION,  
24

1 DIAMOND IS UNABLE TO WARRANT OR REPRESENT THE ACCURACY OF THE  
2 INFORMATION CONTAINED IN THOSE STATEMENTS TO BE WITHOUT ERROR.

3 THE LIQUIDATION ANALYSIS CONTAINED IN THIS DISCLOSURE  
4 STATEMENT ATTACHED AS EXHIBIT "3" WAS NEITHER COMPILED BY  
5 INDEPENDENT, CERTIFIED PUBLIC ACCOUNTANTS NOR SUBJECTED TO AN AUDIT  
6 OR EXAMINATION BY INDEPENDENT, CERTIFIED PUBLIC ACCOUNTANTS.

7 ALL CREDITORS ARE ALSO URGED TO CONSULT COUNSEL REGARDING  
8 TAX CONSEQUENCES OF THE PLAN.

9 DIAMOND IS NOT AWARE OF ANY FEDERAL TAX CONSEQUENCES OF THE  
10 PLAN TO THE CREDITORS, DEBTORS AND THE REORGANIZED DEBTORS TYPICAL  
11 OF THE HOLDERS OF CLAIMS OR INTERESTS IN THIS CASE. AS A RESULT,  
12 DIAMOND DOES NOT EXPRESS ANY OPINION AS TO THE TAX CONSEQUENCES OF  
13 THE PLAN AND IN NO EVENT WILL DIAMOND, ITS PRINCIPALS,  
14 REPRESENTATIVES, OR THE PROFESSIONAL ADVISORS IT HAS ENGAGED, BE  
15 LIABLE IF, FOR ANY REASON, THE TAX CONSEQUENCES OF THE PLAN ARE NOT  
16 AS ANTICIPATED BY CREDITORS AND THE DEBTORS. CREDITORS AND THE  
17 DEBTORS MUST LOOK SOLELY TO AND RELY SOLELY UPON THEIR OWN  
18 ADVISORS AS TO THE TAX CONSEQUENCES OF THE PLAN.

19  
20 **IF YOU ARE ENTITLED TO VOTE ON THE PLAN, YOU SHOULD DO SO.**

21 UNDER THE CODE, DETERMINING THE OUTCOME OF BALLOTING ON THE PLAN  
22 REQUIRES A CALCULATION WHICH CONSIDERS THE VOTES OF THOSE  
23 CREDITORS AND EQUITY HOLDERS WHO ACTUALLY VOTED ON THE PLAN.  
24 YOUR RIGHTS MAY BE AFFECTED EVEN IF YOU DO NOT VOTE ON THE PLAN.



1 YOUR OPPORTUNITY TO HAVE THE OUTCOME YOU DESIRE WILL LIKELY BE  
2 ENHANCED IF YOU VOTE.

3 NOTHING IN THIS DISCLOSURE STATEMENT OR THE PLAN LIMITS  
4 DEBTORS' OR DIAMOND'S RIGHT TO OBJECT TO ANY PROOFS OF CLAIM OR  
5 INTERESTS FILED IN THIS CASE.

6 **ARTICLE IV - (DEADLINE FOR RECEIPT OF BALLOTS)**

7 INSTRUCTIONS AND EXPLANATIONS CONCERNING VOTING ON THE  
8 ACCOMPANYING CHAPTER 11 PLAN OF REORGANIZATION ARE SET FORTH IN  
9 SUBSEQUENT SECTIONS OF THIS DISCLOSURE STATEMENT. PLEASE REVIEW  
10 THOSE SECTIONS CAREFULLY AND NOTE THAT **ALL BALLOTS MUST BE**  
11 **RECEIVED BY NOVEMBER 2, 2016, OR THEY MAY NOT BE COUNTED.** AS  
12 DELAYS IN THE DELIVERY OF MAIL CAN OCCUR, DIAMOND URGES YOU TO MAIL  
13 OR DELIVER YOUR BALLOTS AS DIRECTED WELL IN ADVANCE OF THE  
14 AFOREMENTIONED DEADLINE.

15 VOTING ON THE CHAPTER 11 PLAN WILL AFFECT YOUR RIGHTS AND THE  
16 EXPENSES INCURRED TO ADMINISTER THIS CASE. IN PARTICULAR, THE DEBTORS  
17 MAY BE ABLE TO REDUCE THE ADDITIONAL ATTORNEYS' FEES AND COSTS THAT  
18 MIGHT BE INCURRED TO OBTAIN CONFIRMATION OF ITS PLAN IF THE PLAN IS  
19 ACCEPTED BY ALL CLASSES OF CLAIMS AND INTERESTS CREATED BY THE PLAN.  
20 DIAMOND REQUESTS, THEREFORE, THAT YOU VOTE TO **ACCEPT** THE PLAN IF  
21 YOU ARE ENTITLED TO VOTE AND THAT YOU TAKE STEPS TO ENSURE THAT  
22 YOUR BALLOT IS RECEIVED IN TIME TO BE COUNTED.  
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**ARTICLE V - (CASTING BALLOTS)**

**WHO MAY VOTE TO ACCEPT OR REJECT THE PLAN**

Only creditors and equity interest holders whose claims and interests have been both allowed for purposes of voting and are "impaired" by the Plan are entitled to vote on the Plan. For a claim to be allowed for voting purposes, the claim must be listed in the Debtors' Chapter 11 Schedules **and** must **not** be listed as "disputed," "contingent" or "unliquidated."

If a claim is not listed or is listed as "disputed," "contingent," or "unliquidated", the holder of the claim must file a Proof of Claim on or before the bar date set by the Court (or the Debtors must file a Proof of Claim for that creditor as permitted by the Federal Rules of Bankruptcy Procedure) for that creditor to be entitled to vote. Moreover, no holder of a claim will be entitled to vote if any party in interest objects to that claim before balloting on the Plan or any Amended Plan occurs, unless the Court enters a specific order allowing the claim for voting purposes.

In addition to the foregoing criteria for voting eligibility, only creditors and equity interest holders whose claims or interests are "impaired" by the Plan (i.e., those whose claims or interests are altered or who will not receive the allowed amount of their claims in cash pursuant to the original terms of their agreements) are entitled to vote to accept or reject the Plan. Holders of claims or interests which are not "impaired" are deemed to have accepted the Plan as a matter of law.

**1. Identification of Classes Impaired by the Plan**

Diamond believes that all Classes created by the Plan, except Classes 3, 5 and 7, are not "impaired" pursuant to 11 U.S.C. §1124. As a result, only Classes 3, 5 and 7 are entitled to vote

1 on the Plan. Entities holding Administrative Claims are not classified and are not entitled to  
2 vote on the Plan. Any party that disputes Diamond's characterization of its Claim as unimpaired  
3 may request a finding of impairment from the Bankruptcy Court in order to obtain the right to  
4 vote.

5 If the claim or interest you hold has been classified in one of the impaired classes of  
6 claims or interests created by the Plan, it is important that you vote. In addition, if you hold  
7 more than one claim or interest classified as "impaired" under the Plan, it is important that you  
8 vote with respect to **each** such claim or interest. IF YOU FAIL TO VOTE, YOUR RIGHTS  
9 MAY BE AFFECTED.

10 **VOTING INSTRUCTIONS.**

11  
12 After carefully reviewing this Disclosure Statement and its exhibits, vote to accept or  
13 reject the Plan on the enclosed ballot (or ballots) by signing and mailing or delivering it (or  
14 them) to the following address so that your ballot (or ballots) is (are) **received by the bar date**  
15 **specified above or in a subsequent Court Order:**

16 **Diamond Care Health Network**  
17 **c/o Tiffany & Bosco, P.A.**  
18 **Attn: Christopher R. Kaup**  
19 **Seventh Floor Camelback Esplanade II**  
20 **2525 E. Camelback Road**  
21 **Phoenix, Arizona 85016**  
22 **Tel: (602) 255-6000**

23 AS MAIL DELAYS MAY OCCUR, IT IS IMPORTANT THAT THE BALLOT OR  
24 BALLOTS BE MAILED OR DELIVERED **WELL IN ADVANCE** OF THE BAR DATE  
25 SPECIFIED. BALLOTS RECEIVED AFTER THIS DATE MAY NOT BE COUNTED.

26 Each creditor entitled to vote is to receive a ballot for each separately classified, impaired  
claim held. Each equity interest holder entitled to vote is also to receive a ballot.

1 If you do not receive the required number of ballots with your copy of the  
2 Court-approved Disclosure Statement, notify attorneys for Diamond immediately at the address  
3 noted above. IT IS IMPORTANT THAT YOU CAST ALL BALLOTS WHICH YOU ARE  
4 ENTITLED TO CAST.

5 **THE RESULTS OF BALLOTING ON THE PLAN ARE DETERMINED BY CLASS.**

6  
7 In general, a class of claims accepts the Plan if the creditors who vote to accept the Plan  
8 hold at least two-thirds (2/3) in dollar amount and constitute more than one-half (1/2) in number  
9 of the allowed claims in the class **actually voting** on the Plan. In general, a class of equity  
10 interests accepts the Plan if it is accepted by those who hold at least two-thirds (2/3) of the  
11 allowed interests in the class **actually voting** on the Plan.

12 **D. CONFIRMATION BASED UPON ACCEPTANCE OF THE PLAN BY ALL**  
13 **IMPAIRED CLASSES.**

14 If each class of impaired claims and interests accept the Plan and the Plan is confirmed,  
15 the Plan will bind all holders of claims and interests, including those who did not vote and those  
16 who voted to reject the Plan.

17 The Plan may also be confirmed even if all impaired classes do not accept it, so long as  
18 the Plan is accepted by at least one class of impaired claims. Confirmation over the objections of  
19 one or more classes of claims or interests is called "cramdown".

20 **E. CONFIRMATION OVER THE OBJECTIONS OF ONE OR MORE IMPAIRED**  
21 **CLASS.**

22  
23 If the Plan is rejected by one or more impaired classes of claims or interests, the Plan or  
24 modification thereof may still be confirmed by the Court at the request of Diamond. To grant  
25 such a request, the Court must find, among other things, that the Plan does not "discriminate  
26

1 unfairly" and is "fair and equitable" with respect to each rejecting, impaired class of claims or  
2 interests.

3 The phrases "discriminate unfairly" and "fair and equitable" are defined by Section 1129  
4 of the Code and the case law interpreting that statute. In other words, those phrases are "terms of  
5 art" denoting specific statutory criteria for confirmation which Diamond's Plan must satisfy to be  
6 confirmed by the Court if any impaired class of claims or equity interests rejects the Plan.

7 If the Plan does satisfy the statutory criteria required by Section 1129 of the Code, then  
8 Diamond intends to request Confirmation of the Plan in the event it is rejected by any impaired  
9 class.

10 **ARTICLE VI - (DESCRIPTION OF THE DEBTORS' OPERATIONS AND**  
11 **EVENTS PRECIPITATING THE FILING OF THIS BANKRUPTCY AND**  
12 **POSTPETITION DEVELOPMENTS)**<sup>3</sup>

13 **A. THE DEBTORS' HISTORY & DESCRIPTION OF THE DEBTORS' BUSINESS**<sup>4</sup>.

14  
15 **2. Background of the Debtors.**

16 Joseph A. Oladokun and Florence A. Oladokun ("Debtors") are married  
17 individual debtors, living Casa Grande, Arizona. They are hardworking entrepreneurs  
18 who have experienced difficulty due to the downturn in the real estate market in Pinal  
19 County, Arizona. They both have worked hard throughout their entire lives and are active  
20 volunteers within the community. Joseph and Florence were married on March 6, 1982 in  
21 Nigeria. Joseph was a registered radiology technician in Nigeria. Joseph emigrated from  
22 Nigeria in 1982 and Florence emigrated from Nigeria in 1984 and are naturalized  
23 American citizens. Initially living in Chicago, IL then moving to Omaha, NE for  
24 schooling. Joseph received his Bachelor of Science degree from Creighton University in  
25 Omaha, NE in 1987. Florence has obtained a master's degree in nursing from Wilmington

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22 <sup>3</sup> This section of the Disclosure Statement is drawn from the Debtors' Amended Disclosure Statement (Doc 177),  
23 withdrawn by the Court's Order (Doc 193), and various filings in this Court. Because Diamond did not draft, nor  
24 has it independently confirmed, the information contained in such filings, Diamond does not and is not able to  
25 confirm the validity of the information. Diamond recommends that this information be independently evaluated  
before deciding to vote on the Plan. Diamond may, in fact, dispute certain of the Debtors' assertions set forth in  
their Disclosure Statement and repeated herein.

<sup>4</sup> Pages 6 through 10 of the Debtors' Amended Disclosure Statement (Doc 177).

1 College, Delaware in 1995. Joseph is employed as a pharmacist with Casa Grande  
2 Regional Hospital. Florence is employed as a nurse practitioner with United Health and  
3 has a second position with Bridgeway Healthcare which began in September, 2012. As of  
4 the date of the petition, the Debtors owned four pieces of real estate. One of the  
5 properties is the primary residence. A second commercial property located at 121 W.  
6 Florence Blvd, Casa Grande, AZ received an historical restoration award but, as an older  
7 property, needed constant maintenance and was a drain on the debtors' cash flow as it  
8 cost more to maintain than the rental income provided. The property has been  
9 surrendered. A third property located at 1149 E. 11th Street, Casa Grande, AZ is a  
10 residential rental property that produces a positive cash flow and is accumulating equity.  
11 The fourth property is a commercial complex in Casa Grande, AZ which provides rental  
12 income and a positive cash flow.

13  
14 The Debtors previously owned and operated the Olas Caring Home, a group  
15 home in Casa Grande, Arizona. Olas Caring Home was started in 1997 and was sold for a  
16 profit in 2003. The proceeds of the sale were invested into the property at 121 W.  
17 Florence Blvd. and a residential rental property that was subsequently sold for a profit in  
18 2005. The proceeds from the sale of the residential rental property were used to purchase  
19 the commercial complex.

20  
21 Olas Enterprises was started in 1999 for the business of renting commercial and  
22 residential properties owned by the Debtors. Olas Enterprises is a servicing company and  
23 does not own any real property.

24  
25 The Debtors owned and operated African Sunrise, a retail shop specializing in  
26 beauty and personal care products. The retail shop was started in 2003. This business  
venture was never profitable, but managed to break even until the economic collapse in  
2008. The shop was closed in 2011.

Oasis Home Health Care, LLC ("OHHC") is an LLC started in 2008 in which the  
Debtors have a 50% ownership, is a business providing Home Health Care and nursing  
services by Florence Oladokun as a family nurse practitioner. Florence is also presently  
employed as a nurse practitioner by United Health and is an independent contractor with  
Bridgeway Healthcare.

In 2007, the Oladokuns purchased 4.75 acres of land in Casa Grande, AZ and  
planned to build a 134 bed nursing home. Financing was proceeding on the land purchase  
until the economic downturn. The bank advised us to look for partners to complete the  
project. Upon the advice of the lender we became partners with several individuals. The  
nursing home was completed and began operating as Oasis Pavilion Nursing & Rehab  
Center, LLC. The partners took over all operation as they claimed to be experts in  
running nursing homes. This proved not to be the case.

Due to the downturn in the real estate market, the inability to secure a loan  
modification, and potential tax ramifications, and a pending trustee sale the Debtors did  
not see any alternative but to file bankruptcy. Debtors have since hired counsel, through

1 one of their entities, to represent their interest in the restructuring and management of  
2 Oasis Pavilion Nursing & Rehab Center, LLC. Debtors expect that with the restructuring  
3 and reorganization for Oasis Pavilion Nursing & Rehab Center, LLC that the IRS claim  
4 will be resolved and will be a profitable venture.

### 3. Post-Petition Events.

5 The Debtors filed the chapter 11 petition on April 5, 2012. The 341 Meeting of  
6 Creditors was scheduled for May 10, 2012. Debtors' previous counsel, Douglas B. Price  
7 filed a Motion to continue the 341 Meeting of Creditors to May 22, 2012. On May 14,  
8 2012, a Motion for Relief of Stay was filed by the attorneys for JPMorgan Chase for the  
9 property located at 121 W. Florence Avenue, Casa Grande, Arizona. On May 15, 2012, a  
10 Motion for Relief of Stay was filed by the attorneys for JPMorgan Chase for the property  
11 located at 1104 Pinal Avenue, 1106 Pinal Avenue, 316 West 11th Street, and 318 West  
12 11th Street, Casa Grande, Arizona. On June 5, 2012 the Order Granting the Motion for  
13 Relief of Stay was lodged for the property located at 121 W. Florence Avenue, Casa  
14 Grande Arizona. On July 17, 2012 a Stipulation Regarding Adequate Protection and  
15 Relief from Automatic Stay was entered at DE 31. A Motion to Extend Exclusivity Period  
16 was filed by Debtors' former counsel on August 3, 2012. The Office of the US Trustee  
17 filed its Notice of Non-compliance on August 28, 2012 for failure to file Operating  
18 Reports for April, May, June and July 2012. The Court filed its own Order to Show  
19 Cause for no filing of the Plan of Reorganization prior to August 3, 2012 and delinquent  
20 operating reports. The hearing on the Order to Show Cause was set for October 16, 2012.

21 September 28, 2012 an Application to employ Douglas B. Price, PC and a  
22 separate Application to employ AltKey, PLC as Accountants were filed with the court.  
23 The Orders approving the application to employ were entered on October 1, 2012. The  
24 Order granting the extension of exclusivity period to November 1, 2012 was lodged on  
25 October 3, 2012. The operating reports were filed and brought current on October 15,  
26 2012.

27 The Chapter 11 Plan of Reorganization and Disclosure Statement were filed on  
28 November 1, 2012. A stipulation regarding the plan treatment of GMAC for the property  
29 located at 1149 East 11<sup>th</sup> Street, Casa Grande, Arizona was filed on November 30, 2014  
30 and the order approving the stipulation and plan treatment was entered on December 3,  
31 2014. The Court entered its own order to show cause on December 8, 2012 and set for  
32 hearing on January 7, 2013 for failure to set for hearing and mail out notice for hearing  
33 on the disclosure statement. The hearing was subsequently vacated for compliance. The  
34 hearing on the disclosure statement was held on January 7, 2013.

35 Two separate objections to plan confirmation were filed on February 15, 2013.  
36 The first by JPMorgan Chase and the second by the Internal Revenue Service.

37 At the confirmation hearing held on February 20, 2013, it was noted that no  
38 Order Approving the Disclosure Statement had been filed. Mr. Price, attorney for  
39 Debtors, informed the court at the hearing that the order would be uploaded. Mr. Price  
40

1 also informed the court that the Objection by GMAC had been resolved and that the  
2 Arizona Department of Revenue had withdrawn the proof of claim. The confirmation was  
3 continued to April 23, 2013 and instructions for balloting and form of order were given.  
4 The Order approving the Disclosure Statement was entered on March 20, 2013. At the  
5 continued confirmation hearing on April 23, 2013, there was a discussion of the ballots  
6 received and the massive claim filed by the IRS. The Court notes that at that point the  
7 plan did not appear confirmable pursuant to 1129(a)(10). The confirmation hearing was  
8 continued to June 19, 2013, with an amended ballot report to be filed 3 days prior. Prior  
9 to the continued confirmation hearing scheduled for June 19, 2013 the US Trustee filed a  
10 notice of non-compliance for failure to file monthly operating reports and delinquent  
11 trustee's fees owing. The reports and fees were brought current prior to the hearing. At  
12 the continued confirmation hearing on June 19, 2013, Debtors' prior counsel, Mr. Price  
13 asked for a continuance for 60 to 90 days due to the unresolved issues with the IRS and  
14 the claim by Pinal County regarding property taxes that was to be objected to. The IRS  
15 had no objection to the continuance, but had not seen an objection filed to the IRS proof  
16 of claim. Mr. Price requested the Court to determine the taxes. The Court could not make  
17 a determination with nothing pending before the Court. Regarding the confirmation the  
18 Court determined that there was no impaired accepting class at that time. There was not a  
19 confirmable plan and proper notification was not provided. The Plan was denied. The  
20 Court further stated in the minute entry at DE 100 "If you want to file an Amended Plan  
21 and File the Objection the IRS Claim, and we will go forward from there."

22 A Motion for a 2004 exam was filed by Debtors for documents pertaining to the  
23 IRS Claim. The Claim was assessed against the Debtors for the payroll tax liability of  
24 Oasis Pavilion Nursing & Rehab Center, LLC. The Order was entered on August 23,  
25 2013. A Motion to Quash was filed on August 27, 2013 by Tiffany & Bosco, Attorneys  
26 for Oasis Pavilion Nursing and Rehabilitation Center, LLC. Debtors filed their response  
and an Objection to the proposed Order to Quash on September 30, 2014.

A renewed Motion for Stay Relief was filed by JPMorgan Chase on September  
4, 2013 for the property located at 1104 Pinal Avenue, 1106 Pinal Avenue, 316 West  
11th Street, and 318 West 11<sup>th</sup> Street, Casa Grande, Arizona. Debtors filed their response  
on September 30, 2013. The matter was set for preliminary hearing on October 8, 2013.

On October 8, 2013 there was a hearing on 1. Preliminary hearing on Renewed  
Motion for Relief from Stay filed by JPMorgan Chase; 2. Motion to Quash Order  
Granting 2004 Motion filed by Oasis Pavilion Nursing & Rehabilitation Center, LLC.;  
and 3. Expedited Hearing On Debtors' Emergency Motion to Disqualify Counsel Due to a  
Conflict of Interest. As stated in the DE 130 Item 1 - Adequate protection payments were  
and continue to be made. The Court will not Grant Stay Relief and will set a final hearing  
set for December 3, 2013. Item 2- The Motion Quash is denied and the Court instructs the  
parties to work out the discovery issues. Item 3 - Motion to Disqualify has been  
reviewed, the Debtors don't have a direct interest in Oasis. This is a 2004 Order and there  
is no direct litigation between the parties at this time. The Motion to disqualify counsel  
will be denied.



1 A Stipulation for Relief of Automatic Stay and Plan Treatment was filed on  
2 January 9, 2014 for the property located at 1104 Pinal Avenue, 1106 Pinal Avenue, 316  
3 West 11th Street, and 318 West 11<sup>th</sup> Street, Casa Grande, Arizona, and the Order entered  
4 on February 10, 2014.

5 Douglas B. Price through Law Offices of Douglas B. Price, PC filed an  
6 Application for leave to withdraw from Representation with Consent on February 21,  
7 2014. An Application to Employ Allan D. NewDelman, PC was filed on April 8, 2014.  
8 On May 3, 2014, both the Order on the Motion to withdraw from representation (DE 155)  
9 and the Order on the Application to employ (DE 156) were entered.

10 **4. Events after Filing of the Debtors' Amended Disclosure Statement<sup>5</sup>.**

11 On November 11, 2014, the Court entered an Order Granting Motion to Withdraw  
12 Debtors' Amended Disclosure Statement and Amended Plan of Reorganization (Doc 193). The  
13 basis for Debtors' filing of the underlying Motion (Doc 191) was that the IRS, "... indicated that  
14 they do not feel comfortable with the Second [*sic*] Amended Plan of Reorganization" and a  
15 Second Amended Plan would be filed after Debtors negotiated "... acceptable treatment of the  
16 IRS claim."

17 Counsel for Diamond made a very generous offer to the Debtors on about November 11,  
18 2014 in the amount of \$200,000.00 to acquire the Debtors' interests in Oasis and Compassionate.  
19 Debtors rejected the offer even though Diamond's counsel suggested that these funds would be a  
20 significant incentive for the IRS to settle its priority claim and thereby the Debtors' could obtain  
21 their stated desired result of reaching "an acceptable treatment of the IRS claim."

22 **B. ASSETS OF THE ESTATE**

23 **1. DCHN's Value of Assets.**

24 DCHN hired Richard B. Peil, Senior Managing Director of GlassRatner Advisory &  
25 Capital Group, LLC to prepare a Fair Market Value of the Membership Units of Compassionate

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26 <sup>5</sup> These events are either contained in the documents filed on the Court's docket or from communications between  
Debtors' counsel and Diamond's counsel.

1 Patient Care, LLC and Oasis Pavilion, LLC (“Peil Valuation Report”). The Peil Valuation  
2 Report makes the following conclusions as to the fair market value of the entities as of valuation  
3 date of December 31, 2015:

- 4 • The FMV of the Debtors’ 75.0% combined membership interests of Oasis Pavilion, LLC  
5 was **\$0** at the Valuation Date.
- 6 • The FMV of the Debtor’s 47.5% combined membership interests of Compassionate  
7 Patient Care, LLC was **\$0** at the Valuation Date.

8 The Peil Valuation Report relied upon an Appraisal Report prepared by an independent  
9 firm, Sell & Associates, Inc. (“Sell Appraisal Report”). The Peil Valuation Report, in simplest  
10 terms, opines that based on the valuation of the Sell Appraisal Report that the total assets,  
11 including the real estate asset were \$8,649,248 at the valuation date. For the Court’s  
12 information, the Peil Valuation Report determined that the financial debt on the real estate and  
13 other liabilities was \$10,172,115, which exceeded the value of the property and effectively  
14 rendered the Debtors’ ownership interest to \$0 since ownership interest cannot be a negative  
15 number.

16 Any creditor or party in interest who is interested in obtaining a copy of the Peil  
17 Valuation Report and/or the Sell Appraisal Report may contact Chris Kaup by email,  
18 crk@tblaw.com or by telephone, (602) 255-6024, to order a copy.

## 19 **2. Debtors’ Value of Assets.**

20 The assets owned by the Debtors on the Petition Date and the Debtors’ estimate of the  
21 value of those assets at that time are described in the Debtors’ Chapter 11 Schedules and  
22 Statement of Financial Affairs filed with the Clerk of the Bankruptcy Court and any  
23 subsequently filed Amendments thereto.

1 The assets the Debtors own as of the date of this Disclosure Statement and the Debtors'  
2 estimate of the current value of those assets are described in the "Liquidation Analysis" attached  
3 as **Exhibit "3"** to this Disclosure Statement.

4 **C. PRINCIPAL CREDITORS AND NATURE OF THE RIGHTS AND INTERESTS**  
5 **HELD BY SUCH CREDITORS**

6 **1. Pinal County Federal Credit Union.**

7 This creditor holds an Allowed Secured Claim in the amount of \$2,000.00 as of April of  
8 2012 secured by a vehicle owned by the Debtors according to the Debtors' Schedules.

9 **2. Green Tree Servicing, LLC, transferee of GMAC Mortgage, LLC<sup>6</sup>**

10 Green Tree Servicing, LLC holds an Allowed Secured Claim in the amount of  
11 \$144,537.27 secured by a lien on real property owned by the Debtors located at 1149 East 11th  
12 Street, Casa Grande, Arizona.

13 **3. Ocwen Servicing, LLC transferee of GMAC Mortgage, LLC**

14 Ocwen Servicing, LLC holds an Allowed Secured Claim in the amount of \$159,639.86  
15 secured by a lien on real property owned by the Debtors located at 1142 East McMurray, Casa  
16 Grande, Arizona.

17 **4. JP Morgan Chase Bank, Inc.**

18 Lien on Parcels of Real Estate: JPMC holds an Allowed Secured Claim in the  
19 approximate amount of \$260,000.00 secured by a lien on four parcels of real property owned by  
20 the Debtors located at 1106 Pinal Avenue, 1104 Pinal Avenue, 318 East 11<sup>th</sup> Street and 316 West  
21 11<sup>th</sup> Street, Casa Grande, Arizona.

22 **5. The Unsecured Debt.**

23 Diamond believes that the aggregate amount of their general unsecured liabilities, not  
24

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25 <sup>6</sup> Information obtained from Debtors' Amended Disclosure Statement (Doc 177).

1 including ant unsecured portion of the Claims held by secured creditors, is \$384,909.41. A list  
2 of those creditors is located at page 3 of Exhibit “2” to this Disclosure Statement.

3  
4 **D. PROFESSIONALS RETAINED BY THE ESTATE.**

5 During the Case, the Debtors have retained various professionals to assist with the  
6 administration of the Estate. The Bankruptcy Court has already approved the employment of:

7 1. Douglas B. Price of Greeves and Price & Roethler, P.L.C. were initially retained  
8 to serve as counsel for the Debtors and Mr. Price filed the Petition (Doc 1) on April 5, 2012.  
9 The Order (Doc 46) approving such employment was granted on October 1, 2012 On or about  
10 August 3, 2012, Mr. Price update his Court record information showing that he still represented  
11 the Debtors, but at a different law firm, the Law Offices of Douglas B. Price. The Order  
12 Granting the Motion to Withdraw as Attorney filed by Mr. Price was granted on May 3, 2014  
13 (Doc 155).

14 2. Alt Key, PLLC’s employment application to serve as the accountants for the  
15 Debtors was approved by Order (Doc 47) of the Court on October 1, 2012.

16 3. Alan D. NewDelman and the law firm of Allan D. NewDelman, P.C. application  
17 to be employed as counsel for the Debtors was approved by the Court on May 3, 2014, 2014.  
18 (Doc 156).

19 4. This Plan proposes that Mr. Timothy Shaffer, who is a Certified Turnaround  
20 Professional and a Certified Insolvency & Restructuring Advisor employed by Morris &  
21 Anderson and is a resident of Arizona, be appointed as the Liquidating Agent. Diamond has  
22 selected him to be the Liquidating Agent due to his experience in handling such matters and his  
23 general reputation for honesty and fairness. In the event the Debtors or any other person objects  
24 to Mr. Schaffer serving in this capacity, the Court may issue an order selecting another person  
25

1 to serve as Liquidating Agent. The duties of the Liquidating Agent shall only be to set up  
2 and maintain a bank account at a Federally insured banking institution, receive the  
3 Purchase Proceeds from Diamond, pay all creditors entitled to receive a distribution of a  
4 portion of those funds, pursuant to the terms of this Plan, and prepare and file an  
5 accounting of those funds with this Court. The Liquidating Agent shall be paid a flat fee  
6 of \$3,000.00 plus costs for the services referenced above out of the Purchase Proceeds.  
7

8 **E. Plans of Reorganization.**

9 A Chapter 11 Plan of Reorganization Proposed by the Debtors (Doc 61) was filed  
10 on November 1, 2012. Objections to the Plan were filed by JPMorgan Chase Bank (Doc  
11 76) and the Internal Revenue Service (Doc 77). The Plan was not confirmed.

12 An Amended Chapter 11 Plan (Doc 178) was filed by the Debtors on September 4,  
13 2014. A Motion to Withdraw the Amended Disclosure Statement and Amended Plan of  
14 Reorganization (Doc 191) was filed on October 13, 2014 and the Order (Doc 193)  
15 granting the Motion to Withdraw was entered on November 11, 2014.  
16

17 The Debtors filed a Second Amended Chapter 11 Plan of Reorganization on June  
18 29, 2016.

19 **F. Diamond's Relationship To Debtors**  
20  
21  
22  
23  
24  
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1           **1. Background and History**<sup>7</sup>

2           Oasis Pavilion Nursing & Rehabilitation Center is a 134-bed Skilled Nursing  
3 Facility located in Casa Grande, AZ. The facility is a joint venture of two separate  
4 LLC's. The first joint venture company is the operating company, Oasis Pavilion  
5 Nursing & Rehabilitation Center, LLC, which operates the facility and has a lease  
6 arrangement with, the second joint venture company, which owns the real estate,  
7 Diamond Care Casa Grande Ventures, LLC.  
8

9           Attached as **Exhibit "4"** is a chart reflecting the ownership of Oasis Pavilion  
10 Nursing and Rehabilitation Center, LLC, which is owned in part by Compassionate, and  
11 its relationship to DCHN. Attached as **Exhibit "5"** is a chart reflecting the ownership  
12 of Diamond Care Casa Grande Ventures, LLC, which is owned in part by Oasis  
13 Pavilion, LLC.  
14

15           DCHN is owned by Mr. Matthew Meyer, Mr. Joseph Martin, Compassion Care  
16 Management Services, Inc.<sup>8</sup>, whose president is Mr. Harvey Pelovsky, and Health Care  
17 Management Services, LLC, whose principal is Mr. Scott Morin. The same persons also  
18 own Diamond Care Casa Grande Operations, LLC, which is one of the two owners of  
19 Oasis Pavilion Nursing and Rehabilitation Center, LLC.  
20

21  
22 \_\_\_\_\_  
23 <sup>7</sup> The Debtors dispute many of the facts set forth below. Their version of this background is set forth in  
24 their Objection to DCHN's Disclosure Statement which is attached hereto as Exhibit "6". DCHN's  
25 response to the Debtors' description of events is set forth in the summary attached as Exhibit "7" to this  
26 Disclosure Statement.

<sup>8</sup> This is a different company than Compassionate Patient Care, LLC, which is owned in part by  
the Debtors. See Chart at **Exhibit "4"**.

1 In 2008 through 2009, Messrs. Meyers, Morin, Pelovsky and Martin sought to  
2 purchase either existing facilities or real property to construct a skilled nursing facility  
3 in a growing marketplace within Arizona. Casa Grande provided that unique setting,  
4 because the local hospital that operated the only nursing home in the city decided to  
5 close down the nursing home operations. As a result, there were no skilled nursing  
6 facilities in a city of over 45,000 persons. While they were exploring potential  
7 opportunities in Casa Grande, it was discovered that another group, the Debtors and the  
8 Oparas were planning to build a skilled nursing facility in Casa Grande. They had a  
9 purchase agreement on a site and architectural plans in development. The two groups  
10 joined efforts to build what is now Oasis Pavilion Nursing & Rehabilitation Center.  
11

12 The Debtors were local residents with health care experience and knowledge of  
13 the community. They had operated other businesses including a home health agency.  
14 But, they had limited knowledge of nursing home operations, and little or no  
15 construction experience.  
16

17 Messrs. Meyers, Morin, Pelovsky and Martin had many years of experience  
18 operating nursing homes, building and opening new facilities, including obtaining  
19 financing for those types of projects.  
20

21 The Debtors, the Oparas and Messrs. Meyers, Morin, Pelovsky and Martin  
22 worked to bring the full plans to fruition. A key individual in this process was Ken  
23 Opara, who chose an architect and a contractor that had experience working with HUD  
24 and thus was able to get plan approval by the Arizona Department of Health as well as  
25 financing. These crucial steps allowed the Debtors to continue to be a part of the  
26

1 nursing home operations versus just selling the original plans and project to another  
2 company. This was a stated goal of the Oladokuns.

3 DCHN and Oasis Pavilion Nursing and Rehabilitation Center, LLC entered into a  
4 three year Management Agreement. Diamond was awarded the Management  
5 Agreement, in part as consideration for the funds it expended during the construction  
6 process, in addition to its role in completing and opening the facility in August of 2010.

## 8 **2. Conflicts and Controversy**

9 The relationship between the Debtors and Messrs. Meyers, Morin, Pelovsky and  
10 Martin was strained from the beginning. Mrs. Oladokun worked as an independent  
11 nurse practitioner and frequently interfered with the Director of Nursing's decisions and  
12 the performance of their duties. She also made decisions without approval of the  
13 Administrators which lead to conflicting authority for the employees.

14 Both Debtors frequently refused to or greatly delayed complying with updated  
15 requests for their financial statements as required by all members for specific loans and  
16 lenders. Tensions increased between Mrs. Oladokun and the Medical Director of Oasis  
17 Pavilion Nursing and Rehabilitation Center, who was her Supervising Physician  
18 providing oversight in her role of Nurse Practitioner.

19 There have been occasions where Mrs. Oladokun reported complaints against the  
20 facility to the Arizona Department of Health Services. She also assisted several  
21 employees in filing claims of Civil Rights violations. These were all settled at a cost of  
22 over \$200,000 to the facility.  
23  
24  
25  
26



1 DCHN has made several offers to the Oladokuns to sell their membership  
2 interests in Oasis Pavilion and Compassionate, but they have never responded to these  
3 offers. In the fall of 2014 Mrs. Oladokun told Diamond at a meeting of the Board of  
4 Managers that she did not want to continue to work with DCHN and she knew that  
5 Diamond no longer wanted to work with her and Joseph anymore either and the parties  
6 should separate.  
7

### 8 **3. Board of Managers**

9 A Board of Managers governs Oasis Pavilion Nursing and Rehabilitation Center  
10 with two members from Compassionate and two members from Diamond Care Casa  
11 Grande Operations, LLC. Both Debtors originally served on the Board. However,  
12 Mrs. Oladokun resigned from the Board in early 2012 and Rosemary Opara was  
13 appointed in June 2012 as the new member from Compassionate. This Board of  
14 Managers serves as the Governing Board to oversee the facility and approve items as  
15 presented by the Administration. This Board of Managers meets monthly.  
16

17 Both Diamond Care Casa Grande Operations, LLC and Compassionate have a  
18 member employed as part of the Administration Team.  
19

20 This structure ensures that both owners, Diamond Care Casa Grande Operations,  
21 LLC and Compassionate, and their respective members are knowledgeable about the  
22 operations of the facility.

### 23 **4. Financial Challenges**

24 Due to substantial delays in the facility opening all reserve funds were depleted  
25 and after the facility opened in 2010 the Pinal County Health Services placed the facility  
26

1 on “bed-hold” due to care issues with residents and other concerns. These were all  
2 corrected and new patients were admitted, but this delay greatly harmed the facility’s  
3 cash flow.

4 Even though census increased, billing and collections fell short of the increased  
5 cash needs. In 2010 and 2011 the facility was unable to pay all of the payroll related  
6 taxes.

7  
8 This concern was addressed directly by the Board of Managers at the monthly  
9 meetings. The Board of Managers approved a resolution that all individual members  
10 would be indemnified for any Oasis Pavilion IRS taxes. Beginning in 2012 and through  
11 today, the facility has remained current paying its payroll related taxes. Currently,  
12 installment payments to the IRS have been approved by the IRS and since August 2013  
13 monthly payments are being made towards the delinquent taxes. To the best of the  
14 knowledge of the principals of DCHN, the only persons that have entered into  
15 agreements with the IRS or who have had tax refunds taken by the IRS in connection  
16 with this tax liability are: Scott E. Morin and Kenneth Opara. The current financial  
17 trends for the facility have improved greatly.  
18

19  
20 **ARTICLE VII**

21 **(LEASES AND EXECUTORY CONTRACTS & DEADLINE FOR**  
22 **FILING PROOFS OF CLAIM ARISING FROM REJECTION OF**  
23 **SUCH AGREEMENTS)**

24 In accordance with 11 U.S.C. § 365, any leases, executory contracts or licenses  
25 related to Oasis and Compassionate to which the Debtors may have been a party will be  
26 assumed and assigned to Diamond. If there are any other leases or executory contracts,

1 the Debtors shall have the right to assume any such agreements by the filing of a notice  
2 with the Bankruptcy Court at any time prior to confirmation of the Plan. Any leases or  
3 contracts not assumed by this Plan or by the Debtors in the manner provided herein shall  
4 be deemed to have been rejected.

5 Any person or entity asserting any injury by such rejection shall be deemed to hold  
6 an unsecured claim against the Debtors to the extent allowed by the Court, and, pursuant  
7 to Order of the Court, **must file a proof of claim for any damages resulting therefrom**  
8 **on or before the date that is 30 days after the date of the entry of the Confirmation**  
9 **Order, or be forever barred from asserting any claim.**

#### 11 **ARTICLE VIII - (DEBTORS' OBJECTION TO DIAMOND CARE HEALTH 12 NETWORK'S DISCLOSURE STATEMENT)**

13 The Debtors filed an Objection to Diamond's Disclosure Statement in support of  
14 its First Amended Plan in which they disputed certain of the statements in that earlier  
15 version of the Disclosure Statement. That Objection is attached hereto as Exhibit "6".  
16 DCHN's Summary of Responses to the Debtor's Factual Assertions which sets forth its  
17 position on the Debtors' allegations is attached hereto as Exhibit "7".

#### 18 **ARTICLE IX (SUMMARY OF MATERIAL PLAN PROVISIONS)**

19 This part of the Disclosure Statement summarizes the provisions of the Plan. The  
20 Plan, after it has been confirmed, will constitute a contract between the Debtors and its  
21 creditors and stockholders. This Disclosure Statement does not constitute such a  
22 contract. Therefore, if any discrepancies exist between the Plan and the following  
23 summary of the Plan, the Plan will control. It is, thus, advisable, as mentioned above, to  
24

1 review the Plan carefully for the full details of the treatment of creditors and Equity  
2 Interest Holders.

3 CREDITORS AND EQUITY INTEREST HOLDERS ARE URGED TO READ  
4 THE PLAN IN FULL. CREDITORS AND EQUITY INTEREST HOLDERS ARE  
5 FURTHER URGED TO CONSULT WITH THEIR OWN LEGAL COUNSEL TO  
6 OBTAIN A COMPLETE UNDERSTANDING OF THE PLAN.  
7

8 **A. OBJECTIVE OF THE REORGANIZATION**

9 If Debtors' assets were liquidated in a case under Chapter 7 of the Bankruptcy  
10 Code, Debtor's creditors holding General Unsecured Claims would receive very little.  
11 The Debtors' Schedules reflect that their assets have little equity in excess of the amount  
12 of liens which encumber them and the aggregate value of applicable exemptions.  
13 Diamond has obtained an appraisal report of Oasis Pavilion Nursing & Rehabilitation Center,  
14 including both the real estate and \$700,000 in TIPP value (tangible and intangible personal  
15 property including FF&E and goodwill of the facility)("Property"). Although the appraisal  
16 opines that the value of the Property is \$8,700,000, the aggregate amount of debt owed on this  
17 Property exceeds the current value of the Property. Anyone who is interested in obtaining a copy  
18 of the appraisal may contact Chris Kaup by email, [crk@tblaw.com](mailto:crk@tblaw.com) or by telephone, (602) 255-  
19 6024, to order a copy. On the date to be set as the Hearing on confirmation of Diamond's  
20 Plan, the Court will conduct the Auction of the Debtors' membership interests in Oasis<sup>9</sup>  
21 and Compassionate<sup>10</sup> and all claims or causes of action against Martin, Meyer, Morin,  
22

---

23 <sup>9</sup> The Debtors assert in their Schedules that they own 100% of the Membership Interests in Oasis and  
24 the value of those interests is zero. Diamond believes the Debtors own only 75% of Oasis.

25 <sup>10</sup> The Debtors assert in their Schedules that they own 50% of the Membership Interests in  
26 Compassionate and the value of those interests is zero. Diamond believes the Debtors own only 47.5% of  
Compassionate.

1 Opara and any persons affiliated with them<sup>11</sup>. Diamond shall make an opening bid of  
2 \$600,000.00 at the Auction<sup>12</sup> even though its principals believe the value of those assets  
3 is substantially lower than that amount. Bidding shall be in increments of \$5,000.00.  
4 The Court shall designate a prevailing bid and a backup bid. The prevailing bidder must  
5 close the purchase prior to the Close Date. Thereafter, the backup bidder shall have the  
6 right to close on the transaction. The Liquidating Agent will receive the Purchase  
7 Proceeds and disburse them to creditors pursuant to the terms of the Plan. Thereafter, the  
8 Debtors will retain ownership of the remainder of their property and pay creditors in  
9 accordance with the terms of the Plan. As a result, it is clear that the sale of the Debtors'  
10 interests in Oasis and Compassionate through this Plan and the restructuring and payment  
11 of the Debtors' obligations pursuant to the terms of the Plan will result in a much higher  
12 payout to creditors than they would otherwise receive through liquidation under a  
13 Chapter 7. As part of the opening bid, if DCHN's Plan is confirmed, unsecured creditors  
14 will be **paid in full with accrued interest at the rate of 3.5% per annum** from April of  
15 2012 when this case was filed through the date the Plan is confirmed, currently calculated  
16 as \$61,601.90. Those payments will be made on the Effective Date. That is a much  
17 better deal for unsecured creditors than the Debtors propose in their Second Amended  
18 Chapter 11 Plan which provides for payments over seven years with no interest to  
19 unsecured creditors. Hence, the unsecured creditors are certain to receive more money  
20 much more quickly than under the Debtors' alternative.

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21  
22  
23 <sup>11</sup> The Debtors have not disclosed the existence of any claims against any of those persons in their  
24 Schedules or their Disclosure Statement for their now withdrawn Chapter 11 Plan. Diamond believes that  
25 neither the Debtors nor the Estate have any such claims. However, in order to ensure these persons will  
26 be free from litigation by the Debtors in the future, Diamond is willing to pay to acquire any such claims  
if and to the extent they do exist.

<sup>12</sup> Diamond is willing to purchase the membership interests of Oasis and Compassionate  
because its principals also own interests in those entities.

1 **C. POSTCONFIRMATION OPERATIONS.**

2 **1. Generally**

3 Upon the Effective Date, all related real and personal property of the Estate will  
4 be transferred to and owned by the Reorganized Debtors, except the Debtors' interests  
5 in Compassionate and Oasis, including all leases, licenses and contracts related to those  
6 entities, which will be transferred to the prevailing bidder at the Auction. All of the  
7 assets transferred to the Reorganized Debtors will remain subject to the liens of PCFCU,  
8 Green Tree and Ocwen. The Reorganized Debtors shall have the option to pay these  
9 creditors, pursuant to the terms of the Plan, or surrender the property (if they have not  
10 done so already prior to the date of confirmation) serving as that creditor's collateral.  
11 The Debtors also will have the right to prosecute any claims and causes of action owned  
12 by them or the Estate other than claims transferred to Diamond.  
13  
14

15 On the Effective Date, the prevailing bidder (or the back-up bidder if the  
16 prevailing bidder fails to close on the sale prior to the Closing Date) at the Auction will  
17 tender a check in the amount of the prevailing bid or the back-up bid, as the case may  
18 be, for all of the membership interests in Oasis and Compassionate as well as all claims  
19 and causes of action against Martin, Meyer, Morin and Opara and all persons or entities  
20 affiliated with them held by the Debtors to the Liquidating Agent. In exchange, the  
21 Liquidating Agent shall deliver to that person an executed Assignment transferring all  
22 Membership Interests of Oasis and Compassionate previously owned by the Debtors  
23 and all claims and causes of action against Martin, Meyer, Morin and Opara and all  
24 persons or entities affiliated with them, which were held by the Debtors. Thereafter the  
25  
26

1 Reorganized Debtors will be solely responsible for any and all further disbursements  
2 under the Plan. The Reorganized Debtors will continue to fully implement the Plan.

### 3 **2. The Liquidating Agent**

4 Mr. Timothy Shaffer shall be the Liquidating Agent. He is a Certified Turnaround  
5 Professional and a Certified Insolvency & Restructuring Advisor employed by Morris &  
6 Anderson and is a resident of Arizona. Diamond has selected him to be the Liquidating  
7 Agent due to his experience in handling such matters and his general reputation for  
8 honesty and fairness. In the event the Debtors or any other person objects to Mr. Schaffer  
9 serving in this capacity, the Court may issue an order selecting another person to serve as  
10 Liquidating Agent.

11 The duties of the Liquidating Agent shall only be to (i) set up and maintain a bank  
12 account at a Federally insured banking institution, (ii) receive the Purchase Proceeds from  
13 Diamond, (iii) pay all creditors entitled to receive a distribution of a portion of those  
14 funds, pursuant to the terms of this Plan, and (iv) prepare and file an accounting of those  
15 funds with this Court.

16 It is expected that the Purchase Proceeds received by Mr. Schaffer will be  
17 sufficient to pay all allowed administrative claims, his flat fee, banking costs and all of  
18 the IRS claims. If any of the Purchase Proceeds still remain, Mr. Schaffer will disburse  
19 them in furtherance of the terms of the Plan. Mr. Schaffer will be released from his duties  
20 as Liquidating Trustee upon the filing of Accounting Report for the Purchase Proceeds  
21 with the Court. The Liquidating Agent shall be paid a flat fee of \$3,000.00 plus costs for  
22 the services referenced above out of the Purchase Proceeds.

1           **3. Debtors' Means of Execution**

2           The Purchase Price shall be paid to the above referenced creditors in accordance  
3 with the priorities set forth in the Code and as provided in the Plan. In addition, the  
4 Debtors shall pay the amounts required by the Plan to the creditors in Classes 3, 4 and 5,  
5 on the dates set forth in the Plan. Make all other payments to creditors required by the  
6 terms of the Plan.

7  
8           **4. Anticipated Postconfirmation Litigation**

9           Diamond is not aware of any possible postconfirmation litigation. The time period  
10 for the Debtors to file any actions to avoid any prepetition transfers under Sections 547 or  
11 548 of the Code has expired without the Debtors' having filed any such complaints. As a  
12 result, DCHN believes **the value which may be obtained from attempting to avoid**  
13 **prepetition transfers is zero.** However, if the Debtors or the Bankruptcy Estate have  
14 any claims or causes of action, except any actions against Diamond, Martin, Meyer,  
15 Morin, Opara and any persons affiliated with them, the Reorganized Debtor will file  
16 those actions within any applicable statutes of limitation. Any recovery from those  
17 actions will be paid to the creditors in accordance with the priorities set forth in the Code  
18 and this Plan.

19  
20  
21           **E. DEFINITION AND TREATMENT OF CLAIMS**

22           **1. Overview of Classification and Impairment of Claims and Interests**

23           The Bankruptcy Code requires that a Chapter 11 plan divide the different claims  
24 against, and equity interests in, a debtor into separate classes based upon their legal  
25



1 nature. Claims of a substantially similar legal nature are usually classified together, as  
2 are equity interests of a substantially similar legal nature.

3 Under Bankruptcy Code Section 1124, a class of claims is “impaired” unless the  
4 plan (i) leaves unaltered the legal, equitable, and contractual rights of the holders of  
5 claims in the class; or (ii) cures all defaults (other than those arising from the Debtors’  
6 insolvency, the commencement of the case, or nonperformance of a non-monetary  
7 obligation) that occurred before or after the commencement of the case, reinstates the  
8 maturity of the claims in the class, compensates the holder for their actual damages  
9 incurred as a result of their reasonable reliance on any acceleration rights, and does not  
10 otherwise alter their legal, equitable, and contractual rights. Except for any right to  
11 accelerate the Debtors’ obligations, the holder of an unimpaired claim will be placed in  
12 the position it would have been if the case had not been commenced.  
13  
14  
15

16 A Chapter 11 plan must designate each separate class of claims and equity  
17 interests either as “impaired” (affected by the plan) or “unimpaired” (unaffected by the  
18 plan). If a class of claims is “impaired”, under the Bankruptcy Code the holders of  
19 claims in that class are entitled to vote on the plan (unless the plan provided for no  
20 distribution to the class, in which case the class is deemed to reject the plan), and to the  
21 right to receive, under the plan, property with a value at least equal to the value that the  
22 holder would receive if the debtor were liquidated under Chapter 7 of the Bankruptcy  
23  
24  
25  
26

Code. If a class of claims is unimpaired, the holders of claims in that class are deemed to accept the plan.

CLASS	DESCRIPTION	IMPAIRED	VOTING STATUS
None	Allowed Administrative Claims, Priority Claims, and Priority Tax Claims	N/A	Not Entitled To Vote
Class 1	Secured Claim of the IRS	NO	Not Entitled To Vote Conclusively Presumed to Have Accepted
Class 2	Secured Claim of PCFCU	NO	Not Entitled To Vote Conclusively Presumed to Have Accepted
Class 3	Secured Claim of Green Tree Servicing, LLC	YES	Entitled To Vote
Class 4	Secured Claim of Ocwen Servicing, LLC	NO	Not Entitled To Vote Conclusively Presumed to Have Accepted.
Class 5	Secured Claim of JPMC	YES	Entitled to Vote
Class 6	General Unsecured Claims	NO	Not Entitled To Vote. Conclusively Presumed to Have Accepted
Class 7	Debtors	YES	Entitled to Vote

**NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM.**

1 The treatment of each creditor set forth in this Plan is in full and complete  
2 satisfaction of the legal, contractual, and equitable rights (including any liens) that each  
3 entity holding a Claim or an Interest may have in or against the Debtor, the Estate, or their  
4 respective property. This treatment supersedes and replaces any agreements those entities  
5 may have in or against the Debtor, the Estate, or their respective property.

6 **B. AMOUNTS OF CLAIMS AND INTERESTS.**

7 Because certain of the Claims and Interests treated under this Plan are in unknown  
8 or undetermined amounts, the amounts of Claims and Interests specified in the Plan  
9 reflect only The Debtor's best estimate as of the date hereof.

10 1. Classification and Treatment of Claims and Interests under the Plan.

11 The treatment of Claims and Interest in the Plan is in full and complete satisfaction  
12 of the legal, contractual, and equitable rights (including any liens) that each entity holding  
13 an Allowed Claim or an Allowed Interest may have in or against the Debtor, the Estates,  
14 or their respective property. This treatment supersedes and replaces any agreements or  
15 rights those entities may have in or against the Debtor, the Estates, or their respective  
16 property.

17 a) Unclassified Claims – Under the Plan, Allowed  
18 Administrative Claims as of the Effective Date of the Plan constitute unclassified claims  
19 and shall be treated as set forth below:

20 (i) Allowed Administrative Claims - The holders of  
21 Allowed Administrative Claims against the Debtor (excluding claims described in 11  
22 U.S.C. § 507(a)(8)) shall be paid the full amount of their Allowed Administrative Claims  
23 out of the Purchase Proceeds, within five business days of the Effective Date or upon the  
24 expiration of the appeal period for any Order Allowing such Claim, whichever is later, or  
25 at such other times as may be mutually agreed upon by Diamond and such claimants.

1 Diamond is informed and, therefore, believes that the Law Firm of Douglas B. Price is  
2 owed \$11,902.60. Diamond understands that the aggregate amount fees and costs which  
3 are due to Debtor's current counsel, Allan NewDelman, as of August 31, 2016 is  
4 \$83,124.73. As a result, Mr. NewDelman will be paid the entire amount of his Allowed  
5 Administrative Claim, out of the Purchase Proceeds less the amount held in trust by him  
6 on the Effective Date. Diamond also understands that the accounting firm of AltKey is  
7 presently owed \$45,895.23 as of the end of August, 2016. No amounts will be paid to  
8 any such persons unless and until his, her or its Claim becomes an Allowed Claim. Any  
9 person holding a Claim which arose after the filing of the bankruptcy petition which he,  
10 she or it believes is entitled to administrative priority shall file an appropriate application  
11 prior to the Confirmation Hearing.

12 (ii) Allowed Priority Tax Claims – The IRS, which is the only holder of a  
13 priority tax claim, holds an Allowed Priority Claim in the amount of \$0.00.<sup>13</sup> The IRS  
14 shall receive full payment of such claim from the Purchase Proceeds on the Effective  
15 Date.

16 The payment shall be made to the Internal Revenue Service and sent to:

17 Paul Lopez  
18 Internal Revenue Service  
19 4041 N. Central Ave. M/SMS5014  
20 Phoenix, AZ 85012-5000

21 (iii) Classified Claims - Under the Plan, Allowed Secured Claims, Allowed  
22 Priority Claims, Allowed Unsecured Claims, constitute classified claims which are placed  
23

24  
25 <sup>13</sup> See Exhibit "2" footnotes 7 and 9 for an explanation of the IRS' Amended Proof of Claim 12-8 and 12-13

1 into the respective classes in the table set forth above. The Claims in above-described  
2 classes are treated under the Plan as follows:

3 Class 1: This Class consists of the Internal Revenue Service's Allowed Secured  
4 Claim in the amount of \$18,406.00. On the Effective Date the IRS will be entitled to  
5 apply the \$18,406.00 in its possession to this Allowed Secured Claim.<sup>14</sup>

6 Class 2: PCFCU held a Claim in the amount of approximately \$2,000.00 as of  
7 April of 2012 secured by a 2003 GMC Sierra owned by the Debtors according to the  
8 Debtors' Schedules. Diamond understands that this debt has been paid in full.

9 Class 3: This Class shall consist of the Allowed Secured Claim of Green Tree  
10 Servicing, LLC in the amount of \$144,537.27 secured by a lien on real property owned by  
11 the Debtors located at 1149 East 11th Street, Casa Grande, Arizona. Green Tree will be  
12 paid the full amount of its Claim plus interest at the contract rate of 6.625% *per annum* by  
13 regular equal monthly payments of principal and interest in the amount of \$998.89 plus  
14 regular monthly escrow payments (an aggregate monthly payment of \$1,150.43 per page  
15 6 of the Proof of Claim filed on June 8, 2012) over the remaining term of its Note.

16 In the event of any future default on any of the above-described provision,  
17 inclusive of the Stipulation between the Debtors and Green Tree, Green Tree shall  
18 provide written notice via first class mail to Joseph A. Oladokun and Florence A.  
19 Oladokun at 1142 E. McMurray Blvd., Casa Grande, AZ 85122 and Debtors'  
20 attorney of record Allan D. NewDelman, P.C. at 80 E. Columbus Ave., Phoenix, AZ  
21 85282 indicating the nature of default. If Debtors fail to cure the default with certified  
22 funds after the passage of thirty calendar days from the date said written notice is  
23 placed in the mail, then the Automatic Stay shall terminate and Green Tree may

24 \_\_\_\_\_  
25 <sup>14</sup> Amended Proof of Claim 12-13 shows the IRS is in possession of \$18,406.00.

1 proceed to foreclose its security interest in the property under the terms of the Note  
2 and Deed of Trust and pursuant to applicable state law and thereafter commence any  
3 action necessary to obtain complete possession of the Property without further notice,  
4 order or proceeding of this Court. The acceptance of Green Tree of a late or partial  
5 payment shall not act as a waiver of Green Tree's right to proceed hereunder.

6 In the event the Debtors default on the terms of the Plan and Green Tree  
7 forwards a 30-day letter to Debtors, they shall be required to tender \$100.00 for each  
8 default letter submitted in order to cure the default. At the request of Green Tree, the  
9 Debtors shall execute such documents and instrument as are necessary to reflect the  
10 Debtors as the borrowers of the secured claim, and to modify the terms of the obligation  
11 to conform to the provisions of the Stipulation.

12 Diamond incorporates herein any additional obligations of the Debtors under that  
13 certain Stipulation Regarding Treatment of Claim Under Debtors' Proposed Chapter 11  
14 Plan of Reorganization between the Debtors and GMAC Mortgage, LLC filed on  
15 November 30, 2012 (Dkt No. 65). Green Tree agreed that the Stipulation  
16 constituted an accepting ballot in favor of the Debtor's Chapter 11 Plan pending  
17 at that time which has been withdrawn. The Stipulation does not provide that  
18 Green Tree is prohibited from voting to accept any other Chapter 11 Plan  
19 including DCHN's Plan.  
20

21 Except as otherwise provided in this Plan, Green Tree shall retain its lien on its  
22 collateral.

23 Class 4: This Class shall consist of the Allowed Secured Claim of Ocwen  
24 Servicing, LLC in the amount of \$159,639.86 secured by a lien on real property, a  
25 residence, owned and occupied by the Debtors located at 1142 East McMurray, Casa  
26

1 Grande, Arizona. Ocwen will be paid the full amount of its Claim plus interest at the rate  
2 of 6.25% *per annum* by regular equal monthly payments of principal and interest in the  
3 amount of \$1,272.58 plus regular escrow payments (\$216.14 as of April 13, 2012) over  
4 the remaining terms of its Note.

5 Except as otherwise provided in this Plan, Ocwen shall retain its lien on its  
6 collateral.

7 Class 5: This Class shall consist of the Allowed Secured Claim of JPMC in the  
8 amount of approximately \$260,000.00 secured by a lien on four parcels of real property  
9 owned by the Debtors located at 1106 Pinal Avenue, 1104 Pinal Avenue, 318 East 11<sup>th</sup>  
10 Street and 316 West 11<sup>th</sup> Street, Casa Grande, Arizona. This Claim shall be paid in full,  
11 pursuant to the terms of the Stipulation Regarding Relief From Automatic Stay and Plan  
12 Treatment between the Debtors and JPMC (Dkt 134), by regular equal monthly payments  
13 of principal and interest at 5.25% *per annum* over the remaining terms of its Note in the  
14 following manner: the Debtors shall continue to make monthly payments in the amount of  
15 \$2,200.00 per month on the first day of each month until December 1, 2018 with a final  
16 balloon payment of all additional and accrued principal and interest on December 1, 2018.  
17 In the event the Debtors fail to make any payment as required by the terms of this Plan or  
18 the Stipulation, JPMC shall provide written notice to the Debtors. If the Debtors fail to  
19 cure that default by tendering a payment in the full amount of the arrearages with certified  
20 funds after the passage of fourteen calendar days from the date the written notice is sent  
21 to the Debtors, JPMC may exercise any and all of its remedies under the Note, the Deed  
22 of Trust and applicable state law, as those rights may be modified by the Stipulation and  
23 this Plan.

24 Except as otherwise provided in this Plan, JPMC shall retain its lien on its  
25 collateral

1            Class 6: This Class shall consist of the Allowed Unsecured Claims of creditors  
2 who have filed timely proofs of claim or were scheduled as holding Claims which are  
3 undisputed, noncontingent and liquidated. Each holder of an Allowed Claim in Class 6  
4 will be paid in **full, plus all interest which accrued at 3.5% per annum since the date**  
5 **the Debtors filed for bankruptcy in April 5, 2012,** on the Effective Date from the  
6 Purchase Proceeds.

7            Class 7: This class shall consist of the interests of the Debtors. The Debtors shall  
8 retain all of the legal and equitable interest in assets of this estate except for the assets  
9 which will be transferred to the prevailing bidder or the back-up bidder, as the case may  
10 be, at the Auction on the Effective Date. All estate property, except for the assets to be  
11 transferred to the prevailing or back up bidder, as the case may be, shall vest in the  
12 Debtors on the Effective Date.

13            **2.        Amounts of Claims and Interest.**

14            Because certain of the Claims and Interests treated under the Plan are in unknown  
15 or undetermined amounts, the amounts of Claims and Interests specified in the Plan  
16 reflect only the Diamond's best estimate as of the date hereof.

17            **3.        Disputed Classified Claims.**

18            Diamond or the Reorganized Debtors may file on or before thirty (30) days from  
19 the Effective Date of the Plan (a) an objection to any Claim, (b) a motion to determine the  
20 extent, priority, or amount of any secured or other claim, or (c) a complaint to determine  
21 the validity, priority or extent of any lien or other interest in property of the Debtors'  
22 Estate. Copies of responsive pleadings to all such objections, motions, or complaints  
23 must be served upon the Debtors' attorneys, Allan NewDelman, 80 East Columbus  
24 Avenue Phoenix, Arizona 85012.



1           Where objections are made to any claim or to any motions or proceedings filed in  
2 regard to any lien, claim, or privilege, any payments or distributions of securities that are  
3 due in accordance with the Plan shall be held in trust by either the Liquidating Agent or  
4 the Reorganized Debtors, subject to the Bankruptcy Court's jurisdiction, in an interest-  
5 bearing or escrow account or accounts in Phoenix, Arizona, which account or accounts  
6 shall be federally insured (in the event of a distribution of a cash payment) and  
7 segregated unless otherwise stated herein or, in the alternative, one or more of the  
8 following will be provided: (a) a letter of credit or other bond; or (b) certificates of  
9 deposit or other security satisfactory to the Court to assure the payment of the claim.  
10

11           Within thirty (30) days after entry of a non-appealable Final Order resolving any  
12 disputed claim, lien or privilege, payment, including accrued interest, or securities shall  
13 be distributed to the claimant (subject to the terms of the Plan) or any other entity entitled  
14 to distribution in accordance with the Bankruptcy Court's order.  
15

#### 16           **4. Penalty Claims.**

17           No creditor, whether secured, unsecured, priority, or nonpriority, shall be entitled  
18 to any fine, penalty, exemplary or punitive damages, late charges, default interest, or any  
19 other monetary charge relating to or arising from any act or omission by the Debtors, and  
20 any claim for such sums shall be deemed disallowed, whether or not a specific objection  
21 to the allowance of such sums is filed. Creditors with Allowed Secured Claims shall be  
22 entitled to reasonable attorneys' fees and interest at a non-default rate, subject to the  
23 limitations of Section 506 of the Bankruptcy Code.  
24  
25  
26

1 **F. GENERAL PROVISIONS CONCERNING THE CONSEQUENCES OF**  
2 **CONFIRMATION**

3 **1. Postconfirmation Business Operations.**

4 Postconfirmation Business Operations are discussed in Article VIII.C.

5 **2. Ownership of the Debtors' Assets.**

6 As of the Effective Date of the Plan and payment of the Purchase Proceeds by the  
7 prevailing or back-up bidder from the Auction, the membership interests in Oasis and  
8 Compassionate, any leases, licenses and executory contracts related to those entities, and  
9 all claims or causes of action against Martin, Meyer, Morin, Opara and any persons  
10 affiliated with them owned by the Estate, shall be transferred to and owned by that person  
11 free and clear of all claims and encumbrances including and rights and interests of the  
12 Debtors. All other property belonging to the Debtors or the Estate as well as all other  
13 leases and executory contracts not transferred or assigned to Diamond or rejected under  
14 the terms of this Plan shall be deemed to be owned by the Debtors as the Reorganized  
15 Debtors. In addition, except as otherwise provided in the Plan or the Confirmation Order,  
16 entry of the Confirmation Order shall vest in the prevailing bidder or back-up bidder from  
17 the Auction, as of the Effective Date, the membership interests in Oasis and  
18 Compassionate, any leases, licenses and executory contracts related to those entities, and  
19 all claims or causes of action against Martin, Meyer, Morin, Opara and any persons  
20 affiliated with them acquired pursuant to this Plan and shall vest in the Debtors all other  
21 assets of the Estate. Upon such transfer, he, she or it shall own all such property free and  
22 clear of all liens, claims and interests of any person or entity, except as specifically  
23 provided in the Plan or the Order Confirming the Plan.  
24  
25  
26

1                   **3. Continuation and Termination of Security Interests**

2                   To the extent provided in the Plan or in the Confirmation Order, all creditors  
3 possessing Allowed Secured Claims shall retain their liens on any of their collateral the  
4 Reorganized Debtors acquire to secure payment of all cash or other property to be  
5 distributed to them pursuant to the terms of the Plan. Such liens on the Reorganized  
6 Debtors' property shall be deemed relinquished and reconveyed to the Reorganized  
7 Debtors upon the payment to the holders of such liens of all money, property or securities  
8 due them in satisfaction of their allowed, secured claims pursuant to the terms of the  
9 Plan. Unless otherwise specifically provided in the Plan or the Confirmation Order, any  
10 creditor asserting a Secured Claim shall not retain a lien on their Collateral to be acquired  
11 by the Reorganized Debtors.  
12

13                   Moreover, once any lien is deemed relinquished and reconveyed to the  
14 Reorganized Debtors pursuant to the terms of the Plan, the creditor who had claimed such  
15 lien shall immediately deliver to the Reorganized Debtors all documents, properly signed  
16 and notarized, needed to document the release of the lien according to any applicable  
17 state or federal law. If the required documentation is not supplied **within one (1) week**  
18 after demand therefor has been made, the Reorganized Debtors may act as the attorney in  
19 fact for that creditor, as set forth above, to execute and record such documents on behalf  
20 of that creditor or seek an order from the Bankruptcy Court enforcing the lien release  
21 provisions of the Plan or entry of an order declaring the lien to be released or void.  
22  
23  
24  
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1 Except as stated previously herein, all security interests and liens of any kind in  
2 any Property the Reorganized Debtors acquire under the Plan shall terminate and shall be  
3 deemed to have terminated and been released upon the Effective Date of the Plan.

#### 4 **4. Retained Right to Enforce Causes of Action**

5 Nothing contained in this Disclosure Statement or the Plan shall prevent the  
6 Debtors from enforcing any causes of action they may possess prior to Confirmation of  
7 the Plan or the Reorganized Debtors from enforcing any cause of action, including any  
8 avoidance actions that may exist by operation of 11 U.S.C. §§ 542 through 551, and they  
9 acquire as the result of Confirmation of the Plan. DCHN believes that all such causes of  
10 action arising under the Code are time barred and of no value.

#### 12 **5. Insurance**

13 The Reorganized Debtors shall maintain insurance on their tangible personal and  
14 real property in an amount not less than the fair market value of that property and shall  
15 keep its property in good repair, reasonable wear and tear excepted.

#### 17 **6. Satisfaction of Claims and Interests**

18 All classes of allowed claims and allowed interests shall receive the distributions  
19 set forth herein on account of and in complete satisfaction of those allowed claims and  
20 interests. Without limiting the foregoing, upon the Effective Date of the Plan, each  
21 holder (and each successor of a holder) of a Claim or an Interest shall be deemed to have  
22 waived, relinquished and released any and all of its rights and claims against the Debtors  
23 and the Reorganized Debtors and any and all liens in or against its Collateral in exchange  
24

1 for the consideration provided by the Plan,, except as provided in the Plan or the Order  
2 Confirming the Plan.

### 3 **7. Binding Nature of the Plan**

4 Upon the entry of the Order Confirming the Plan, the Plan shall bind the Debtors,  
5 the Reorganized Debtors, all entities that are to acquire any property under the Plan, all  
6 creditors, and all equity security holders, whether or not their claims and interests are  
7 impaired under the Plan and whether or not they have accepted the Plan, as determined  
8 by § 1141(a) of the Bankruptcy Code.  
9

10 This means, in part, that, except as provided by an express order of the Bankruptcy  
11 Court or pursuant to the terms of the Plan or the Order Confirming the Plan, all judicial,  
12 administrative or other actions or proceedings pending against the Debtors, the assets  
13 transferred to Diamond or arising out of claims accrued prior to the confirmation of the  
14 Plan shall be permanently enjoined. Certain other claims shall be deemed released and  
15 other acts and actions as further specified in the Plan shall be enjoined.  
16

### 17 **8. Termination of the Automatic Stay and Discharge**

18 The automatic stay imposed by 11 U.S.C. §362(a) shall remain in effect against the  
19 debtor until the earliest of (a) the final (not administrative) closing of the case; (b) the  
20 dismissal of the case; or (3) the time that a discharge is granted or denied in this Chapter  
21 11 case. Except as provided in this Plan, upon the completion of all payments required  
22 by the Plan an order granting discharge will be entered by the Court discharging and  
23 releasing, all Claims against the Debtors, regardless of whether or not (1) a proof of  
24 Claim has been filed or is or was deemed filed, (2) such Claim was listed on any of the  
25 Debtor' Schedules, (3) such Claim was Allowed, or (4) the holder of such Claim has  
26

1 voted to accept or reject this Plan, shall be, and shall be deemed to be, discharged,  
2 released and terminated<sup>15</sup>, and all holders of Claims shall be precluded and enjoined from  
3 asserting against the Debtors, the Estate, the Reorganized Debtors, Diamond or any of  
4 their assets or properties, any other or further Claim based upon any act or omission,  
5 transaction, or other activity of any kind or nature that occurred prior to the Effective  
6 Date, whether or not such holder has filed a Proof of Claim. Upon the date the Debtors  
7 complete payment of all amounts to all creditors as provided by this Plan, an order  
8 granting discharge will be entered by the Court and, all such creditors shall be forever  
9 precluded and enjoined, pursuant to 11 U.S.C. §524, from prosecuting or asserting any  
10 such discharged Claim against Debtor, the Estate the Reorganized Debtor, Diamond or  
11 any of their Property. Furthermore, any person who has contractually agreed to release  
12 any Claims against the Debtor and any liens or interests in any Collateral shall be deemed  
13 to have released any such Claims and liens or interests in any such Collateral upon the  
14 entry of such an order.

15 **ARTICLE X - (FINANCIAL INFORMATION)**

16 The financial information contained in this Disclosure Statement is based upon a  
17 variety of sources, documents, estimates and assumptions which were prepared by  
18 Debtors and/or persons working for Debtors, not DCHN, and Diamond has not verified  
19 or tested the accuracy of that information. Assuming that information was reasonable at  
20 the time the materials were prepared, the information may not prove to have been correct  
21 or accurate over time and are inherently subject to significant business, economic,  
22 competitive uncertainties and contingencies, many of which are beyond the control of  
23  
24

---

25 <sup>15</sup> The Class 1(B) Claim of the IRS shall not be discharged unless and until it has been paid in full  
26

1 Diamond and the Debtors. Thus, it is cautioned that no representations can be made as to  
2 the accuracy of any information contained herein or the Reorganized Debtors' ability to  
3 pay all of the amounts which the Plan provides they are required to pay to creditors.  
4 There is no guarantee or other assurance of the actual results that will occur in this case  
5 and nothing herein or in the Plan may be construed as a guarantee, promise or  
6 representation by Diamond that Debtors will, in fact, perform in the manner required by  
7 the Plan or pay all amounts they owes to the Creditors.  
8

9 **ARTICLE XI - (RISKS FACTORS TO BE CONSIDERED IN**  
10 **VOTING TO ACCEPT THE PLAN)**

11 **GENERAL FACTORS AFFECTING THE REORGANIZED DEBTORS.**

12 The Debtors' ability to perform their obligations under the plan is subject to  
13 various factors and contingencies, some of which are described in this section. The  
14 following discussion summarizes only certain material risks associated with the Plan and  
15 Reorganized Debtors and is not exhaustive. Moreover, this section should be read in  
16 connection with the other disclosures contained in the Plan and this Disclosure Statement.  
17 Each holder of a Claim and/or Interest, in conjunction with its advisors, should  
18 supplement the following discussion by analyzing and evaluating the Plan and this  
19 Disclosure Statement as a whole.  
20

21 **1. Continued Employment**

22 The patient care industry is competitive and requires a high degree of expertise,  
23 sensitivity, concern and care for patients and ability to work with other medical  
24

25 or the IRS has agreed otherwise.  
26

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1 professionals and staff as well as patients. The Reorganized Debtors ability to pay their  
2 creditors is dependent on their ability to remain employed in this industry and to do so  
3 they must meet the standards for professionals rendering similar services to patients in  
4 similar facilities in Arizona.

## 5 **2. General Economic Conditions**

6 The Debtors will be exposed to risks related to a continued slowdown in the  
7 national and global economies, which can be due to many factors, including concerns  
8 about inflation, reduced corporate profits and capital spending. New problems in  
9 economic conditions and full implementation of the Affordable Care Act may affect the  
10 ability of health care facilities to continue to employ professionals with the Debtors' level  
11 of skills and expertise at their current salary levels. If economic conditions worsen, the  
12 Reorganized Debtors' may not be able to earn salaries at or close to their current level  
13 which may impact their ability to pay creditors.

## 14 **ARTICLE XII - (TAX CONSEQUENCES)**

15 Diamond is not aware of any federal tax consequences of the Plan to the Debtors,  
16 the Reorganized Debtors and investors typical of the holders of claims or interests in this  
17 case. Diamond has not obtained a tax opinion at this time and therefore expresses no  
18 opinion as to the tax consequences of confirmation or implementation of the Plan to the  
19 holder of any Claim or Interest. BECAUSE NO PROPONENT OF THE PLAN  
20 EXPRESSES ANY OPINION AS TO THE TAX CONSEQUENCES OF THE PLAN,  
21 IN NO EVENT WILL DIAMOND, ITS PRINCIPALS OR ITS PROFESSIONAL  
22 ADVISORS, BE LIABLE IF, FOR ANY REASON, THE TAX CONSEQUENCES OF  
23  
24  
25  
26



1 THE PLAN ARE NOT AS ANTICIPATED BY CREDITORS AND EQUITY  
2 INTEREST HOLDERS. THE DEBTORS' CREDITORS AND EQUITY INTEREST  
3 HOLDERS MUST LOOK SOLELY TO AND RELY SOLELY UPON THEIR OWN  
4 ADVISORS AS TO THE TAX CONSEQUENCES OF THE PLAN.

5  
6 **ARTICLE XIII - (IMPLEMENTATION OF THE PLAN)**

7 The Plan will be implemented, in part, as follows:

8 A. On the Effective Date, the membership interests in Oasis and  
9 Compassionate and any leases, licenses and executory contracts related to those entities,  
10 and all claims or causes of action against Martin, Meyer, Morin, Opara and any persons  
11 affiliated with them which are owned by the Estate shall be transferred to and owned by  
12 the prevailing bidder or the back-up bidder from the Auction free and clear of all claims  
13 and encumbrances including and rights and interests of the Debtors free and clear of any  
14 liens, claims and encumbrances of any person. All other property belonging to the  
15 Debtors or the Estate as well as all other leases and executory contracts not transferred or  
16 assigned to Diamond or rejected under the terms of this Plan shall be transferred to the  
17 Reorganized Debtors free and clear of any liens, claims and encumbrances except to the  
18 extent set forth above.

19  
20 B. The Debtors shall become the Reorganized Debtors.

21  
22 **ARTICLE XIV - (ALTERNATIVES TO THE PLAN)**

23 An analysis of what holders of Allowed Claims and Allowed Interests would  
24 receive if the Debtor's assets were liquidated in a case under Chapter 7 of the Code is  
25 attached to the Disclosure Statement as **Exhibit "3"**. As illustrated therein, under a  
26

1 liquidation scenario, holders of Allowed Unsecured Claims would receive no distribution.  
2 Conversely, under the proposed Plan, each unsecured creditor holding an Allowed Claim  
3 will be paid in full, plus the interest which has accrued on their Claims for the three years  
4 the Debtors have been in bankruptcy, shortly after the Plan is confirmed. In addition, the  
5 other Classes of creditors, including the IRS, will receive far more than they would under  
6 a Chapter 7.

7 After Diamond filed its original Chapter 11 Plan, the Debtors filed a Motion to  
8 Dismiss Case in a transparent attempt to avoid having to sell their membership interests in  
9 Compassionate and Oasis and paying their creditors the proceeds from that sale. That  
10 motion has been withdrawn. The Debtors are very unlikely to sell the membership  
11 interests in Oasis and Compassionate if their Third Amended Plan is confirmed. As a  
12 result, Diamond's Plan is far better for all creditors than the Debtors' Plan.

13 **ARTICLE XV - (MODIFICATION OF AND AMENDMENTS TO THE PLAN)**

14 Prior to the entry of the Order Confirming the Plan, Diamond may propose  
15 amendments or modifications in accordance with 11 U.S.C. §1127(a). After  
16 confirmation, the Reorganized Diamond or Debtors may amend the Plan in the manner  
17 provided by Section 1127(b) of the Bankruptcy Code.

18 The Bankruptcy Court may, at any time, so long as it does not materially or  
19 adversely affect the interests of creditors and equity interest holders, remedy defects and  
20 omissions or reconcile any inconsistencies herein or in the Order Confirming the Plan as  
21 may be appropriate to effectuate the Plan.  
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1 **ARTICLE XVI - (REMEDIES FOR DEFAULTS BY THE**  
2 **REORGANIZED DEBTORS)**

3 If the Reorganized Debtors fail to comply with the terms hereof, the holders of  
4 Allowed Claims in any class materially harmed thereby may proceed against the  
5 Reorganized Debtors and its property to enforce the Plan, taking any action permissible  
6 under federal or state law, in any court of competent jurisdiction.

7 With respect to holders of liens on the Reorganized Debtors' property, such  
8 creditors may act in accordance with any applicable and existing mortgage, deed of trust,  
9 security agreement, or other instrument evidencing a lien or encumbrance on their  
10 collateral.  
11

12 **ARTICLE XVII -(RETENTION OF BANKRUPTCY COURT**  
13 **JURISDICTION)**

14 Following confirmation of the Plan, the Bankruptcy Court shall retain, without  
15 limitation, jurisdiction to insure that the purposes and intent of the Plan are carried out.  
16 Without limiting the generality of the foregoing, the Bankruptcy Court will retain  
17 jurisdiction, until the Plan is fully consummated, for the following purposes:

18 Following confirmation of the Plan, the Bankruptcy Court shall retain, without  
19 limitation, jurisdiction to ensure that the purposes and intent of the Plan are carried out.  
20 Without limiting the generality of the foregoing, the Bankruptcy Court will retain  
21 jurisdiction, until the Plan is fully consummated, for the following purposes:

22 1. Deciding the proper classification of any claim, determining the proper  
23 allowance subordination and liquidation for purposes of distribution of claims estimated  
24 for purposes of voting, and resolving objections to claims and Interests, and the  
25  
26

1 reexamination of Allowed Claims for purposes of determining acceptances at the time of  
2 Confirmation, and the determination of such objections as may be filed;

3       2. Resolving all disputes regarding title to assets of the Debtors and all  
4 disputes arising under the Bankruptcy Code and to determine all questions and disputes  
5 regarding assets of the Estate, and all causes of action, controversies, disputes, or  
6 conflicts, known or unknown, whether or not subject to action pending as of the  
7 Confirmation Date, between Debtors or the Reorganized Debtors and any other party,  
8 including but not limited to, the right to recover assets, avoid transfers, recover fraudulent  
9 transfers, offset claims, recover money or property from any party or return assets which  
10 were or are the property of the Estates or asset of the Debtors existing as of the date of the  
11 Final Confirmation Order pursuant to the provisions of the Bankruptcy Code.

12       3. Hearing all matters and deciding all issues regarding the prosecution by the  
13 Reorganized Debtors of any Complaints or causes of action and preference claims against  
14 any person and Objections to any Claims of creditors and such jurisdiction shall continue  
15 after the closing of these cases.

16       4. Correcting of any defect, curing any omission, or reconciling any  
17 inconsistency between the Plan and the Order Confirming the Plan as may be appropriate  
18 to effectuate the purposes and intent of the Plan;

19       5. Modifying the Plan after confirmation;

20       6. Determining the appropriateness of the release of any lien;

21       7. Enforcing and interpreting the terms and conditions of the Plan, or any other  
22 documentation effectuating the Plan and all controversies and disputes that may arise in  
23 connection with the enforcement, interpretation or consummation of the Plan;

1           8.     Resolve any claims or causes of action, including any avoidance actions  
2 arising by operation of U.S.C. §§ 542 through 551, against any creditors or equity  
3 security holders held by the Debtors, or any creditors of the Debtors;

4           9.     Determining any claim entitled to priority under Section 507 of the  
5 Bankruptcy Code;

6           10.    Entering any order required to close the Debtors' case;

7           11.    Determining all matters relating to the assumption, assignment, or rejection  
8 of executory contracts and unexpired leases, including claims for damages from the  
9 rejection of any executory contract or unexpired lease within such time as the Bankruptcy  
10 Court may direct;

11          12.    The Bankruptcy Court may liquidate or estimate damages or determine the  
12 manner and time for such liquidation or estimation in connection with any contingent,  
13 disputed, or unliquidated Claims;

14          13.    The Court may shorten or extend, for cause, the time fixed for doing any act  
15 or thing under the Plan, on such notice as the Bankruptcy Court shall determine to be  
16 appropriate;

17          14.    The Court may enter any order, including injunctions, necessary to enforce  
18 the title, rights, and powers of the Reorganized Debtors, and to impose such limitations,  
19 restrictions, terms and conditions on such title, rights, and powers as the Bankruptcy  
20 Court may deem appropriate; and

21          15.    The Court may determine such other matters as may be provided in the  
22 Confirmation Order or as may be authorized under the Bankruptcy Code.

23                   **ARTICLE XVIII - (RECOMMENDATION AND CONCLUSION)**

24           Diamond believes that Plan confirmation and implementation are preferable to any  
25 feasible alternative because the Plan will provide entities holding Claims and Interests  
26

1 with substantially greater recoveries than the alternatives. Accordingly, Diamond urges  
2 entities that hold impaired Claims or Interests to vote to ACCEPT the Plan by  
3 checking the box marked “Accept” on their Ballots and then returning the Ballots to  
4 Diamond as directed in the Plan and Disclosure Statement.

5  
6 **RESPECTFULLY SUBMITTED** this 23<sup>rd</sup> day of September, 2016.

7 **TIFFANY & BOSCO, P.A.**

8  
9 By: /s/ Christopher R. Kaup

10 Christopher R. Kaup

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12 Phoenix, AZ 85016

13 *Attorneys for Diamond Care Health Network, LLC*

14 **FOREGOING** electronically filed with  
15 Bankruptcy Court on this 23<sup>rd</sup> day of  
16 September, 2016.

17 **COPIES** served by the Court’s electronic  
18 notification system if marked with and “\*”  
19 or otherwise mailed, on this or the next  
20 business day to:

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/s/ Louis A. Lofredo

# Exhibit “1”



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8 **UNITED STATES BANKRUPTCY COURT**

9 **FOR THE DISTRICT OF ARIZONA**

10 In re:

11 **JOSEPH A OLADOKUN &**  
12 **FLORENCE A. OLADOKUN,**

13 **Debtors.**

**Chapter 11**

**Case No. 4:12-bk- 07178-BMW**

**DIAMOND CARE HEALTH NETWORK'S**  
**THIRD AMENDED CHAPTER 11 PLAN**  
**OF REORGANIZATION**  
**DATED SEPTEMBER 23, 2016**

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1 **I. ARTICLE I - (DEFINITIONS)**

2 **A. DEFINED TERMS**

3 Subject to the qualifications contained in Article I, Paragraph B below, the  
4 following terms are defined as follows whenever they appear as capitalized terms and are  
5 used in this Plan and The Debtor's Disclosure Statement. For purposes of the Plan and  
6 such defined terms, the singular and plural uses of such defined terms and the conjunctive  
7 and disjunctive uses thereof will be fungible and interchangeable (unless the context  
8 otherwise requires); and the defined terms will include masculine, feminine, and neuter  
9 genders. Any term used in this Plan that is not defined herein, but is defined in the  
10 Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in  
11 the Bankruptcy Code or the Bankruptcy Rules.

12 1. "Administrative Claim" shall mean a Claim for administrative costs  
13 or expenses entitled to priority under Section 507(a)(1) or (b) of the Bankruptcy Code,  
14 including, without limitation, the actual, necessary costs and expenses of preserving the  
15 estate and operating the business of the Debtor. Such sums shall include wages, salaries or  
16 commissions due employees and others for services rendered after the commencement of  
17 the Case, compensation for legal and other professional services and reimbursement of  
18 expenses awarded under Sections 330(a) or 331 of the Code and all lawful fees and charges  
19 assessed against the estate under title 28 of the United States Code.

20 2. "Allowed Administrative Claim" shall mean all or that portion of a  
21 Claim which both constitutes an Allowed Claim and which has been specifically allowed  
22 as an "Administrative Claim" pursuant to 11 U.S.C. §507(a)(1) or (b).

23 3. "Allowed Amount" shall mean the amount of any Allowed Claim  
24 recognized by the Debtor as valid or allowed by a Final Order of this Court.

25 4. "Allowed Claim or Allowed Interest" shall mean a Claim or Interest  
26 having the following characteristics:

1 a) Either such Claim or Interest was listed in the Chapter 11  
2 Schedules of the Debtor filed with the United States Bankruptcy Court for the District of  
3 Arizona (hereafter, the “Court”) pursuant to Section 521 of the Code; and (1) such Claim  
4 or Interest was not identified in those schedules as “disputed”, “contingent” or  
5 “unliquidated”; or (2) proof of such Claim or Interest has been filed with the Court in the  
6 time and in the manner prescribed by the Court, the Code and the Federal Rules of  
7 Bankruptcy Procedure; and

8 b) No objection to the allowance of such Claim or Interest has  
9 been interposed within the periods of limitation fixed by the Court, the Code or the Federal  
10 Rules of Bankruptcy Procedure or any order resolving any objection to the allowance of  
11 such Claim or Interest has become a Final Order.

12 5. “Allowed Secured Claim” shall mean all or that portion of a Claim  
13 which both constitutes an Allowed Claim and which has been specifically allowed as a  
14 “secured claim” pursuant to Section 506(a) of the Code.

15 6. “Allowed Priority Claim” shall mean all or that portion of a Claim  
16 which both constitutes an Allowed Claim and which is entitled to priority under Section  
17 507(a), except for those Allowed Claims entitled to priority under Section 507(a)(8).

18 7. “Allowed Priority Tax Claim” shall mean all or that portion of a Claim  
19 which both constitutes an Allowed Claim and which is entitled to priority under Section  
20 507(a)(8).

21 8. “Allowed Unsecured Claim” shall mean an Allowed Claim which is  
22 not an Allowed Administrative Claim, an Allowed Secured Claim, an Allowed Priority  
23 Claim or an Allowed Priority Tax Claim.

24 9. “Auction” shall mean the auction of the membership interests in Oasis  
25 and Compassionate owned by the Debtors to be conducted by the Court at the hearing on  
26 confirmation of the Plan.

1           10.    “Avoidance Claim” means a claim or cause of action of a bankruptcy  
2 estate to avoid transfers made by the debtor to the extent such claim arises under §§ 544-  
3 551 of the Bankruptcy Code.

4           11.    “Bankruptcy Code” or “Code” shall mean the federal statutes  
5 commonly referred to as the “Bankruptcy Code” and which are set forth in Title 11 of the  
6 United States Code (11 U.S.C. § 101, *et seq.*).

7           12.    “Bankruptcy Court” shall mean the United States Bankruptcy Court  
8 for the District of Arizona or the United States District Court, District of Arizona, if and  
9 when a district judge is acting as a trial judge and not an appellate judge in this Case.

10          13.    “Case” shall mean the above-captioned Chapter 11 bankruptcy cases  
11 of Debtor, pending in the United States Bankruptcy Court for the District of Arizona, under  
12 Case No. 4:12-bk-07178-BMW.

13          14.    “Claim” shall mean a “claim,” as defined by Section 101(5) of the  
14 Code, against the Debtor, against property of the Debtor or against property of the Estate.

15          15.    “Class” shall mean any class into which Allowed Claims or Allowed  
16 Interests are classified pursuant to this Plan.

17          16.    “Closing Date” shall mean the date that is seven business days after  
18 the date the court determines the prevailing bid at the Auction and by which the prevailing  
19 bidder must close on the purchase of the membership interests in Oasis and  
20 Compassionate.

21          17.    “Collateral” shall mean any real or personal property in which a  
22 person holding a Claim asserts a lien.

23          18.    “Compassionate” shall mean Compassionate Patient Care, LLC.

24          19.    “Confirmation” shall mean the signing, by a United States Bankruptcy  
25 Judge or United States District Judge acting as a trial judge and not as an appellate judge,  
26 of all orders necessary to confirm the Plan.

1           20.    “Confirmation Order” shall mean the order (or orders) confirming the  
2 Plan, signed by a United States Bankruptcy Judge or United States District Judge, acting as  
3 a trial judge and not as an appellate judge, after entry of such order (or orders) on the  
4 court’s docket.

5           21.    “Consummation of the Plan” shall mean the accomplishment of all  
6 things contained or provided for in the Plan and the entry of an order closing the Case  
7 pursuant to Rule 3022 of the Federal Rules of Bankruptcy Procedure.

8           22.    “Court” shall mean Bankruptcy Court as defined in this section of the  
9 Plan. When not capitalized, the word “court” shall mean such court exercising proper  
10 jurisdiction in the case as the context of the Plan makes appropriate. For example, as used  
11 in the phrase “entry of an order on the docket of the court”, the term “court” can refer to  
12 the United States Bankruptcy Court for the District of Arizona, the United States District  
13 Circuit or the United States Supreme Court, depending upon which court has issued the  
14 order in the Case.

15           23.    “Creditor” shall mean any entity holding a Claim.

16           24.    “Cure Amount” shall mean the amount necessary to cure any  
17 payment arrearages with respect to any executory contracts and leases to be assumed by the  
18 Debtor.

19           25.    “Debtor” or “Debtors” shall mean Joseph A Oladokun and Florence  
20 A. Oladokun, the Debtors in this Case.

21           26.    “DCHN” or “Diamond” shall mean Diamond Care Health Network,  
22 LLC.

23           27.    “DIP” shall mean Debtors-in-Possession.

24           28.    “Disallowed Claim” shall mean any Claim or any portion thereof that  
25 (i) has been disallowed by a Final Order of the Bankruptcy Court, (ii) is listed in the  
26 Schedules as "\$0," contingent, disputed or unliquidated and as to which a proof of claim

1 bar date has been established but no Proof of Claim has been timely filed or deemed timely  
2 filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order  
3 of the Bankruptcy Court or otherwise deemed timely filed under applicable law, (iii) has  
4 been agreed to be equal to "\$0" or to be expunged pursuant to the Claims Settlement  
5 Procedures Order or otherwise or (iv) is not listed on the Schedules and as to which a proof  
6 of claim bar date has been established but no Proof of Claim has been timely filed or  
7 deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or  
8 any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable  
9 law.

10           29.    “Disclosure Statement” shall mean the written disclosure statement  
11 filed by DCHNDCHN in this Case and approved by the Court pursuant to Section 1125 of  
12 the Code.

13           30.    “Disputed Claim” or “Disputed Interest” shall mean either (a) a Claim  
14 or an Interest listed in the Chapter 11 schedules filed by the Debtor pursuant to 11 U.S.C.  
15 §521 and designated as “disputed”, “contingent” or “unliquidated”; or (b) a Claim or an  
16 Interest to which an objection has been filed by a party-in-interest and which objection has  
17 not been resolved by an order which has become a Final Order on or before the Effective  
18 Date.

19           31.    “DS Schedules” shall mean the Debtors’ Schedules I and J which  
20 were included in the Debtors’ Disclosure Statement (Dkt No. 177) at pages 29 through 33.

21           32.    “Effective Date” shall mean that date which is fourteen (14) business  
22 days following the date of the entry of the Confirmation Order.

23           33.    “Estate” shall mean the estate created in this Case under Section 541  
24 of the Bankruptcy Code.

25           34.    “Federal Rules of Bankruptcy Procedure” shall mean those rules of  
26 procedure governing bankruptcy cases and contested matters and adversary proceedings in

1 those cases which have been promulgated pursuant to 28 U.S.C. § 2075, and any  
2 amendments to those rules applicable to this Case.

3           35.    “Final Order” shall mean an order or judgment entered on the Court’s  
4 official docket and which: (a) has sufficient finality under applicable law to be appealable  
5 as of right, (b) has been entered on the court’s docket for a sufficient period of time such  
6 that the filing of any notice of appeal from it is subject to being dismissed as commencing  
7 an untimely appeal, (c) has not been reversed, (d) is not stayed, (e) is not the subject of a  
8 pending motion seeking relief from it, reconsideration of it, or to alter or amend it, and (f)  
9 is not the subject of a pending appeal or a pending motion for review or rehearing on  
10 appeal.

11           36.    “Green Tree” shall Green Tree Servicing, LLC. Green Tree is the  
12 transferee of one of the secured claims previously owned by GMAC Mortgage, LLC  
13 (“GMAC”).

14           37.    “General Unsecured Claim” shall mean a Claim, other than an  
15 Administrative Claim, a Priority Tax Claim, or a Secured Claim.

16           38.    “Impaired” shall mean any Claim or Interest that is impaired within  
17 the meaning of section 1124 of the Bankruptcy Code.

18           39.    “Impaired Claims” shall mean any claim or interest which is modified  
19 by this Plan.

20           40.    “Insider” shall mean a person or entity that would be an “insider” of  
21 such Person under § 101(31) of the Bankruptcy Code, if such Person were a Debtor.

22           41.    “Interest” shall mean the interests, whether or not asserted, of any  
23 holder of an equity security of the Debtor on the Order For Relief Date, as defined in  
24 Bankruptcy Code section 101(17) of the Bankruptcy Code.

25           42.    “Lien” has the meaning set forth in section 101(37) of the Bankruptcy  
26 Code.



- 1                   43.    “JPMC” shall mean JP Morgan Chase Bank, Inc.
- 2                   44.    “Liquidating Agent” shall mean Mr. Timothy Schaffer of the Morris
- 3 Anderson firm or such other person appointed by the Court to serve in that capacity.
- 4                   45.    “Martin” shall mean Mr. Joseph Martin.
- 5                   46.    “Meyer” shall mean Mr. Matthew Meyer.
- 6                   47.    “Morin” shall mean Mr. Scott Morin.
- 7                   48.    “Oasis” shall mean Oasis Pavilion, LLC.
- 8                   49.    “Ocwen” shall mean Ocwen Servicing, LLC. Ocwen is the transferee
- 9 of one of the secured claims previously owned by GMAC Mortgage, LLC (“GMAC”)
- 10                  50.    “Opara” shall mean Mr. Ken Opara.
- 11                  51.    “Petition” shall mean the petition for relief under Chapter 11 of Title
- 12 11, United States Code filed by the Debtor on April 5<sup>th</sup>, 2012.
- 13                  52.    “Petition Date” shall mean the date upon which the Debtor filed its
- 14 voluntary petitions for relief under Chapter 11 of Title 11, United States Code.
- 15                  53.    “PCFCU” shall mean Pinal County Federal Credit Union.
- 16                  54.    “Plan” shall mean this Chapter 11 Plan of Reorganization, including
- 17 all exhibits to this Plan, either in their present form or as they may be altered, amended or
- 18 modified from time to time in accordance with the provisions of this Plan, the Code and the
- 19 Federal Rules of Bankruptcy Procedure.
- 20                  55.    “Purchase Proceeds” shall mean the money to be paid DCHN for the
- 21 acquisition of all the Debtor’s membership interests in Oasis and Compassionate and all
- 22 claims and causes of action against Martin, Meyer, Morin, Opara and any persons affiliated
- 23 with them by the prevailing bidder or the back-up bidder, as the case may be, at the
- 24 Auction.
- 25
- 26

1           56.    “Priority Claim” shall mean a Claim entitled to priority against the  
2 Estate under Section 507(a), except for those Claims arising under Section 507(a)(8).  
3 Priority Claims do not include any Claims incurred after the Order For Relief Date.

4           57.    “Priority Tax Claim” shall mean a Claim entitled to priority against  
5 the Estate under Section 507(a)(8). Priority Tax Claims do not include any Claims  
6 incurred after the Order For Relief Date.

7           58.    “Professional” shall mean a person retained in the Chapter 11 Cases  
8 by separate Bankruptcy Court order pursuant to sections 327 and 1103 of the Bankruptcy  
9 Code or otherwise, but not including any person retained pursuant to the Ordinary Course  
10 Professionals Order.

11          59.    “Proof of Claim” means a proof of claim filed by a holder of a Claim  
12 in accordance with the Bar Date Order.

13          60.    “Reorganized Debtors” shall mean the Debtors, as reorganized, who  
14 shall continue to own certain of the property interests of the Debtors as of the Effective  
15 Date and having the rights, powers, duties and interests granted to the “Reorganized  
16 Debtors” under the Plan and the Bankruptcy Code.

17          61.    “Schedules” means the schedules of assets and liabilities and the  
18 statements of financial affairs filed by the Debtors pursuant to section 521 of the  
19 Bankruptcy Code, as such schedules and statements have been or may be supplemented,  
20 modified or amended from time to time.

21          62.    “Secured Creditor” shall mean any Creditor holding a lien, security  
22 interest, or other encumbrance which either (a) had been properly perfected, as required by  
23 law, with respect to the property owned by the Debtor on the Petition Date or (b) which  
24 had been conveyed to that Creditor following the date of the Petition and approval by the  
25 Court; and which is neither subject to a pending proceeding seeking to vacate or disallow it  
26 nor vacated or disallowed by court order or operation of law.

1           63.    “Secured Parties” shall mean all secured creditors referenced in this  
2 Plan and the Disclosure Statement.

3           64.    “Unimpaired” refers to any Claim or Interest that is not Impaired.

4           65.    “Unsecured Claims” shall mean the class of allowed general  
5 unsecured claims.

6           66.    “Unsecured Creditor” shall mean any holder of an Allowed Unsecured  
7 Claim.

8           67.    “Unsecured Creditor Class” shall mean the class of holders of  
9 Allowed Unsecured Claims.

10           **B.    RULES OF CONSTRUCTION**

11           1.    The rules of construction set forth in Section 102 of the Bankruptcy  
12 Code apply to this Plan.

13           2.    Bankruptcy Rule 9006(a) applies when computing any time period  
14 under this Plan.

15           3.    For the purpose of this Plan, except as expressly provided or unless  
16 the context otherwise requires, all capitalized terms not otherwise defined in Article I,  
17 Paragraph A above, shall have the meanings assigned to them under the Bankruptcy Code  
18 or the Federal Rules of Bankruptcy Procedure.

19           4.    The definition given to any term or provision in this Plan shall  
20 supersede and control any different definition that may be given to such terms or  
21 provisions in Debtor’s Disclosure Statement.

22           5.    Whenever the context requires, terms contained and defined herein  
23 shall include the plural and the singular number. The masculine gender as used in the Plan  
24 shall, unless the context otherwise requires, include the feminine gender, and the feminine  
25 gender shall likewise include the masculine.

26

1           6. Any reference to an existing document means the document as it has  
2 been, or may be, amended or supplemented.

3           7. Unless otherwise indicated, the phrase “under the Plan”, “hereunder”,  
4 “herein”, “hereto” and similar words or phrases refer to this Plan in its entirety rather than  
5 to only a portion of the Plan.

6           8. Unless otherwise specified, all references to “Articles” or  
7 “Paragraphs” are references to this Plan’s Articles or Paragraphs.

8 **II. ARTICLE II - (OBJECTIVE OF THE REORGANIZATION)**

9           As set forth more fully below and in the Disclosure Statement regarding this  
10 Plan, if Debtors’ assets were liquidated in a case under Chapter 7 of the Bankruptcy Code,  
11 Debtor’s creditors holding General Unsecured Claims would receive very little. The  
12 Debtors’ Schedules reflect that their assets have little equity in excess of the amount of  
13 liens which encumber them and the aggregate value of applicable exemptions. . Diamond  
14 has obtained an appraisal report of Oasis Pavilion Nursing & Rehabilitation Center,  
15 including both the real estate and \$700,000 in TIPP value (tangible and intangible personal  
16 property including FF&E and goodwill of the facility)(“Property”). Although the appraisal  
17 opines that the value of the Property is \$8,700,000, the aggregate amount of debt owed on  
18 this Property exceeds the current value of the Property. Anyone who is interested in  
19 obtaining a copy of the appraisal may contact Chris Kaup by email, [crk@tblaw.com](mailto:crk@tblaw.com) or by  
20 telephone, (602) 255-6024, to order a copy. On the date to be set as the Hearing on  
21 confirmation of Diamond’s Plan, the Court will conduct the Auction of the Debtors’  
22 membership interests in Oasis<sup>1</sup> and Compassionate<sup>2</sup> and all claims or causes of action  
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26 <sup>1</sup> The Debtors assert in their Schedules that they own 100% of the Membership Interests in Oasis and the value of those interests is zero. Diamond believes the Debtors own only 75% of Oasis.

1 against Martin, Meyer, Morin, Opara and any persons affiliated with them<sup>3</sup>. Diamond  
2 shall make an opening bid in the amount of \$600,000.00<sup>4</sup> at the Auction<sup>5</sup> even though its  
3 principals believe the value of those assets is substantially lower than that amount.  
4 Bidding shall be in increments of \$5,000.00. The Court shall designate a prevailing bid  
5 and a backup bid. The prevailing bidder must close the purchase prior to the Close Date.  
6 Thereafter, the backup bidder shall have the right to close on the transaction. The  
7 Liquidating Agent will receive the Purchase Proceeds and disburse them to creditors  
8 pursuant to the terms of the Plan. Thereafter, the Debtors will retain ownership of the  
9 remainder of their property and pay creditors in accordance with the terms of the Plan. As  
10 a result, it is clear that the sale of the Debtor's interests in Oasis and Compassionate to  
11 Diamond through this Plan and the restructuring and payment of the Debtors' obligations  
12 pursuant to the terms of the Plan will result in a much higher payout to creditors than they  
13 would otherwise receive through liquidation under a Chapter 7. As part of the opening  
14 bid, if DCHN's Plan is confirmed, unsecured creditors will be **paid in full with accrued**  
15 **interest at the rate of 3.5% per annum** from April of 2012 when this case was filed  
16 through the date the Plan is confirmed, currently calculated as \$61,601.90. Those  
17 payments will be made on the Effective Date. That is a much better deal for unsecured  
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22 <sup>2</sup> The Debtors assert in their Schedules that they own 50% of the Membership Interests in Compassionate  
and the value of those interests is zero. Diamond believes the Debtors own only 47.5% of Compassionate.

23 <sup>3</sup> The Debtors have not disclosed the existence of any claims against any of those persons in their  
Schedules or their Disclosure Statement for their now withdrawn Chapter 11 Plan. Diamond believes that  
24 neither the Debtors nor the Estate have any such claims. However, in order to ensure these persons will be  
free from litigation by the Debtors in the future, Diamond is willing to pay to acquire any such claims if  
and to the extent they do exist.

25 <sup>4</sup> The amount of DCHN's opening bid will be reduced by any amount paid to the IRS by any person after  
the date of the filing of the Second Amended Plan.

26 <sup>5</sup> Diamond is willing to purchase the membership interests of Oasis and Compassionate because  
its principals also own interests in those entities.

1 creditors than the Debtors propose in their Second Amended Chapter 11 Plan which  
2 provides for payments over seven years with no interest to unsecured creditors. Hence,  
3 the unsecured creditors are certain to receive more money much more quickly than under  
4 the Debtors' alternative.

5  
6 **III. ARTICLE III - (POSTCONFIRMATION OPERATIONS)**

7 Upon the Effective Date, all related real and personal property of the Estate will be  
8 owned by the Reorganized Debtors, except the Debtors' interests in Compassionate and  
9 Oasis, including all leases, licenses and contracts related to those entities, and all claims  
10 against Martin, Meyer, Morin, Opara and all persons or entities affiliated with them which  
11 will be transferred to the prevailing bidder at the Auction. All of the assets transferred to  
12 the Reorganized Debtors will remain subject to the liens of PCFCU, Green Tree and  
13 Ocwen. The Reorganized Debtors shall have the option to pay these creditors, pursuant to  
14 the terms of this Plan, or surrender the property (if they have not done so already prior to  
15 the date of confirmation) serving as that creditor's collateral. The Debtors also will have  
16 the right to prosecute any claims and causes of action owned by them or the Estate other  
17 than claims transferred to Diamond.

18 On the Effective Date, the prevailing bidder (or the back-up bidder if the  
19 prevailing bidder fails to close on the sale prior to the Closing Date) at the Auction will  
20 tender a check in the amount of the prevailing bid or the back-up bid, as the case may be, in  
21 exchange for the membership interests in Oasis and Compassionate and the claims and  
22 causes of action referenced above to the Liquidating Agent. In exchange, the Liquidating  
23 Agent shall deliver to that person an executed Assignment transferring all Membership  
24 Interests of Oasis and Compassionate previously owned by the Debtors and all claims and  
25 causes of action against Martin, Meyer, Morin and Opara and all persons or entities  
26 affiliated with them held by the Debtors.

1           The Debtors will make all monthly payments required by the terms of the Plan for  
2 five years after the Effective Date from the monthly income earned by them.

3           **A.     LIQUIDATING AGENT.**

4           Mr. Timothy Shaffer is a Certified Turnaround Professional and a Certified  
5 Insolvency & Restructuring Advisor employed by Morris & Anderson and is a resident of  
6 Arizona. Diamond has selected him to be the Liquidating Agent due to his experience in  
7 handling such matters and his general reputation for honesty and fairness. In the event the  
8 Debtors or any other person objects to Mr. Schaffer serving in this capacity, the Court may  
9 issue an order selecting another person to serve as Liquidating Agent.

10           The duties of the Liquidating Agent shall only be to (i) set up and maintain a bank  
11 account at a Federally insured banking institution, (ii) receive the Purchase Proceeds from  
12 Diamond, (iii) pay all creditors entitled to receive a distribution of a portion of those funds,  
13 pursuant to the terms of this Plan, and (iv) prepare and file an accounting of those funds  
14 with this Court.

15           It is expected that the Purchase Proceeds received by Mr. Schaffer will pay all  
16 allowed administrative claims, his flat fee, banking costs and all of the IRS claims and all  
17 other creditors in full with interest. If any of the Purchase Proceeds still remain, Mr.  
18 Schaffer will disburse them in furtherance of the terms of the Plan. Mr. Schaffer will be  
19 released from his duties as Liquidating Trustee upon the filing of Accounting Report for  
20 the Purchase Proceeds with the Court.

21           **B.     COMPENSATION OF LIQUIDATING AGENT.**

22           The Liquidating Agent shall be paid a flat fee of \$3,000.00 plus costs for the  
23 services referenced above out of the Purchase Proceeds.

24           **C.     MEANS OF EXECUTION.**

25           The Purchase Price shall be paid to the above referenced creditors in accordance  
26 with the priorities set forth in the Code and as provided in the Plan. In addition, the

1 Debtors shall pay the amounts required by the Plan to the creditors in Classes 3, 4 and 5 on  
2 the dates set forth in the Plan.

3 **IV. ARTICLE IV - (ANTICIPATED POST-CONFIRMATION**  
4 **LITIGATION)**

5 Diamond is not aware of any possible postconfirmation litigation. The time period  
6 for the Debtors to file any actions to avoid any prepetition transfers under Sections 547 or  
7 548 of the Code has expired without the Debtors' having filed any such complaints. As a  
8 result, DCHN believes the value which may be obtained from attempting to avoid  
9 prepetition transfers is zero. However, if the Debtors or the Bankruptcy Estate have any  
10 claims or causes of action, except any actions against Diamond, Martin, Meyer, Morin,  
11 Opara and any persons affiliated with them, the Reorganized Debtors will file those actions  
12 within any applicable statutes of limitation. Any recovery from those actions will be paid  
13 to the creditors in accordance with the priorities set forth in the Code and this Plan.

14 **V. ARTICLE V - (ACCEPTANCE AND REJECTION OF EXECUTORY**  
15 **CONTRACTS)**

16 In accordance with 11 U.S.C. § 365, any leases, executory contracts or licenses  
17 related to Oasis and Compassionate to which the Debtors may have been a party will be  
18 assumed and assigned to Diamond. If there are any other leases or executory contracts,  
19 the Debtors shall have the right to assume any such agreements by the filing of a notice  
20 with the Bankruptcy Court at any time prior to confirmation of the Plan. Any leases or  
21 contracts not assumed by this Plan or by the Debtors in the manner provided herein shall be  
22 deemed to have been rejected.



1 **VI. ARTICLE VI - (DEFINITION AND TREATMENT OF CLAIMS)**

2 **A. SUMMARY OF CLASSIFICATION OF CLAIMS AND INTERESTS**

3

4 <b>CLASS</b>	<b>DESCRIPTION</b>	<b>IMPAIRED</b>	<b>VOTING STATUS</b>
5 None	Allowed Administrative Claims, Priority Claims, and Priority Tax Claims	N/A	Not Entitled To Vote
6 Class 1	Secured Claim of the IRS	NO	Not Entitled To Vote. Conclusively Presumed to Have Accepted
7 Class 2	Secured Claim of PCFCU	NO	Not Entitled To Vote. Conclusively Presumed to Have Accepted
8 Class 3	Secured Claim of Green Tree Servicing, LLC	YES	Entitled To Vote
9 Class 4	Secured Claim of Ocwen Servicing, LLC	NO	Not Entitled To Vote. Conclusively Presumed to Have Accepted
10 Class 5	Secured Claims of JPMC	YES	Entitled To Vote
11 Class 6	General Unsecured Claims	NO	Not Entitled To Vote. Conclusively Presumed to Have Accepted
12 Class 7	Debtors	YES	Entitled to Vote

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19 **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN,**  
20 **NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED**  
21 **ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM.**

22 The treatment of each creditor set forth in this Plan is in full and complete  
23 satisfaction of the legal, contractual, and equitable rights (including any liens) that each  
24 entity holding a Claim or an Interest may have in or against the Debtor, the Estate, or their  
25 respective property. This treatment supersedes and replaces any agreements those entities  
26 may have in or against the Debtor, the Estate, or their respective property.

1           **B.       AMOUNTS OF CLAIMS AND INTERESTS.**

2           Because certain of the Claims and Interests treated under this Plan are in unknown  
3 or undetermined amounts, the amounts of Claims and Interests specified in the Plan reflect  
4 only The Debtor's best estimate as of the date hereof.

5                   1.       Classification and Treatment of Claims and Interests Under the Plan.

6           The treatment of Claims and Interest in the Plan is in full and complete satisfaction  
7 of the legal, contractual, and equitable rights (including any liens) that each entity holding  
8 an Allowed Claim or an Allowed Interest may have in or against the Debtor, the Estates, or  
9 their respective property. This treatment supersedes and replaces any agreements or rights  
10 those entities may have in or against the Debtor, the Estates, or their respective property.

11                   a)       Unclassified Claims – Under the Plan, Allowed Administrative  
12 Claims as of the Effective Date of the Plan constitute unclassified claims and shall be  
13 treated as set forth below:

14                           (i)       Allowed Administrative Claims - The holders of  
15 Allowed Administrative Claims against the Debtor (excluding claims described in 11  
16 U.S.C. § 507(a)(8)) shall be paid the full amount of their Allowed Administrative Claims  
17 out of the Purchase Proceeds, within five business days of the Effective Date or upon the  
18 expiration of the appeal period for any Order Allowing such Claim, whichever is later, or at  
19 such other times as may be mutually agreed upon by Diamond and such claimants.  
20 Diamond is informed and, therefore, believes that the Law Firm of Douglas B. Price is  
21 owed \$11,902.60. Diamond understands that the aggregate amount fees and costs due to  
22 Debtor's current counsel, Allan NewDelman, was approximately \$84,000.00 as of the end  
23 of August, 2016. As a result, Mr. NewDelman will be paid the entire amount of his  
24 Allowed Administrative Claim, out of the Purchase Proceeds less the amount held in trust  
25 by him on the Effective Date. Diamond also understands that the accounting firm of Alt-  
26 Key was owed \$45,895.23 as of the end of August, 2016. No amounts will be paid to any

1 such persons unless and until his, her or its Claim becomes and Allowed Claim. Any  
2 person holding a Claim which arose after the filing of the bankruptcy petition which he,  
3 she or it believes is entitled to administrative priority shall file an appropriate application  
4 prior to the Confirmation Hearing.

5 (ii) Allowed Priority Tax Claims – The IRS, which  
6 is the only holder of a priority tax claim, holds an Allowed Priority Claim in the amount of  
7 \$0.00<sup>6</sup>. The IRS shall receive on account of such claim its *pro rata* portion of the  
8 Purchase Proceeds on the Effective Date.

9  
10 The payment shall be made to the Internal Revenue Service and sent to:

11 Paul Lopez  
12 Internal Revenue Service  
13 4041 N. Central Ave. M/SMS5014  
14 Phoenix, AZ 85012-5000

15 (iii) Classified Claims - Under the Plan, Allowed Secured  
16 Claims, Allowed Priority Claims, Allowed Unsecured Claims, constitute classified claims  
17 which are placed into the respective classes in the table set forth above. The Claims in  
18 above-described classes are treated under the Plan as follows:

19 Class 1: This Class consists of the Internal Revenue Service's Allowed Secured  
20 Claim in the amount of \$18,406.00. On the Effective Date the IRS will be entitled to  
21 apply the \$18,406.00 in its possession to this Allowed Secured Claim.<sup>7</sup>

22 Class 2: PCFCU held a Claim in the amount of approximately \$2,000.00 as of April  
23 of 2012 secured by a 2003 GMAC Sierra owned by the Debtors according to the Debtors'  
24 Schedules. Diamond understands that this debt has been paid in full.

25  
26 <sup>6</sup> See Exhibit "2" footnotes 7 and 9 for an explanation of the IRS' Amended Proof of Claim 12-8 and 12-13.

<sup>7</sup> Amended Proof of Claim 12-13 shows the IRS is in possession of \$18,406.00.

1           Class 3: This Class shall consist of the Allowed Secured Claim of Green Tree  
2 Servicing, LLC in the amount of \$144,537.27 secured by a lien on real property owned by  
3 the Debtors located at 1149 East 11th Street, Casa Grande, Arizona. Green Tree will be  
4 paid the full amount of its Claim plus interest at the contract rate of 6.625% *per annum* by  
5 regular equal monthly payments of principal and interest in the amount of \$998.89 plus  
6 regular monthly escrow payments (an aggregate monthly payment of \$1,150.43 per page 6  
7 of the Proof of Claim filed on June 8, 2012) over the remaining terms of its Note.

8           In the event of any future default on any of the above-described provision,  
9 inclusive of the Stipulation between the Debtors and Green Tree, Green Tree shall  
10 provide written notice via first class mail to Joseph A. Oladokun and Florence A.  
11 Oladokun at 1142 E. McMurray Blvd., Casa Grande, AZ 85122 and Debtors' attorney  
12 of record Allan D. NewDelman, P.C. at 80 E. Columbus Ave., Phoenix, AZ 85282  
13 indicating the nature of default. If Debtors fail to cure the default with certified funds  
14 after the passage of thirty calendar days from the date said written notice is placed in  
15 the mail, then the Automatic Stay shall terminate and Green Tree may proceed to  
16 foreclose its security interest in the property under the terms of the Note and Deed of  
17 Trust and pursuant to applicable state law and thereafter commence any action  
18 necessary to obtain complete possession of the Property without further notice, order or  
19 proceeding of this Court. The acceptance of Green Tree of a late or partial payment  
20 shall not act as a waiver of Green Tree's right to proceed hereunder.

21           In the event the Debtors default on the terms of the Plan and Green Tree forwards  
22 a 30-day letter to Debtors, they shall be required to tender \$100.00 for each default letter  
23 submitted in order to cure the default. At the request of Green Tree, the Debtors shall  
24 execute such documents and instrument as are necessary to reflect the Debtors as the  
25 borrowers of the secured claim, and to modify the terms of the obligation to conform to the  
26 provisions of the Stipulation.

1 Diamond incorporates herein any additional obligations of the Debtors under that  
2 certain Stipulation Regarding Treatment of Claim Under Debtors' Proposed Chapter 11  
3 Plan of Reorganization between the Debtors and GMAC Mortgage, LLC filed on  
4 November 30, 2012 (Dkt No. 65). Green Tree agreed that the Stipulation constituted  
5 an accepting ballot in favor of the Debtor's Chapter 11 Plan pending at that time  
6 which has been withdrawn. The Stipulation does not provide that Green Tree is  
7 prohibited from voting to accept any other Chapter 11 Plan including DCHN's  
8 Plan.

9 Except as otherwise provided in this Plan, Green Tree shall retain its lien on its  
10 collateral.

11 Class 4: This Class shall consist of the Allowed Secured Claim of Ocwen  
12 Servicing, LLC in the amount of \$159,639,86 secured by a lien on real property, a  
13 residence, owned and occupied by the Debtors located at 1142 East McMurray, Casa  
14 Grande, Arizona. Ocwen will be paid the full amount of its Claim plus interest at the rate  
15 of 6.25% *per annum* by regular equal monthly payments of principal and interest in the  
16 amount of \$1,272.58 plus regular escrow payments (\$216.14 as of April 13, 2012) over the  
17 remaining terms of its Note.

18 Except as otherwise provided in this Plan, Ocwen shall retain its lien on its  
19 collateral.

20 Class 5: This Class shall consist of the Allowed Secured Claim of JPMC in the  
21 amount of approximately \$260,000.00 secured by a lien on four parcels of real property  
22 owned by the Debtors located at 1106 Pinal Avenue, 1104 Pinal Avenue, 318 East 11<sup>th</sup>  
23 Street and 316 West 11<sup>th</sup> Street, Casa Grande, Arizona. This Claim shall be paid in full,  
24 pursuant to the terms of the Stipulation Regarding Relief From Automatic Stay and Plan  
25 Treatment between the Debtors and JPMC (Dkt 134), by regular equal monthly payments  
26 of principal and interest at 5.25% *per annum* over the remaining terms of its Note in the

1 following manner: the Debtors shall continue to make monthly payments in the amount of  
2 \$2,200.00 per month on the first day of each month until December 1, 2018 with a final  
3 balloon payment of all additional and accrued principal and interest on December 1, 2018.  
4 In the event the Debtors fail to make any payment as required by the terms of this Plan or  
5 the Stipulation, JPMC shall provide written notice to the Debtors. If the Debtors fail to  
6 cure that default by tendering a payment in the full amount of the arrearages with certified  
7 funds after the passage of fourteen calendar days from the date the written notice is sent to  
8 the Debtors, JPMC may exercise any and all of its remedies under the Note, the Deed of  
9 Trust and applicable state law, as those rights may be modified by the Stipulation and this  
10 Plan.

11 Except as otherwise provided in this Plan, JPMC shall retain its lien on its collateral.

12 Class 6: This Class shall consist of the Allowed Unsecured Claims of creditors  
13 who have filed timely proofs of claim or were scheduled as holding Claims which are  
14 undisputed, noncontingent and liquidated. Each holder of an Allowed Claim in Class 6  
15 will be paid in **full, plus all interest which accrued at 3.5% per annum since the date**  
16 **the Debtors filed for bankruptcy in April 5, 2012**, on the Effective Date from the  
17 Purchase Proceeds.

18 Class 7: This class shall consist of the interests of the Debtors. The Debtors shall  
19 retain all of the legal and equitable interest in assets of this estate, except for the assets  
20 which will be transferred to the prevailing bidder or the back-up bidder, as the case may be,  
21 at the Auction on the Effective Date. All estate property, except for the assets to be  
22 transferred to the prevailing or back up bidder, as the case may be shall vest in the  
23 Debtors on the Effective Date.

24 3. Amounts of Claims and Interests  
25  
26

1           Because certain of the Claims and Interests treated under the Plan are in unknown or  
2 undetermined amounts, the amounts of Claims and Interests specified in the Plan reflect  
3 only the Debtor's best estimate as of the date hereof.

4                   4.     Disputed Classified Claims

5           The Debtors may file on or before thirty (30) days from the Effective Date of the  
6 Plan (a) an objection to any Claim, (b) a motion to determine the extent, priority, or amount  
7 of any secured or other claim, or (c) a complaint to determine the validity, priority or extent  
8 of any lien or other interest in property of the Debtors' Estate. Copies of responsive  
9 pleadings to all such objections, motions, or complaints must be served upon the Debtor's  
10 attorneys, Allan NewDelman, 80 East Columbus Avenue Phoenix, Arizona 85012.

11                   **C.     IDENTIFICATION OF CLASSES IMPAIRED BY THE PLAN.**

12           The Debtor believes that Classes 3, 5 and 7 created by the Plan are considered  
13 "impaired" pursuant to 11 U.S.C. §1124 and are therefore entitled to vote on the Plan.

14                   **VII.   ARTICLE VII - (OWNERSHIP OF THE DEBTOR'S ASSETS)**

15           As of the Effective Date of the Plan and payment of the Purchase Proceeds by **the**  
16 prevailing or back-up bidder from the Auction, the membership interests in Oasis and  
17 Compassionate, any leases, licenses and executory contracts related to those entities, and  
18 all claims or causes of action against Martin, Meyer, Morin, Opara and any persons  
19 affiliated with them owned by the Estate, shall be transferred to and owned by that person  
20 free and clear of all claims and encumbrances including and rights and interests of the  
21 Debtors. All other property belonging to the Debtors or the Estate as well as all other  
22 leases and executory contracts not transferred or assigned to Diamond or rejected under the  
23 terms of this Plan shall be deemed to be owned by the Debtors as the Reorganized Debtors.  
24 In addition, except as otherwise provided in the Plan or the Confirmation Order, entry of  
25 the Confirmation Order shall vest in the prevailing bidder or back-up bidder from the  
26 Auction as of the Effective Date, the membership interests in Oasis and Compassionate,

1 any leases, licenses and executory contracts related to those entities, and all claims or  
2 causes of action against Martin, Meyer, Morin, Opara and any persons affiliated with them  
3 acquired pursuant to this Plan and shall vest in the Debtors all other assets of the Estate.  
4 Upon such transfer, she, he or it and the Reorganized Debtors shall own all such property  
5 free and clear of all liens, claims and interests of any person or entity, except as specifically  
6 provided in the Plan or the Order Confirming the Plan.

7 **VIII. ARTICLE VIII - (SATISFACTION OF CLAIMS AND INTERESTS)**

8 All classes of Allowed Claims and Allowed Interests shall receive the distributions  
9 set forth herein on account of and in complete satisfaction of those Allowed Claims and  
10 Interests. Without limiting the foregoing, upon the Effective Date of the Plan, each holder  
11 (and each successor of a holder) of a Claim or an Interest shall be deemed to have waived,  
12 relinquished and released any and all of its rights and claims against the Debtor and any  
13 and all liens in or against its Collateral in exchange for the consideration provided by this  
14 Plan, except as provided in the Plan or the Order Confirming the Plan.

15 **IX. ARTICLE IX - (BINDING NATURE OF THE PLAN)**

16 Upon the entry of the Order Confirming the Plan, the Plan shall bind the Debtors, all  
17 entities that are to acquire any property under the Plan, and all creditors, whether or not  
18 their claims are impaired under the Plan and whether or not they have accepted the Plan, as  
19 determined by § 1141(a) of the Bankruptcy Code.

20 This means, in part, that, except as provided by an express order of the Bankruptcy  
21 Court or pursuant to the terms of the Plan or the Order Confirming the Plan, all judicial,  
22 administrative or other actions or proceedings pending against the Debtors, the assets  
23 transferred to Diamond or arising out of claims accrued prior to the confirmation of the  
24 Plan shall be permanently enjoined. Certain other claims shall be deemed released and  
25 other acts and actions as further specified in the Plan shall be enjoined.

26



1 **X. ARTICLE X - (TERMINATION OF THE AUTOMATIC STAY AND**  
2 **DISCHARGE)**

3 The automatic stay imposed by 11 U.S.C. §362(a) shall remain in effect against the  
4 debtor until the earliest of (a) the final (not administrative) closing of the case; (b) the  
5 dismissal of the case; or (3) the time that a discharge is granted or denied in this Chapter 11  
6 case. Except as provided in this Plan, upon the completion of all payments required by  
7 the Plan an order granting discharge will be entered by the Court discharging and releasing,  
8 all Claims against the Debtors, regardless of whether or not (1) a proof of Claim has been  
9 filed or is or was deemed filed, (2) such Claim was listed on any of the Debtor' Schedules,  
10 (3) such Claim was Allowed, or (4) the holder of such Claim has voted to accept or reject  
11 this Plan, shall be, and shall be deemed to be, discharged, released and terminated<sup>8</sup>, and all  
12 holders of Claims shall be precluded and enjoined from asserting against the Debtors, the  
13 Estate, the Reorganized Debtors, Diamond or any of their assets or properties, any other or  
14 further Claim based upon any act or omission, transaction, or other activity of any kind or  
15 nature that occurred prior to the Effective Date, whether or not such holder has filed a  
16 Proof of Claim. Upon the date the Debtors complete payment of all amounts to all  
17 creditors as provided by this Plan, an order granting discharge will be entered by the Court  
18 and, all such creditors shall be forever precluded and enjoined, pursuant to 11 U.S.C. §524,  
19 from prosecuting or asserting any such discharged Claim against Debtor, the Estate the  
20 Reorganized Debtor, Diamond or any of their Property. Furthermore, any person who has  
21 contractually agreed to release any Claims against the Debtor and any liens or interests in  
22 any Collateral shall be deemed to have released any such Claims and liens or interests in  
23 any such Collateral upon the entry of such an order. Upon the entry of the Confirmation  
24 Order, all holders of Claims and other parties in interest, along with their respective present  
25

26 <sup>8</sup> The Class 1(B) Claim of the IRS shall not be discharged unless and until it has been paid in full  
or the IRS has agreed otherwise.

1 or former employees, agents, officers, directors or principals, shall be enjoined from taking  
2 any actions to interfere with the implementation or consummation of this Plan.

3  
4 **XI. ARTICLE XI – (BAR DATE FOR THE FILING OF ADMINISTRATIVE CLAIMS)**

5 Any person or entity asserting any injury by such rejection shall be deemed to hold  
6 an unsecured claim against the Debtors to the extent allowed by the Court, and, pursuant to  
7 Order of the Court, **must file a proof of claim for any damages resulting therefrom on**  
8 **or before the date that is 30 days after the date of the entry of the Confirmation**  
9 **Order, or be forever barred from asserting any claim** and precluded from pursuing any  
10 such Claim at any time against the Debtors, the Estate, Diamond and the Liquidating  
11 Agent.

12 **XII. ARTICLE XII - (IMPLEMENTATION OF THE PLAN)**

13 The Plan will be implemented, in part, as follows:

14 A. On the Effective Date, the membership interests in Oasis and Compassionate,  
15 any leases, licenses and executory contracts related to those entities, and all claims or  
16 causes of action against Martin, Meyer, Morin, Opara and any persons affiliated with them  
17 owned by the Estate shall be transferred to and owned by the prevailing bidder or the back-  
18 up bidder, as the case may be, free and clear of all claims and encumbrances including and  
19 rights and interests of the Debtors free and clear of any liens, claims and encumbrances of  
20 any person. All other property belonging to the Debtors or the Estate as well as all other  
21 leases and executory contracts not transferred or assigned to Diamond or rejected under the  
22 terms of this Plan shall be deemed to be owned by the Debtors as the Reorganized Debtors  
23 free and clear of any liens, claims and encumbrances except to the extent set forth above.

24 B. The Debtors shall become the Reorganized Debtors.  
25  
26

1 **XIII. ARTICLE XIII - (MODIFICATION OF AND AMENDMENTS TO THIS**  
2 **PLAN)**

3 Prior to the entry of the Order Confirming this Plan, Diamond may propose  
4 amendments or modifications in accordance with 11 U.S.C. §1127(a). After confirmation,  
5 Diamond may amend this Plan in the manner provided by Section 1127(b) of the  
6 Bankruptcy Code. The Bankruptcy Court may, at any time, so long as it does not  
7 materially or adversely affect the interests of creditors, remedy defects and omissions or  
8 reconcile any inconsistencies herein or in the Order Confirming the Plan as may be  
9 appropriate to effectuate this Plan.

10 **XIV. ARTICLE XIV – (ALTERNATIVES TO CONFIRMATION OF PLAN)**

11 An analysis of what holders of Allowed Claims and Allowed Interests would  
12 receive if the Debtor's assets were liquidated in a case under Chapter 7 of the Code is  
13 attached to the Disclosure Statement as **Exhibit 3**. As illustrated therein, under a  
14 liquidation scenario, holders of Allowed Unsecured Claims would receive little  
15 distribution. Conversely, under the proposed Plan, each unsecured creditor holding an  
16 Allowed Claim will **be paid, shortly after confirmation, in full plus the interest which**  
17 **has accrued on her, his or its Claim**. In addition, the other Classes of creditors, including  
18 the IRS, will receive far more than they would under a Chapter 7.

19 After Diamond filed its original Chapter 11 Plan, the Debtors filed a Motion to  
20 Dismiss Case in a transparent attempt to avoid having to sell their membership interests in  
21 Compassionate and Oasis and paying their creditors the proceeds from that sale. That  
22 motion has been withdrawn. The Debtors are very unlikely to sell the membership  
23 interests in Oasis and Compassionate if their Third Amended Plan is confirmed. As a  
24 result, Diamond's Plan is far better for all creditors than the Debtors' Plan.

25 **XV. ARTICLE XV – (EXCULPATION)**

26 The Debtors, Diamond, the Liquidating Agent and their members, officers,  
directors, employees, advisors, attorneys, or agents, shall not have or incur any liability to

1 any holder of a Claim or Interest or any other party-in-interest, or any of their respective  
2 agents, employees, representatives, financial advisors, attorneys, or affiliates, as well as  
3 any of their successors or assignees for any acts or omissions in connection with, relating  
4 to, or arising out of, the Chapter 11 case, the pursuit of the confirmation of the Plan, or  
5 administering the Property of the Estate or the Purchase Proceeds, except for willful  
6 misconduct.

7  
8 **XVI. ARTICLE XVI - (RETENTION OF BANKRUPTCY COURT  
JURISDICTION)**

9 Following confirmation of the Plan, the Bankruptcy Court shall retain, without  
10 limitation, jurisdiction to ensure that the purposes and intent of the Plan are carried out.  
11 Without limiting the generality of the foregoing, the Bankruptcy Court will retain  
12 jurisdiction, until the Plan is fully consummated, for the following purposes:

13 A. Deciding the proper classification of any claim, determining the proper  
14 allowance subordination and liquidation for purposes of distribution of claims estimated for  
15 purposes of voting, and resolving objections to claims and Interests, and the reexamination  
16 of Allowed Claims for purposes of determining acceptances at the time of Confirmation,  
17 and the determination of such objections as may be filed;

18 B. Resolving all disputes regarding title to assets of the Debtors and all disputes  
19 arising under the Bankruptcy Code and to determine all questions and disputes regarding  
20 assets of the Estate, and all causes of action, controversies, disputes, or conflicts, known or  
21 unknown, whether or not subject to action pending as of the Confirmation Date, between  
22 Debtor or the Reorganized Debtors and any other party, including but not limited to, the  
23 right to recover assets, avoid transfers, recover fraudulent transfers, offset claims, recover  
24 money or property from any party or return assets which were or are the property of the  
25 Estates or asset of the Debtors existing as of the date of the Final Confirmation Order  
26 pursuant to the provisions of the Bankruptcy Code.

1 C. Hearing all matters and deciding all issues regarding the prosecution by the  
2 Reorganized Debtors of any Complaints or causes of action and preference claims against  
3 any person and Objections to any Claims of creditors and such jurisdiction shall continue  
4 after the closing of these cases.

5 D. Correcting of any defect, curing any omission, or reconciling any  
6 inconsistency between the Plan and the Order Confirming the Plan as may be appropriate  
7 to effectuate the purposes and intent of the Plan;

8 E. Modifying the Plan after confirmation;

9 F. Determining the appropriateness of the release of any lien;

10 G. Enforcing and interpreting the terms and conditions of the Plan, or any other  
11 documentation effectuating the Plan and all controversies and disputes that may arise in  
12 connection with the enforcement, interpretation or consummation of the Plan;

13 H. Resolve any claims or causes of action, including any avoidance actions  
14 arising by operation of U.S.C. §§ 542 through 551, against any creditors or equity security  
15 holders held by the Debtors, or any creditors of the Debtors;

16 I. Determining any claim entitled to priority under Section 507 of the  
17 Bankruptcy Code;

18 J. Entering any order required to close the Debtors' case;

19 K. Determining all matters relating to the assumption, assignment, or rejection  
20 of executory contracts and unexpired leases, including claims for damages from the  
21 rejection of any executory contract or unexpired lease within such time as the Bankruptcy  
22 Court may direct;

23 L. The Bankruptcy Court may liquidate or estimate damages or determine the  
24 manner and time for such liquidation or estimation in connection with any contingent,  
25 disputed, or unliquidated Claims;

26

1 M. The Court may shorten or extend, for cause, the time fixed for doing any act  
2 or thing under the Plan, on such notice as the Bankruptcy Court shall determine to be  
3 appropriate;

4 N. The Court may enter any order, including injunctions, necessary to enforce  
5 the title, rights, and powers of the Reorganized Debtor, and to impose such limitations,  
6 restrictions, terms and conditions on such title, rights, and powers as the Bankruptcy Court  
7 may deem appropriate; and

8 O. The Court may determine such other matters as may be provided in the  
9 Confirmation Order or as may be authorized under the Bankruptcy Code.

10 **XVII. ARTICLE XVII - (REQUEST FOR CONFIRMATION)**

11 Diamond requests entry of an Order confirming the Plan pursuant to Section 1129 of  
12 the Bankruptcy Code.

13 **RESPECTFULLY SUBMITTED** this 23<sup>rd</sup> day of September, 2016

14 **TIFFANY & BOSCO, P.A.**

15  
16 /s/ Christopher R. Kaup  
17 Christopher R. Kaup, Esq.  
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26

1 **FOREGOING** electronically filed with  
2 Bankruptcy Court on this 23<sup>rd</sup> day of  
September, 2016.

3 **COPIES** served by the Court's electronic  
4 notification system if marked with and "\*" or  
otherwise mailed, on this or the next business  
5 day to:

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Pinal County Treasurer  
PO Box 729  
Florence, AZ 85132

Joseph A and Florence A. Oladokun  
1142 E. McMurray Blvd.  
Casa Grande, AZ 85122  
*Debtors*

Pinal County Federal Credit Union  
1000 E. Florence Blvd.  
Casa Grande, AZ 85122

/s/ Louis A. Lofredo



**EXHIBIT "2"**  
**Projections of Income, Expenses and Plan Payments**

Minimum Payments from Debtors	\$91,091.80	Per Year Amount	\$18,218.36
Purchase Proceeds to be applied on Eff. Date	\$599,795.00		
Possible Add'l Amounts from Debtors <sup>1</sup>	\$248,371.80	Per Year Amount	\$49,674.36

		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Monthly Income <sup>6</sup>		\$25,780.77	\$25,780.77	\$25,780.77	\$25,780.77	\$25,780.77	
Annual Income		\$309,369.24	\$309,369.24	\$309,369.24	\$309,369.24	\$309,369.24	\$1,546,846.20
(Living Expenses - MONTHLY) <sup>2</sup>	\$10,298.96						
(Living Expenses - ANNUAL)		<u>\$123,587.52</u>	<u>\$123,587.52</u>	<u>\$123,587.52</u>	<u>\$123,587.52</u>	<u>\$123,587.52</u>	
Net Income Available for Plan Payments		\$185,781.72	\$185,781.72	\$185,781.72	\$185,781.72	\$185,781.72	\$928,908.60

Creditor (Priority or Class)	Claim Amt	Effective Date Payments <sup>5</sup>	Year 1	Year 2	Year 3	Year 4	Year 5	Total Payments Made
Law Firm of Douglas B. Price (Admin)	\$11,902.60	\$11,902.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,902.60
Law Firm of Allan D. NewDelman (Admin) <sup>4</sup>	\$83,124.73	\$83,124.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$83,124.73
AltKey (Admin)	\$45,895.23	\$45,895.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,895.23
Kevin Yanopolis, Appraiser on Valuation	\$8,361.25	\$8,361.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,361.25
Liquidating Agent & Costs <sup>3</sup>	\$4,000.00	\$4,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00
Internal Revenue Service (\$18,406)(Class 1) <sup>9</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Internal Revenue Service (\$1,979.95)(Priority) <sup>7</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PCFCU (Class 2)	\$0.00	n/a	n/a	n/a	n/a	n/a	n/a	\$0.00
Green Tree Servicing, LLC (Class 3)	\$144,537.27	n/a	\$13,805.16	\$13,805.16	\$13,805.16	\$13,805.16	\$13,805.16	\$69,025.80
Ocwen Servicing, LLC (Class 4)	\$159,639.86	n/a	\$15,270.96	\$15,270.96	\$15,270.96	\$15,270.96	\$15,270.96	\$76,354.80
JPMC (Class 5) <sup>10</sup>	\$265,978.71	n/a	\$26,400.00	\$26,400.00	\$26,400.00	\$26,400.00	\$26,400.00	\$132,000.00
General Unsecured Claims (Class 6) Amount	\$384,909.80	\$384,909.80						
Interest on the General Unsecured Claims (Class 6) at 3.5% since the date of the filing for bankruptcy <sup>8</sup>	n/a	\$61,601.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$61,601.39
Aggregate Principal Amount of Plan Payments	\$1,108,349.45	\$599,795.00	\$55,476.12	\$55,476.12	\$55,476.12	\$55,476.12	\$55,476.12	\$877,175.60

## **EXHIBIT "2"**

### **Projections of Income, Expenses and Plan Payments**

<sup>1</sup> Debtors have regularly paid certain large amounts to or for their own benefit or the benefit of family members postpetition. For example, their Operating Reports reflect periodic large payments for "Withheld Stock Purchase Plan", "Withheld 401(k) Contributions", "Loan Payment", "Insurance Expense - Other", "Loan to House of Hope", "Loan to Related Entity", "Tithes" and "Loan to Family". Under the Plan, the Debtors will be able to continue to make these payments and receive the benefit of these deductions assuming they timely make all of the payments required by the terms of the Plan. Amounts will be provided from Debtors to pay their creditors (See Diamond's Second Amended Chapter 11 Plan for details).

<sup>2</sup> This amount on monthly and annual expenses is an average of the aggregate of the Debtors' living expenses, less certain large amounts historically paid by the Debtors for their own or relatives behalf, based on their filed Operating Reports from January 2015 through May of 2015.

<sup>3</sup> The Liquidating Agent will be paid a flat fee of \$3,000 plus costs, estimated on this chart as \$1,000.

<sup>4</sup> The amount in the column labeled "Claim Amt" is the amount of fees and cost allegedly due to Debtors' counsel as of August 31, 2016 based on communications received from Mr. NewDelman.

<sup>5</sup> The entire amount of the Purchase Proceeds will distributed to creditors on the Effective Date.

<sup>6</sup> The Debtors monthly and annual income amounts are an average of the amounts shown as "Employment Income", "Contract NP Services" and "Entity Loans" in their monthly operating reports from May, 2014 through April, 2015.

<sup>7</sup> Based on same calculations shown below as to IRS' Amended Proof of Claim 12-8, DCHN has revised the IRS claim amount to \$0 as shown on page 4 in the IRS' Amended Proof of Claim 12-13. For example, the true unsecured claim amount in the IRS' Amended Proof of Claim 12-8 is \$36,762.80 as shown on page 4. It is not \$89,951.65 as listed in box 9. The following is a brief explanation obtained by Lou Lofredo, paralegal at Tiffany & Bosco, in a March 18, 2016 telephone conference with IRS Bankruptcy Specialist Paul Lopez, the author of this PoC: Each Debtor is jointly and severably liable to the IRS for the unsecured claim amount of \$36,762.80. The IRS routinely records the full amount against each Debtor because it avoids the loss of half of the total claim amount should one of the debtors be discharged. (See page 4, Taxpayer ID numbers for Tax Period 9/30/2011). In addition, Taxpayer 3982's debt shows as \$53,188.85, which is exactly \$16,426.05 more than \$36,762.80. This additional liability of Taxpayer 3982 is the secured portion for Tax Period 9/30/2011. This \$16,426.05 is part of the secured amount under Secured Claims. It is duplicative, thereby once again increasing the actual unsecured claim amount shown in box 9 of the PoC. Paul Lopez confirmed that the total unsecured claim within this bankruptcy case for both Debtors as of 3-18-2016 is \$36,762.80. On page 4, at the end of the first paragraph it states, "IRC 6672 - Liability Will Only Be Collected Once."

<sup>8</sup> DHCN has calculated that the aggregate amount of general unsecured claims is \$384,909.41. A list of each creditor and the amount of his, her or its claim is on page three of this exhibit. DCHN has calculated the amount of interest which has accrued on this sum at 3.5% per annum since April 5, 2012 to October 30, 2016 is \$61,601.91.

<sup>9</sup> At confirmation, the IRS' secured claim of \$18,406.00 will be paid in full with the funds the IRS currently has in its possession. The following is a brief explanation obtained by Lou Lofredo, paralegal at Tiffany & Bosco, in a March 18, 2016 telephone conference with IRS Bankruptcy Specialist Paul Lopez, the author of this PoC: On page 4, 1st paragraph, 1st sentence, the IRS states, "The United States has the right of setoff or counterclaim(s) in the amount of \$18,406.00." Since the IRS is prohibited from applying the funds it possesses against the amounts owed to it until after Plain Confirmation, the IRS' Amended Proof of Claim 12-8 shows a total amount of the secured claim as \$18,406.00. Paul Lopez confirmed that upon Plan confirmation, the funds in the possession of the IRS would be applied to this secured claim amount of \$18,406.00, effectively making this secured claim amount due as \$0 for purposes of the Plan payment.

<sup>10</sup> Balloon payment due December 1, 2018.

**EXHIBIT "2"**  
**General Unsecured Claim Holders (Class 6)**

Claim No.	Claimant	Proof of Claim Amount	Scheduled Amount	Type of Claim	Unsecured Debt Amount to Use in 3rd Am. D.S.
2	Department Stores National Bank/Macy's	\$748.24	\$297.00	Unsecured	\$748.24
3	Wells Fargo Card Services	\$22,987.55	\$22,238.00	Unsecured	\$22,987.55
6	Diamond Care Health Network	\$3,143.76	\$4,130.00	Unsecured	\$3,143.76
8	GE Capital Retail Bank	\$820.69	\$265.00	Unsecured	\$820.69
11	Key Equipment Finance Inc	\$44,543.80	\$45,000.00	Unsecured	\$44,543.80
13	Great Western Bank	\$4,945.47	\$4,979.00	Unsecured	\$4,945.47
14	Great Western Bank	\$4,868.02	\$5,000.00	Unsecured	\$4,868.02
15	Great Western Bank	\$5,801.72	Not listed	Unsecured	\$5,801.72
17	JPMorgan Chase Bank, N.A.	\$254,802.30	\$273,622.50	Unsecured	\$254,802.30
18	JPMorgan Chase Bank, N.A.	\$12,160.25	\$13,021.16	Unsecured	\$12,160.25
n/a	A/R Solutions	n/a	\$310.00	Unsecured	\$310.00
n/a	Afni, Inc.	n/a	\$269.00	Unsecured	\$269.00
n/a	Allied Interstate, LLC	n/a	\$305.00	Unsecured	\$305.00
n/a	Chase	n/a	\$14,620.00	Unsecured	\$14,620.00
n/a	Chase	n/a	\$11,331.00	Unsecured	\$11,331.00
n/a	Credit Coll	n/a	\$65.00	Unsecured	\$65.00
n/a	PPS Plus	n/a	\$2,000.00	Unsecured	\$2,000.00
n/a	Yellowpages United	n/a	\$1,188.00	Unsecured	\$1,188.00
<b>Total Unsecured</b>					<b>\$384,909.80</b>

	Date Start	Date End	Days	Unscr'd Amt.	Totals
Int. Calculation 3.5%	4/5/2012	10/30/2016	1669	\$384,909.80	\$61,601.39
<b>Total with Interest</b>					<b>\$446,511.19</b>

**EXHIBIT "3"**  
**Liquidation Analysis by Diamond**  
**In re Joseph and Florence Oladokun**

<b>Asset</b>	<b>Market Value</b>	<b>Liquidation Value</b>	<b>Exemption</b>	<b>Secured Claim</b>	<b>Equity</b>
Real Property - 1142 E. McMurray St., Casa Grande, AZ <sup>1</sup>	\$150,032.00	\$125,000.00	\$150,000.00	\$159,639.86	\$0.00
Real Property - 1149 E. 11th Street, Casa Grande, AZ <sup>1</sup>	\$142,194.00	\$118,000.00	\$0.00	\$145,000.00	\$0.00
Real Property - Office Space - 121 W. Florence Blvd, Casa Grande, AZ <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Real Property - Shopping Center Complex with four parcels <sup>3</sup>	\$300,000.00	\$250,000.00	\$0.00	\$280,000.00	\$0.00
Checking savings brokerage accounts <sup>3</sup>	\$105.00	\$105.00	\$150.00	\$0.00	\$0.00
Household Goods and Furnishings <sup>3</sup>	\$2,400.00	\$1,000.00	\$8,000.00	\$0.00	\$0.00
Non-Exempt Household Goods <sup>3</sup>	\$250.00	\$100.00	\$0.00	\$0.00	\$100.00
Misc. Wearing Apparel	\$400.00	\$100.00	\$1,000.00	\$0.00	\$0.00
Books <sup>3</sup>	\$200.00	\$50.00	\$500.00	\$0.00	\$0.00
Jewelry <sup>3</sup>	\$600.00	\$200.00	\$2,000.00	\$0.00	\$0.00
Gardian Life Insurance <sup>3</sup>	\$1,000.00	\$1,000.00	\$1,000.00	\$0.00	\$0.00
Casa Grande Region Medical Center Retirement <sup>3</sup>	\$40,506.95	\$40,506.95	\$40,506.95	\$0.00	\$0.00
Kent General Hospital Retirement <sup>3</sup>	\$2,021.00	\$2,021.00	\$2,021.00	\$0.00	\$0.00
2 desktop computers <sup>3</sup>	\$150.00	\$150.00	\$150.00	\$0.00	\$0.00
1 cash register <sup>3</sup>	\$100.00	\$10.00	\$100.00	\$0.00	\$0.00
Wheel barrow and lawn mower <sup>3</sup>	\$35.00	\$5.00	\$35.00	\$0.00	\$0.00
50% ownership of Oasis Pavilion, LLC <sup>4</sup>	\$257,400.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00
70% Ownership in Oasis Home Healthcare, LLC <sup>5</sup>	\$0.00	0.00	\$0.00	\$0.00	\$0.00
50% ownership of Compassionate Patient Care, LLC <sup>6</sup>	\$28,600.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00
100% Ownership Lighthouse and Ambulatory Clinic, LLC <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Oasis Home Healthcare trade name <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Inventory from Beauty Supply Store that is out of business <sup>3</sup>	\$850.00	\$200.00	\$0.00	\$0.00	\$200.00
Food, Fuel and provisions <sup>5</sup>	\$100.00	\$100.00	\$100.00	\$0.00	\$0.00
2002 Jaguar XJ <sup>3</sup>	\$6,108.00	\$4,000.00	\$5,000.00	\$0.00	\$0.00
2003 GMC Sierra 1500 pick-up <sup>3</sup>	\$6,038.00	\$4,000.00	\$5,000.00	\$0.00	\$0.00
2005 Lexus LS <sup>3</sup>	\$15,344.00	\$12,000.00	\$0.00	\$0.00	\$12,000.00
<b>Liquidation Equity</b>					<b>\$24,300.00</b>

**EXHIBIT "3"**  
**Liquidation Analysis by Diamond**  
**In re Joseph and Florence Oladokun**

Asset	Market Value	Liquidation Value	Exemption	Secured Claim	Equity
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<sup>1</sup> The market value is from basic Zillow Zestimate viewed on June 26, 2015. The liquidation value is Diamond's estimate.

<sup>2</sup> Surrendered per Debtors' Second Amended Disclosure Statement.

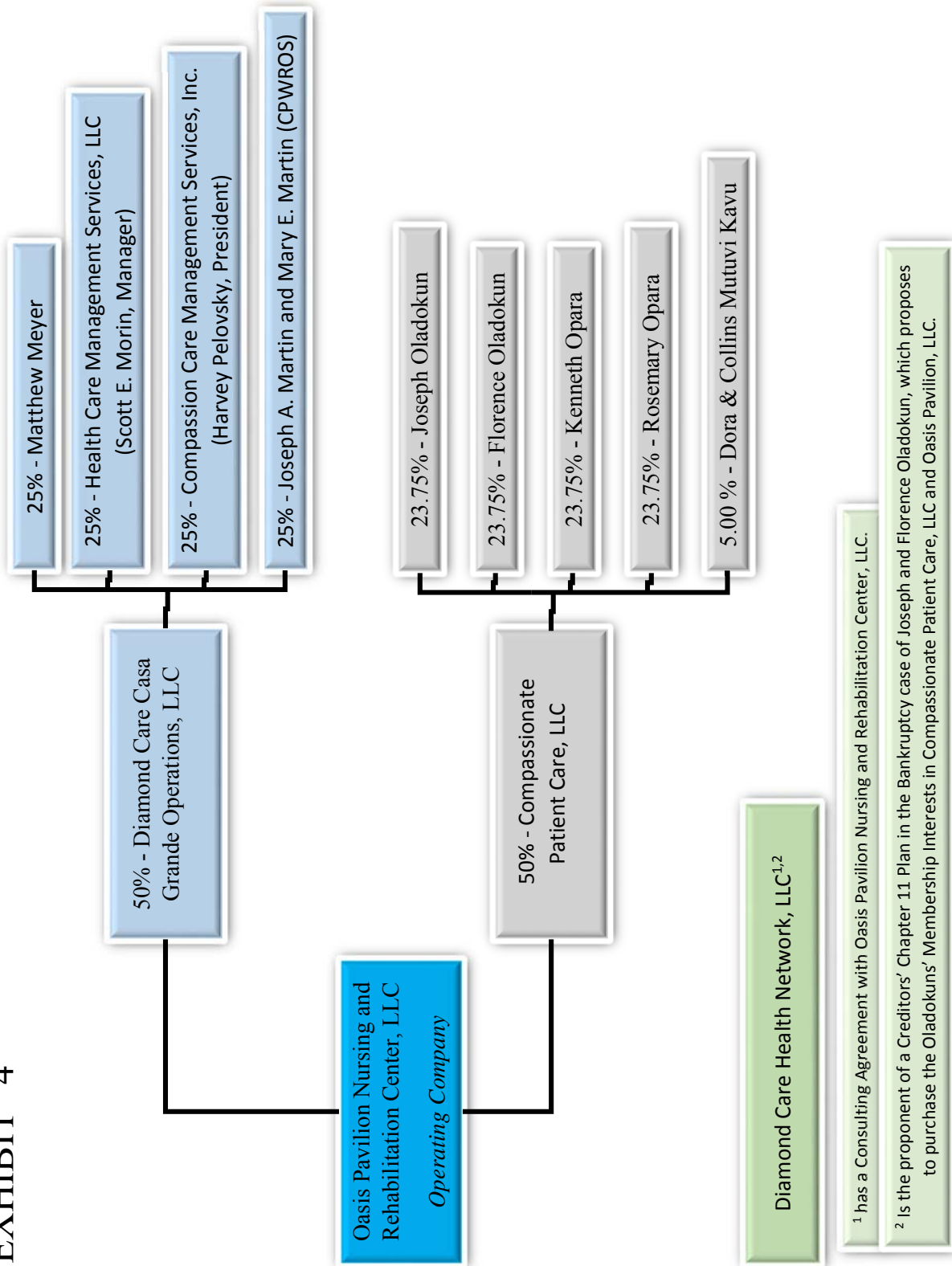
<sup>3</sup> The fair market value is the value the Debtors, under penalty of perjury, attributed to this property in their Bankruptcy Schedules. The liquidation value is Diamond's estimate.

<sup>4</sup> The values listed for this asset is the estimate of Diamond. The Debtors, under penalty of perjury, stated that the fair market value of this asset is zero.

<sup>5</sup> The fair market value of this asset is the value the Debtors, under penalty of perjury, attributed to this property in their Bankruptcy Schedules.

<sup>6</sup> The values listed for this asset is the estimate of Diamond. The Debtors, under penalty of perjury, stated that the fair market value of this asset is zero..

EXHIBIT "4"

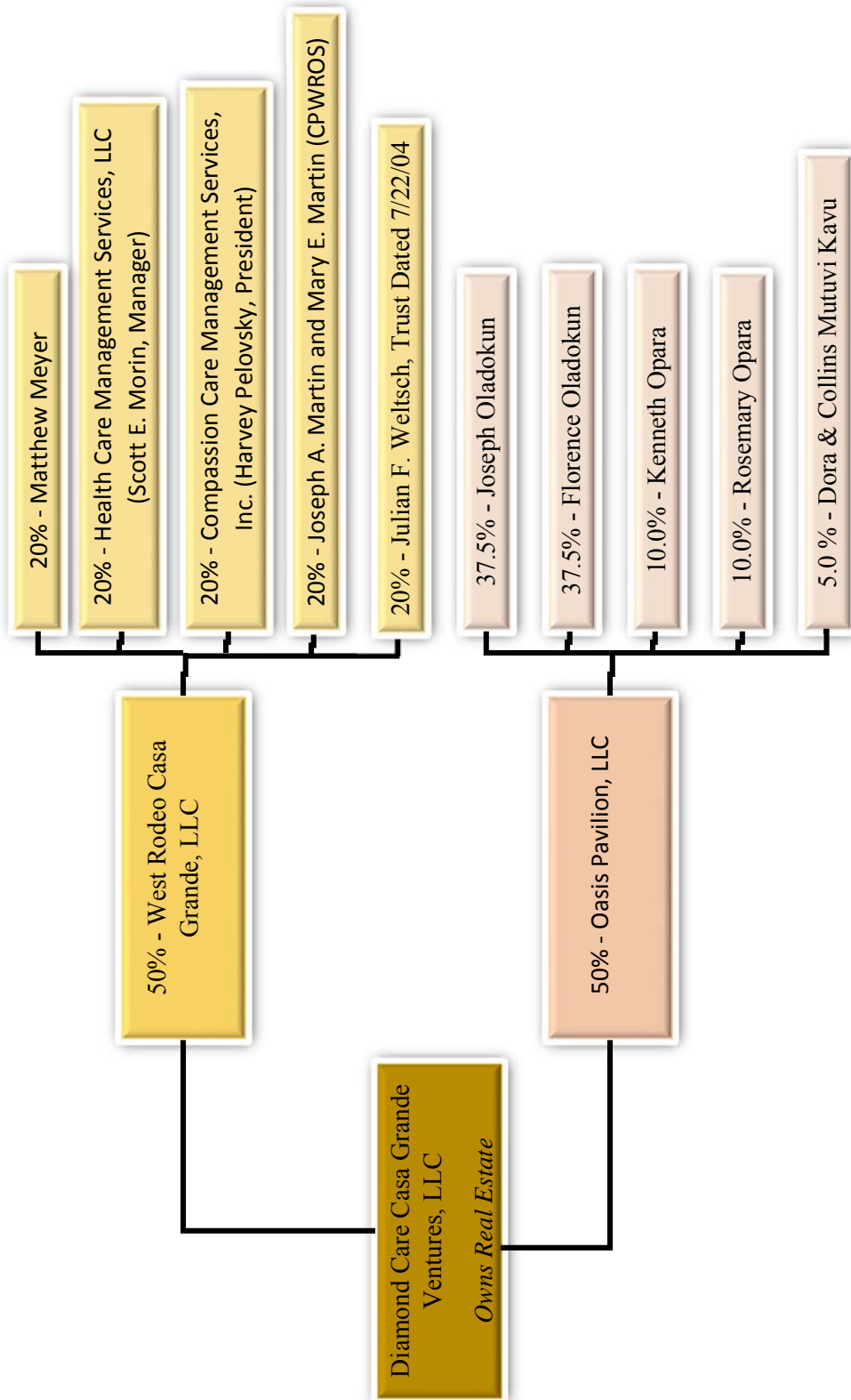


Diamond Care Health Network, LLC<sup>1,2</sup>

<sup>1</sup> has a Consulting Agreement with Oasis Pavilion Nursing and Rehabilitation Center, LLC.

<sup>2</sup> Is the proponent of a Creditors' Chapter 11 Plan in the Bankruptcy case of Joseph and Florence Oladokun, which proposes to purchase the Oladokuns' Membership Interests in Compassionate Patient Care, LLC and Oasis Pavilion, LLC.

EXHIBIT "5"



# Exhibit “6”



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8 Attorney for the Debtors

9  
10 IN THE UNITED STATES BANKRUPTCY COURT  
11  
12 IN AND FOR THE DISTRICT OF ARIZONA

13 In Re ) In Proceedings Under  
14 ) Chapter 11  
15 JOSEPH A. OLADOKUN and )  
16 FLORENCE A. OLADOKUN, ) Case No. 4:12-bk-07178 BMW  
17 )  
18 ) OBJECTION TO CREDITOR  
19 ) DIAMOND CARE HEALTH  
20 ) NETWORK'S DISCLOSURE  
21 ) STATEMENT  
22 )  
23 ) Hearing Date: June 10, 2015  
24 Debtors. ) Time: 10:15 a.m.  
25 )  
26 )  
27 )  
28 )

---

20 Joseph and Florence Oladokun, the Debtors-In-Possession ("Debtors"), by and  
21 through undersigned Counsel file this Objection in opposition to approval of the  
22 Disclosure Statement in Support of Diamond Care Health Network's Amended Chapter  
23 11 Plan of Reorganization Dated March 18, 2015 (Docket No. 215) (hereinafter the  
24 "Disclosure Statement"). The Disclosure Statement relates to Diamond Care Health  
25 Network's Amended Chapter 11 Plan of Reorganization Dated March 18, 2015  
26 (Docket 216) which is patently un-confirmable on its face due to, among other things,  
27 the bad faith of the Plan proponent. This Objection is supported by the following  
28

1 Memorandum of Points and Authorities and all pleadings, evidence, and declarations  
2 that are on file in this case.<sup>1</sup> This Objection is submitted pursuant to 11 U.S.C. §1125  
3 and Bankruptcy Rule 3017(a).  
4

5 **I. Disclosure Statement's Failure to Adequately Inform:**

6 The Debtors, who are and always have been, the Chapter 11 Debtors-In-  
7 Possession, respectfully submit that the Disclosure Statement filed by Diamond Care  
8 Health Network, LLC ("DCHN") should be denied because the Disclosure Statement  
9 fails to supply creditors with "adequate information" to make a reasoned decision to  
10 vote for, or against, DCHN's (creditor's) Chapter 11 Amended Plan of Reorganization  
11 Date March 18, 2015.  
12

13 Relationship between the parties and DCHN's  
14 Failure to Disclose and/or mask the true nature of the relationship.

15 The matters before this court are the result of a power play by one person,  
16 Matthew K. Meyer. Mr. Meyer no longer wishes to "be in bed with" Joseph and  
17 Florence Oladokun and to effectuate his wish, is trying to muscle them out of their  
18 ownership interest in certain business ventures. Make no mistake, Mr. Meyer is nothing  
19 more than a ruthless business man with a hidden agenda. To effectuate this hidden  
20 agenda, Mr. Meyer, through DCHN, became a very minor creditor of this Chapter 11  
21 estate - something DCHN conveniently fails to mention in its Disclosure Statement.  
22

23 Specifically, the following history should be noted:  
24

25  
26  
27 <sup>1</sup> Pursuant to Fed. R. Evid. 201, the Court may take judicial notice of pleadings filed in this  
28 bankruptcy proceeding. See *In re McGoldrick*, 117 B.R. 554, 556 (Bankr. C.D. Cal. 1990); *In re Supergate  
Open Steel Flooring*, 1 B.R. 660, 662 (Bankr. C.D. Cal. 1979). The Debtors request that the Court take  
judicial notice of the pleadings filed in this case that may be referred to herein.

- 1 1. On or about April 5, 2012 the Debtors filed their voluntary petition under  
2 Chapter 11.
- 3 2. On or about May 23, 2012 Pinal County Federal Credit Union filed a general  
4 unsecured claim in the amount of \$3,143.76. (See Exhibit "A".)
- 5 3. Nearly three years later, DCHN approached Pinal County Federal Credit Union  
6 and offered to purchase its claim. Upon information and belief the purchase  
7 price was somewhere between \$1,200.00 and \$1,500.00.<sup>2</sup>
- 8 4. On February 10, 2015 DCHN filed its "Notice of Transfer of Claim Pursuant to  
9 Fed. R. Bankr. P. 3001(e)". (See Exhibit "B".)
- 10 5. On February 11, 2015 the Clerk of the Court issued its notice of transfer of claim  
11 with an objection date set for March 4, 2015. (See Exhibit "C".)
- 12 6. On February 20, 2015, even before its transfer of claim was deemed valid, and  
13 probably without standing to do so, DCHN, as a "creditor" of the bankruptcy  
14 estate, filed its Chapter 11 Plan of Reorganization (Docket No. 210).
- 15 7. On March 6, 2015 the Debtors filed a Motion to Dismiss the Chapter 11  
16 proceeding. That Motion indicated that the Debtors' major creditor, the IRS, had  
17 negotiated with other parties responsible for certain employer tax obligations  
18  
19  
20  
21

---

22  
23 <sup>2</sup>Debtor's counsel, Roberta J. Sunkin, received two telephone calls from Counsel for the Credit Union  
24 on February 17, 2015. These calls were received 7 days after DCHN filed its Notice of Transfer of Claim  
25 (Docket 203). The first call concerned confusion over the actual sale, which, apparently, was news to the  
26 Credit Union's attorney and the "sale price" for the transfer of between \$1,200.00 and \$1,500.00. The second  
27 call confirmed that the Credit Union had sold its claim and no longer would be involved in this Chapter 11  
28 proceeding.

29 It needs to be further noted, as explained in the latter part of this Objection, the purchase of the claim  
30 was done only after DCHN attempt to persuade the Debtors that it would be in their best interest to effectuate  
31 a Section 363 sale of some of the very same assets DCHN now proposes to purchase through its Plan. Having  
32 been unable to effectuate a hostile takeover, Mr. Meyer manipulated his way into this Chapter 11 proceeding.

1 (one of whom is Mr. Meyer) and that it potentially would be easier to negotiate  
2 outside the context of a bankruptcy. (See Docket No. 212.)

3  
4 8. On March 18, 2015 DCHN, as a “creditor” of the bankruptcy estate, filed its  
5 Disclosure Statement and an Amended Chapter 11 Plan (Docket Numbers 215  
6 and 216). A review of the two plans shows two substantive differences, 1) the  
7 presumption that the Debtors will pay a minimum of \$91,091.08 over a 60  
8 month period to the creditors; and 2) the attempt to gerrymander classes for a  
9 favorable vote.  
10

11 9. On April 1, 2015 DCHN, again, a very minor creditor of this estate, having  
12 simply acquired a claim from the Credit Union, filed an Objection to the Motion  
13 to Dismiss.  
14

15 Now that the history of how DCHN became a “creditor” of this Chapter 11 estate  
16 has been revealed, the real creditors are entitled to know the true relationship between  
17 the driving force behind DCHN and the Oladokuns.

18 On May 16, 2007 Joseph and Florence Oladokun purchased 4.75 acres of  
19 unimproved real property located at 111 West Rodeo Drive, Casa Grande, Arizona  
20 (currently known as 161 West Rodeo Drive). At the time, the real property was  
21 unimproved. The Oladokuns were going to build an assisted living facility/nursing  
22 home on the property. The Oladokuns took steps to clear the land to prepare for the  
23 building of the 134 bed nursing home, something that was needed within the local Casa  
24 Grande community. The Oladokuns invested approximately \$65,000.00 of their own  
25 money in preparing the land for their business venture. They hired a Scottsdale, Arizona  
26  
27  
28

1 architectural firm and began working with the architect and a Casa Grande construction  
2 company in an effort to develop plans for the nursing home facility.

3  
4 In an effort to secure assistance in the financial burdens of building the facility,  
5 the Oladokuns invited friends to join them in the venture.

6 In August, 2007 the Oladokuns formed Oasis Pavilion, LLC. ("OP") At the time  
7 of formation, Mr. and Mrs. Oladokun were the sole members and sole managers. As the  
8 Oladokuns secured investment from their friends, Kenneth and Rosemary Opara as well  
9 as Collins and Dora Kavv became minority members.  
10

11 In April, 2008 Matthew K. Meyer formed Diamond Care Casa Grande Ventures,  
12 LLC. ("DCCGV"). At the time of formation, Mr. Meyer was the sole member.  
13 Approximately one year later the membership structure of this entity changed as  
14 referenced below.  
15

16 In April, 2008 Matthew K. Meyer formed West Rodeo-Casa Grande, LLC  
17 ("WRCG"). At the time of formation, Mr. Meyer was the sole member and sole  
18 manager. According to DCHN's Disclosure Statement, at some point, the membership  
19 of this entity changed. Mr. Meyer now purports to hold a 20% interest individually with  
20 the other 80% equally divided between various entities and individuals.  
21

22 In May, 2008 the Oladokuns along with Mr. and Mrs. Opara formed  
23 Compassionate Patient Care, LLC. ("CPC"). In 2012 a 5% interest was given to Mr. and  
24 Mrs. Kavv.

25 In June, 2008 Matthew K. Meyer formed Diamond Care Casa Grande  
26 Operations, LLC ("DCCGO"). At the time of formation, Mr Meyer was the sole  
27 member. According to DCHN's Disclosure Statement, at some point the membership  
28

1 interest in this entity changed leaving Mr. Meyer with a 25% interest. However, public  
2 record shows no such change. (See Exhibit "D".)

3  
4 In June, 2008 Matthew K. Meyer formed Oasis Pavilion Nursing and  
5 Rehabilitation Center, LLC ("OPNRC"). At the time of formation, Mr. Meyer was the  
6 sole member. In 2011 the membership structure of this entity changed. DCCGO and  
7 CPC became equal members.

8  
9 On March 3, 2009 Mr. Meyer filed with the Arizona Corporation Commission  
10 "Articles of Amendment" which added as members to DCCGV, OP and WRCG.

11 According to its Articles of Organization, the purpose of DCCGV was "to  
12 acquire, hold, manage sell and invest in all types of property, both real and personal, and  
13 to manage, maintain, supervise, market, administer, and otherwise oversee the  
14 construction of the (word not legible) nursing facility planned to be situated on the real  
15 property acquired by the Company, and to do all things necessary, advisable or  
16 expedient in connection with or incidental thereto. Consistent with the general purpose,  
17 the Company has been initially formed to purchase and/or sell the real property more  
18 commonly know as 111 West Rodeo Road, Casa Grand, AZ, 85222 ("Property"). The  
19 management and day-to-day operations of the facility constructed on this real property  
20 shall be conducted by Oasis Pavilion Nursing and Rehabilitation Center, LLC, an  
21 Arizona limited liability company."  
22

23  
24 On or about December 15, 2008 Mr. and Mrs. Oladokun signed a Warranty Deed  
25 transferring the Property to DCCGV. This Warranty Deed was not recorded until March  
26 10, 2009. As stated above, DCCGV, by this time, consisted of two members, OP and  
27 WRCG and was managed by Mr. Oladokun and Mr. Meyer. The Disclosure Statement  
28

1 does indicate that DCCGV “owns real estate”. What it does not disclose is that the real  
2 estate was originally owned by the Debtors and is now being “managed” by the Debtor  
3 and Mr. Meyer.  
4

5 On March 3, 2009 Mr. Meyer filed with the Arizona Corporation Commission  
6 "Articles of Amendment" which apparently changed the managers and members of  
7 OPNRC to DCCGO and CPC. OPNRC operates the nursing home that utilizes the  
8 Property.  
9

10 As noted, the transfer of the Property was not recorded until March 10, 2009  
11 under Pinal County Recorder Instrument Number 2009-023655. Simultaneously with  
12 the recording of the Warranty Deed, DCCGV, through Mr. Meyer, as Manager, did the  
13 following:  
14

- 15 1. Entered into a Promissory Note secured by a Deed of Trust against the  
16 Property in the amount of \$9,202,800.00 for the construction of the  
17 aforementioned nursing home facility. The Deed of Trust was recorded  
18 on March 10, 2009 under Instrument Number 2009-023656
- 19 2. Entered into a “Regulatory Agreement for Multifamily Housing Projects  
20 with the US Department of Housing and Urban Development as  
21 demonstrated by the HUD document recorded on March 10, 2009 under  
22 Instrument Number 2009-023657.
- 23 3. As Lessor, entered into a “Subordination Agreement” for a previously  
24 executed lease agreement between DCCGV and OPNRC. This  
25 document was recorded under Instrument Number 2009-023661. The  
26 Lessee under this Subordination Agreement is OPNRC and is signed on  
27 behalf of the Lessee by Mr. Meyer as manager of DCCGO and Kenneth  
28 Opara as Manager of CPC.

25 Over the next year the Oladokuns and Mr. Meyers had their differences.  
26 Arguments erupted regarding finances and management. On March 24, 2010 Mr.  
27 Meyer, through WRCG and the Oladokuns through OP, entered into a “Letter  
28

1 Agreement”, attached hereto and incorporated herein by reference as Exhibit “E”, which  
2 purported to resolve the disputes that had arisen back in 2009 and 2010. Needless to  
3 say, additional disputes over the years manifested themselves and the Oladokuns and  
4 Mr. Meyer have never been on the same page. Now, all of a sudden, Mr. Meyer has  
5 conceived of a way to kick the Oladokuns out of their business ventures and all for a  
6 payment of \$200,000.00 where millions may be involved - and since the Disclosure  
7 Statement is completely devoid of any information pertaining to how this purchase price  
8 was formulated in order to obtain complete control over a fully operational 134 bed  
9 nursing home.  
10  
11

12         It must be further noted that what the Disclosure Statement does disclose leads to  
13 more questions than answers. In an effort to tell his side of the story, Mr. Meyer’s  
14 recollection of the events and the finger pointing obviously differs from that of the  
15 Debtors. It is presumed that creditors will simply take the figure pointing with a “grain  
16 of salt”, however, one glaring problem is perfectly clear: DCHN has failed to deliver to  
17 the creditors, as exhibits to the Disclosure Statement, various financial records that  
18 would establish validity of the assertions contained therein.  
19  
20

21         Part F of the DS is captioned "Diamond's Relationship to Debtors". Paragraph 1  
22 under Part F puts forth DCHN's version of the story. Paragraph 2 under Part F puts forth  
23 DCHN's version of the conflict and controversy between the Debtors, Myers, Morin,  
24 Pelovsky and Martin, even alluding to Meyer's failed attempt at a hostile takeover of the  
25 joint business ventures before DCHN "acquired" a claim in this Chapter 11. The real  
26 problem arises under Paragraph 4 which asserts the "Financial Challenges" between  
27 these players.  
28



1           Assuming DCHN is attempting to establish grounds to purchase from the estate  
2 the Debtors' membership interest in Oasis Pavilion, LLC and Compassionate Patient  
3 Care, LLC by downplaying any value over the proposed offer of \$200,000.00, the  
4 Disclosure Statement asserts that there are "financial challenges" without supplying any  
5 documentation to back up what those "challenges" are. It is presumed that the reference  
6 to "the facility" in this portion of the Disclosure Statement is a reference to "Oasis  
7 Pavilion Nursing & Rehabilitation Center". It is this "facility" to which Mr. Meyer and  
8 his associates wish to gain control by usurping ownership of the Debtors' membership  
9 interest in both OP and CPC. The Disclosure Statement describes the "financial  
10 challenges" of the "facility" by asserting that in 2010 "billing and collections fell short  
11 of the increased cash needs" and, as a result, "in 2010 and 2011 the facility was unable  
12 to pay all of the payroll related taxes". The question becomes, who made the decision  
13 **not to pay** the payroll taxes and why? Was it Mr. Meyer and his associates who now  
14 wish to wrestle away any control over the "facility" the Debtors may have?  
15

16  
17  
18           The Disclosure Statement goes on to indicate that the financial concerns of the  
19 facility were addressed by the "Board of Managers" at "monthly meetings". The  
20 Disclosure Statement is completely devoid of any information as to who actually  
21 participated in these meetings and when. If such meetings took place, it would be  
22 incumbent upon DCHN to support its assertions with copies of the Minutes of each  
23 meeting. Doing so would give the creditors valuable information in assessing the  
24 veracity of an offer by DCHN to purchase assets for \$200,000.00.  
25

26  
27           It appears from the Disclosure Statement that the Board of Managers consisted  
28 of the Debtors (until sometime in 2012), and two of the following (which two is not

1 disclosed) Meyer, Morin, Pelovsky and Martin. Failure to advise the creditors of the  
2 names of each person present leads one to believe that the Debtors had no input as to  
3 how to deal with the failure to pay payroll taxes. This becomes extremely disconcerting  
4 since the major creditor of this Bankruptcy estate is the IRS and its claim mostly  
5 consists of payroll taxes.  
6

7 It is further disclosed that the "Board of Managers approved a resolution that all  
8 individual members would be indemnified for any Oasis Pavilion IRS taxes. . .". In  
9 addition, it is asserted that "installment payments to the IRS have been approved by the  
10 IRS and since August 2013 monthly payments are being made toward the delinquent  
11 taxes." In as much as the Disclosure Statement acknowledges that not all of the  
12 individuals have entered into installment payments, it is incumbent upon the proponent  
13 of the Disclosure Statement and Amended Plan to supply copies of all related  
14 agreements (appropriately redacted) as this directly impacts what will be paid through  
15 the Chapter 11 and it directly relates to DCHN's attempt to purchase "any and all claims  
16 or causes of action against Martin, Meyer, Morin, Opara and any person affiliated with  
17 them".  
18  
19  
20

#### 21 Other Deficiencies and Lack of Adequate Information

22 The Disclosure Statement contains numerous inconsistencies and errors that  
23 need explanation and/or correction hence it fails to adequately inform its reader as  
24 required by the Bankruptcy Code.  
25

26 1. Inaccurate classification of the IRS claim.

27 a. Page 32 of the Disclosure Statement asserts that the IRS shall be  
28 treated in Class 1(A) as an "allowed secured claim in the amount of \$18,406.00". The

1 Debtors are unaware of any recorded tax lien giving the IRS such an entitlement. In  
2 fact, the IRS Proof of Claim does not indicate it has a tax lien. What is has is a "setoff"  
3 right but there is no indication if such right has been or will be exercised. If not  
4 exercised, the amount listed for such right is a priority, not secured claim.  
5

6           b.       Page 32 of the Disclosure Statement asserts that the IRS has an  
7 Allowed Priority Claim in the amount of \$334,484.13. It goes on to assert that the "IRS  
8 shall receive on account of this Claim its pro rata portion of the remaining balance of the  
9 Purchase Proceeds . . . and, thereafter, shall receive deferred payments from the Debtors  
10 during a period not exceeding five years. . ." If the proposed plan funding consists of  
11 \$200,000.00 from the sale of assets to DCHN plus approximately an additional  
12 \$91,000.00 in earned income contributions by the Debtor, how will this "Allowed  
13 Priority Claim" be paid off within five years of the petition date? The Disclosure  
14 Statement fails to explain this to creditors. The Disclosure Statement should advise the  
15 creditors that IRS's "Allowed Priority Claim is not \$334,484.13 (based upon the Proof of  
16 Claim on file when the Disclosure Statement was prepared). DCHN needs to amend its  
17 Disclosure Statement to properly classify the claim and the amount that is actually to be  
18 paid under the Amended Plan, referencing the fact that the assessment of the payroll tax  
19 liability is assessed twice but only collected once. DCHN also needs to correct the  
20 conflicting information it has provided to creditors through its Exhibit "2" Financial  
21 Projection by Diamond (Docket 215-1, page 33)  
22  
23  
24

25           2.       Inadequate information as to payment to general creditors.  
26

27           The Disclosure Statement and the Amended Plan fail to describe the amount,  
28 time and manner of how general claims will be paid. Instead, the Disclosure Statement

1 and Amended Plan generically describe that "each unsecured creditor holding an  
2 Allowed Claim will receive payments over time". (See page 10 line 11 of the Disclosure  
3 Statement). "A proper disclosure statement must clearly and succinctly inform the  
4 average unsecured creditor what it is going to get, when it is going to get it, and what  
5 contingencies there are to getting its distribution. *In re Ferretti*, 128 B.R. 16, 19 (Bankr.  
6 D.N.H. 1991)

- 8 3. Inclusion of provision that are not applicable therefore creating confusion  
9 for the reader.

10 DCHN has included boilerplate provisions in the Disclosure Statement that  
11 simply do not apply in an individual case. This creates confusion and concern. For  
12 example, on page 43 at line 19, DCHN makes reference to the reorganized debtors  
13 encountering competition from other businesses. What other businesses? What  
14 competition? On that same page, at line 24, DCHN alludes to an exposure to risks  
15 relating to a slowdown in the national and global economies. It appears, but the reader  
16 cannot tell for sure, that DCHN simply cut and pasted portions of a corporate disclosure  
17 statement its counsel used in some other Chapter 11 and that certain provisions  
18 contained in the Disclosure Statement that is pending before this court simply have no  
19 application. An amended Disclosure Statement removing such portions is necessary.

22 In light of the above, the Court cannot approve the Disclosure Statement because  
23 it fails to provide "adequate information" as required by 11 U.S.C. §1125. Section  
24 1125(b) requires that a disclosure statement issued for the purpose of soliciting  
25 acceptance and rejection of a plan contain "adequate information." "Adequate  
26 information" is defined as "information of a kind, and in sufficient detail . . . [to enable]  
27  
28

1 a hypothetical investor of the relevant class to make an informed judgment about the  
2 plan." 11 U.S.C. §1125(a); *see also In re County of Orange*, 219 B.R. 543, 560 (Bankr.  
3 C.D. CA 1997); *In re U.S. Brass Corp.*, 194 B.R. 420, 424 (Bankr. E.D. Tex. 1996)  
4 (citing numerous factors to determine whether adequate information has been provided);  
5 *In re Malek*, 35 B.R. 443, 443 (Bankr. E.D. Mich. 1983) (same); *In re Metrocraft Publ'g*  
6 *Servicing, Inc.*, 39 B.R. 567, 568 (Bankr. N.D. Ga. 1984) (same); *In re A.C. Williams*  
7 *Co.*, 25 B.R. 173, 175 (Bankr. N.D. Ohio 1982).

8  
9  
10 Additionally, a disclosure statement cannot be approved if it contains material  
11 misstatements and omissions. *See e.g., In re Reilly*, 71 B.R. 132 (Bankr. D. Mont. 1987);  
12 *In re Dakota Rail, Inc.*, 104 B.R. 138 (Bankr. D. Minn. 1989); *Huntington Banks v.*  
13 *Felcore/Lax Holdings, LP*, 9 *Fed. Appx.* 669, 670 (9th Cir. 2001) (referring to the  
14 adequate information standard as an objective one that asks what the hypothetical  
15 reasonable investor would want to know to make an informed judgment about the plan)

16  
17 In order to provide adequate information under 11 U.S.C. § 1125(a)(1), a  
18 disclosure statement **must not be misleading, must not omit important information**  
19 **reasonably necessary to ascertain the effect of the plan it describes, and must**  
20 **contain all elements presently known that affect the success or failure of that plan.**  
21 *See e.g., In re California Fidelity, Inc.*, 198 B.R. 567 (9th Cir BAP 1996); *See also In re*  
22 *Unichem Corp.*, 72 B.R. 95, 97 (Bankr. N.D. Ill. 1987). ("The primary purpose of a  
23 disclosure statement is to provide all material information which creditors and equity  
24 security holders affected by the plan need in order to make an intelligent decision  
25 whether to vote for or against the plan.")  
26  
27  
28

1           The plan proponent bears the ultimate burden of persuasion regarding adequacy  
2 of the information provided. *In re H.B. Michelson*, 141 B.R. 715, 720 (Bankr. E.D. Cal.  
3 1992). Where the plan proponent has the disclosure obligation, the plan proponent  
4 should be biased towards more, rather than less, disclosure. *Id.*

6           In this case, the Disclosure Statement now before this Court fails to provide  
7 “adequate information”. As elaborated above, it fails to advise the creditors of the  
8 acrimonious relationship between Mr. Meyer and the Debtors. It fails to inform the  
9 creditors of the “behind the scenes” wish of Mr. Meyer to usurp ownership of both a  
10 valuable piece of real property and a fully functioning nursing home for his own  
11 personal gain and for an amount that is so low, it shocks the conscience.

13           Until such time as Mr. Meyer comes clean, the Disclosure Statement filed by  
14 DCHN is not adequate and cannot be approved by this Court.

16 **II. Failure to Propose a Confirmable Plan.**

17           In addition to the myriad of deficiencies noted above, the DCHN’s Disclosure  
18 Statement should not be approved because it describes a Plan that cannot be confirmed.  
19 A disclosure statement describing an un-confirmable plan is objectionable and should  
20 not be approved. *In re Main Street AC, Inc.*, 234 B.R. 771, 775 (Bankr. N.D. Cal. 1999)  
21 (citations omitted); *see also In re Pecht*, 53 B.R. 768, 772 (Bankr. E.D. Va. 1985). As  
22 “serious violations of the Bankruptcy Code by a [plan proponent] can and should result  
23 in denial of confirmation of a plan . . .’ a disclosure statement pertaining to an un-  
24 confirmable plan is a futile undertaking and an improvident expenditure of judicial  
25 resources.” *In re Greate Bay Hotel & Casino, Inc.*, 251 B.R. 213, 237 (Bankr. D.N.J.  
26 2000) (quoting *In re Landing Assocs., Ltd.*, 157 B.R. 791, 810 (Bankr. W.D. Tex. 1993),  
28

1 citing 11 U.S.C. §1129(a)(2) (conditioning plan confirmation on its proponent's  
2 compliance with all applicable provisions of the Bankruptcy Code)).

3  
4 DCHN's proposed Amended Plan is in blatant violation of several subsections of  
5 11 U.S.C. §1129(a).

6 Plan Violates 11 U.S.C. §1129(a)(1)'s Compliance Test

7 DCHN's proposed Amended Plan is not confirmable as written as it fails to meet  
8 the standard of 11 U.S.C. §1129(a)(1) in that it contains provisions that do not comply  
9 with the Bankruptcy Code.  
10

11 1. Attempt to secure a discharge upon confirmation of the Plan:

12 This is an individual Chapter 11. As a result, certain provisions of Section 1141  
13 come into play that limit the timing of both the entry of the discharge and the effect of  
14 an administrative closing of the case. DCHN's proposed Amended Chapter 11 Plan  
15 contains provisions that directly violate the effect of plan Confirmation and are,  
16 therefore, impermissible provisions and must be removed.  
17

18 11 U.S.C. §1141(d)(5) provides that, unless the court orders otherwise **for cause**,  
19 confirmation of a plan in an individual case "does not discharge any debt provided for in  
20 the plan until the court grants a discharge on completion of all payments under the  
21 plan". The proposed Amended Plan runs afoul of this provision. Beginning on page 41  
22 of the Disclosure Statement under the provision titled "Termination of the Automatic  
23 Stay and Discharge, it states:  
24

25  
26 The automatic stay imposed by 11 U.S.C. §362(a) shall terminate when the  
27 Order Confirming the Plan becomes nonappealable. Except as otherwise  
28 provided herein or in the Confirmation Order, the rights afforded in this Plan and  
the payments and distributions to be made hereunder shall **discharge** and release  
all existing debts and Claims. . . whatsoever against or in the Debtors, the

1 Reorganized Debtors, any of their assets or properties. Except as provided in this  
2 Plan, upon the Effective Date, all Claims against the Debtors. . . shall be, and  
3 shall be deemed to be, **discharged**, released and terminated. . . Upon the  
4 Effective Date, all such persons shall be forever precluded and enjoined,  
pursuant to 11 U.S.C. §524, from prosecuting or asserting any such **discharged**  
Claim against Debtors. . .” (Emphasis added.)

5 DCHN’s inclusion of an attempt to secure for the Debtors a discharge upon  
6 Confirmation of the Plan “does not comply with applicable provisions of this title” and  
7 therefore constitutes a failure to meet the requirements of §1129(a)(1).  
8

9 2. Attempt to lift the stay of 11 U.S.C. § 362 upon confirmation of the Plan:

10 DCHN’s proposed Amended Plan provides inappropriate “remedies” for defaults  
11 by the reorganized debtor. Specifically it states that “the automatic stay imposed by 11  
12 U.S.C. §362(a) shall terminate when the Order Confirming the Plan becomes  
13 nonappealable”. It then goes on to propose that “if the Reorganized Debtors fail to  
14 comply with the terms hereof, the holders of Allowed Claims or Allowed Interests in  
15 any class materially harmed thereby may proceed against the Reorganized Debtors and  
16 its property to enforce the Plan, taking any action permissible under federal or state law,  
17 in any court of competent jurisdiction. With respect to holders of liens on the  
18 Reorganized Debtors’ property, such creditors may act in accordance with any  
19 applicable and existing mortgage, deed of trust, security agreement, or other instrument  
20 evidencing a lien or encumbrance on their collateral.”  
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24 While this provision, in and of itself, may not be a direct violation of the Code, it  
25 is repugnant to the Debtor and prejudicial to each and every creditor as it potentially  
26 grants relief where none is either justified or appropriate. The Automatic Stay remains  
27 in effect against the debtor until the earliest of a) the final (not administrative) closing of  
28



1 the case; b) the dismissal of the case; or c) “if the case is a case under chapter. . . 11 of  
2 this title, the time a discharge is granted or denied”. (See 11 U.S.C. §362(c)(2).)

3  
4 Plan Violates 11 U.S.C. §1129(a)(3)’s Good Faith Test  
5 DCHN’S Bad Faith

6 As indicated above, the actions of DCHN is nothing more than a power play. It  
7 is simply an attempt at a hostile takeover of a thriving nursing home business. Mr.  
8 Meyer, through DCHN was unable to persuade the Debtors to sell their interest in the  
9 business so he devised a scheme to take it over. In addition to the history listed above, it  
10 is interesting to note that, through a series of emails, beginning on November 11, 2014  
11 and ending on November 20, 2014, just three months before manipulating its way into  
12 this Chapter 11 proceeding, DCHN, or more correctly, Mr. Meyer and his associates  
13 “offered” to purchase the Debtors’ “membership interests in Oasis Pavilion, LLC and  
14 Compassionate Patient Care, LLC”. The “purchase price” was to be \$180,000.00 for the  
15 interest in Oasis Pavilion, LLC and \$20,000.00 for the interest in Compassionate Patient  
16 Care, LLC. This offer was summarily rejected on November 20, 2014. (See series of  
17 emails attached hereto and incorporated herein by reference as Exhibit “F”.)

18  
19  
20 Being unable to persuade the Debtors to give up their interest in the business  
21 ventures, DCHN then conjured up a way to muscle into this Chapter 11 proceeding. It  
22 picked one of the smallest creditors who had filed a Proof of Claim and bought the  
23 creditor out for less than half of the amount of that claim. What a deal. Once it  
24 acquired an “interest” in the Chapter 11 it began its campaign to steal property from the  
25 Debtor-In-Possession. It objected to the Motion to Dismiss and proposed Amended  
26 Chapter 11 Plan that offers the same \$200,000.00, but now, instead of purchasing  
27  
28

1 simply the membership interests in the two LLCs, (previously rejected by the Debtors) it  
2 is also proposing to acquire “any and all claims or causes of action against Martin,  
3 Meyer, Morin, Opara and any persons affiliated with them”. It fails to state what those  
4 potential causes of action might include or what these individual are fearful of. Do they  
5 believe they have done something wrong or illegal and will be facing litigation by the  
6 Debtors? If there is nothing to fear by the action taken, what is the need to include these  
7 legal rights? Clearly, the ulterior motive behind this hostile takeover is evident.  
8

9  
10 Section 1129(a)(3) requires the plan be proposed "in good faith and not by any  
11 means forbidden by law." The term "good faith" is not defined. However, a plan is  
12 proposed in good faith where it achieves a result consistent with the objectives and  
13 purposes of the Code. *In re Sylmar Plaza, L.P.*, 314 F.3d 1070, 1074 (9th Cir. 2002).  
14 The requisite good faith determination is based on the totality of the circumstances. *Id.*  
15 (citing *In re Stolrow's, Inc.*, 84 B.R. 167, 172 (9th Cir. BAP 1988)). It is self evident  
16 that the actions of DCHN and its malicious attempt to steal the Debtor’s property is so  
17 egregious that it should shock the conscience of this Court. While the totality of the  
18 circumstances is the standard, great weight needs to be put upon this ulterior motive of  
19 DCHN’s actions. It is well known that “Courts have generally held that if a purchase of  
20 claims in voting the assigned claim is pursuing an interest in addition to its interest as a  
21 creditor, bad faith may be found”. *In re Holly Knoll Partnership*, 167 B.R. 381, 385  
22 (Bankr. E.D.Pa. 1994). There is no reason why this Court should not expand this  
23 general principal to the action of DCHN in first, acquiring a small and insignificant  
24 claim and then opposing the dismissal of this case and, to add insult to injury, filing an  
25  
26  
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28

1 Amended Chapter 11 Plan that proposes to purchase some assets from the estate for an  
2 amount that was previously rejected by the Debtors.

3  
4 Plan Violates 11 U.S.C. §1129(a)(7)'s Best Interest of the Creditors' Test

5 The proposed Plan must meet the best interest of the creditors test as directed by  
6 11 U.S.C. §1129(a)(7) . DCHN's proposed Disclosure Statement and Amended Plan  
7 fail on this level as they are simply devoid of any information used by the proponent of  
8 the Amended Plan to arrive at the "value" for the liquidation (sale to itself) of "the  
9 Debtor's membership interests in Oasis and Compassionate and all claims or causes of  
10 action against Martin, Meyer, Morin, Opara and any persons affiliated with them" for  
11 the sum of \$200,000.00. Did DCHN look at any of the financial records of the two  
12 entities? Did DCHN hire a professional business appraiser to obtain an opinion of  
13 value? Or, did it simply pull a number out of the sky - a number it thought would entice  
14 "yes" votes from the voting classes. Nowhere is it disclosed how the proposed purchase  
15 price was arrived at.

16  
17  
18 In addition to its glaring failure to disclose how it arrived at a purchase price for  
19 the assets it wishes to acquire, Exhibit 3 to the Disclosure Statement states that DCHN,  
20 is relying upon the Debtor's Amended Disclosure Statement (Doc. 177) in calculating  
21 its "Liquidation Analysis". Unfortunately, DCHN's Disclosure Statement and Amended  
22 Plan fail to address the fact that this Court has already determined that the information  
23 contained in Docket Number 177 is inadequate. Specifically, on October 22, 2014, long  
24 before DCHN finagled its way into this case, the Court entered an Order advising the  
25 Debtor that Docket Number 177 failed to meet the requirements of *In re A.C. Williams*  
26 *Co.*, 25 B.R. 173 (Bankr. N.D.Ohio 1982) as it related to at least three requirements for  
27  
28

1 approval of a Disclosure Statement. One of those requirements was a more complete  
2 liquidation analysis. Specifically, the Court stated that "the liquidation analysis in  
3 Second Amended Disclosure Statement must include documentary support for the  
4 proposed liquidation value of the Debtors' interest in four LLC's". (See Exhibit "G"  
5 attached hereto and incorporated herein by reference.) Two of those LLCs are the  
6 subject of the hostile takeover by DCHN and its principals.  
7

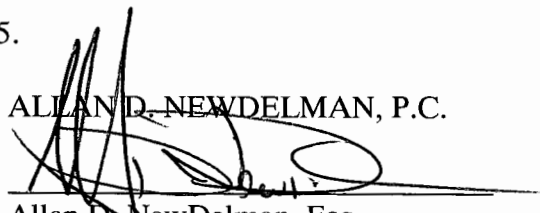
8 By failing to properly inform the creditors and this Court relative to the  
9 liquidation analysis, the Amended Plan fails to show that "best interests" test under  
10 Section 1129(a)(7)(A)(ii) has been met because the DCHN has failed to demonstrate  
11 that creditors will not receive less than they would receive under a Chapter 7 liquidation.  
12 (See *In re M. Long Arabians*, 103 B.R. 211 (9th Cir. BAP 1989).)  
13

14  
15 CONCLUSION

16 Based upon the foregoing, this Court should deny approval of DCHN's  
17 Disclosure Statement. The Statement is inadequate on its face and the Amended  
18 Chapter Eleven Plan, as proposed, simply is not confirmable.

19 DATED this 22<sup>nd</sup> day of May, 2015.

20  
21 ALLAN D. NEWDELMAN, P.C.

22   
23 Allan D. NewDelman, Esq.  
24 Attorneys for the Debtors

24 Copy of the foregoing  
25 mailed this 22<sup>nd</sup> day of  
26 May, 2015 to:

26 Christopher Kaup, Esq.  
27 TIFFANY & BOSCO,  
28 2525 East Camelback  
7<sup>th</sup> Floor  
Phoenix, AZ 85016

1 U. S. Trustee's Office  
2 230 N. First Avenue  
3 Suite 204  
4 Phoenix, Arizona 85003

5 Joseph and Florence Oladokun  
6 1142 East McMurray Blvd.  
7 Casa Grande, AZ 85122

8   
9 By /s/ RJ Sunkin

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**EXHIBIT "A"**

<b>UNITED STATES BANKRUPTCY COURT</b>		<b>District of Arizona</b>	<b>PROOF OF CLAIM</b>
Name of Debtor: <b>JOSEPH AND FLORENCE OLADOKUN</b>		Case Number: <b>12-BK-07178</b>	
NOTE: <i>Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.</i>			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>PINAL COUNTY FEDERAL CREDIT UNION</b>			<b>COURT USE ONLY</b>
Name and address where notices should be sent: <b>1000 E FLORENCE BLVD CASA GRANDE, AZ 85122</b>			<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Telephone number: <b>(520) 381-3121</b> email: <b>TTIPTON@PINALCOUNTYFCU.COM</b>			
Name and address where payment should be sent (if different from above):			<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
Telephone number: _____ email: _____			
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>3,143.76</u>  If all or part of the claim is secured, complete item 4.  If all or part of the claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
<b>2. Basis for Claim:</b> <u>MONEY LOAN</u> (See instruction #2)			
<b>3. Last four digits of any number by which creditor identifies debtor:</b>  7 3 - 9	<b>3a. Debtor may have scheduled account as:</b>  _____ (See instruction #3a)	<b>3b. Uniform Claim Identifier (optional):</b>  _____ (See instruction #3b)	
<b>4. Secured Claim (See instruction #4)</b> Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		<b>Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:</b> \$ _____	
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____		Basis for perfection: _____	
Value of Property: \$ _____		Amount of Secured Claim: \$ _____	
Annual Interest Rate _____% <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ _____	
<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.</b>			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	Amount entitled to priority: \$ _____
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).	\$ _____
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
<b>6. Credits.</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			

**7. Documents:** Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

**8. Signature:** (See instruction #8)

Check the appropriate box.

- I am the creditor.      I am the creditor's authorized agent.      I am the trustee, or the debtor, or their authorized agent.      I am a guarantor, surety, indorser, or other codebtor.  
 (Attach copy of power of attorney, if any.)     (See Bankruptcy Rule 3004.)     (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: TIFFANY TIPTON  
 Title: COLLECTION SUPERVISOR  
 Company: PINAL COUNTY FEDERAL CREDIT UNION     /s/ TIFFANY TIPTON     05/21/2012  
 Address and telephone number (if different from notice address above): \_\_\_\_\_ (Signature)     (Date)

Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

*Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.*

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.*

**Items to be completed in Proof of Claim form**

**Court, Name of Debtor, and Case Number:**  
 Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

**Creditor's Name and Address:**  
 Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**  
 State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**  
 State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**  
 State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**  
 Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**3b. Uniform Claim Identifier:**  
 If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

**4. Secured Claim:**  
 Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a):**  
 If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**  
 An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**  
 Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

**8. Date and Signature:**  
 The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.





**Pinal County  
Federal Credit Union**

1000 E. Florence Blvd,  
Casa Grande, AZ 85222

**LOANLINER.**

**Open-End Disbursement  
Receipt Plus**

BORROWER INFORMATION		
BORROWER 1 NAME FLORENCE A OLADOKUN	ACCOUNT NUMBER	DATE 10/03/2007
BORROWER 2 NAME JOSEPH OLADOKUN		

SECURITY OFFERED	CONSUMERS' CLAIMS AND DEFENSES - IF CHECKED, SEE NOTICE BELOW			
THE ADVANCE IS SECURED BY YOUR SHARES, ALL PROPERTY SECURING OTHER PLAN ADVANCES AND LOANS RECEIVED IN THE PAST OR IN THE FUTURE, AND THE FOLLOWING PROPERTY:				
PROPERTY/MODEL	YEAR	I.D. NUMBER	VALUE	KEY NUMBER
SIGNATURE/EQUIPMENT FOR BUSINESS				
PLEDGE OF SHARES AND/OR DEPOSITS \$	ACCOUNT NUMBER	PLEDGE OF SHARES AND/OR DEPOSITS \$	ACCOUNT NUMBER	

REPAYMENT TERMS					
DAILY PERIODIC RATE 0.0328767 %	ANNUAL PERCENTAGE RATE 12.000 %	INTEREST RATE IS: Fixed	OTHER FEES (Amount and Description) \$	NEW BALANCE THIS SUBACCOUNT \$ 20000.00	
AMOUNT ADVANCED \$ 20000.0	PAYMENT AMOUNT \$ 530.00	DATE DUE 11/17/2007	PAYMENT FREQUENCY Monthly	LINE OF CREDIT LIMIT \$ 0.00	REMAINING LIMIT \$ 0.00
ACH PR DED					

By endorsing the proceeds check for the advance described above, or by having the loan proceeds deposited into your share/share draft account or paid to a third party, you agree: (1) that the property described in the Security Offered section above ("Property") is security under the terms of the LOANLINER Credit and Security Agreement (the "Plan") for all amounts you owe under the Plan and that the property description is incorporated into and a part of the Plan; (2) that the Property is also security for any other loans, including but not limited to, any credit card loan that you have with the credit union now or in the future; and (3) to make payments as disclosed above and in accordance with the terms of the Plan.

CONSUMERS' CLAIMS AND DEFENSES NOTICE
<i>The following paragraph applies to the Advance only if the box is checked.</i>
<b>NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.</b>

FOR CREDIT UNION USE ONLY			
REQUESTED: <i>10/11/07</i>	MEMBER PAYS PREMIUM FOR: <i>0</i>	CHECK NUMBER: <i>10757160</i>	BRANCH NUMBER: <i>01</i>
DATE: <i>10/11/07</i>	LOAN OFFICER COMMENTS:	PLAN/SUBACCOUNT NO.:	PROCESSED BY: <i>[Signature]</i>
			LOAN OFFICER INITIALS: <i>[Signature]</i>

**EXHIBIT “B”**

1 Christopher R. Kaup, State Bar No. 014820



3 Seventh Floor, Camelback Esplanade II  
4 2525 East Camelback Road  
5 Phoenix, Arizona 85016  
6 Telephone: (602) 255-6000  
7 Facsimile: (602) 255-0103  
8 E-Mail: [crk@tblaw.com](mailto:crk@tblaw.com)  
9 *Attorneys for Diamond Care Health Network*

6 **UNITED STATES BANKRUPTCY COURT**  
7 **FOR THE DISTRICT OF ARIZONA**

8 In re:

9 **JOSEPH A. OLADOKUN and**  
10 **FLORENCE A. OLADOKUN,**

11 Debtors.

Chapter 11

Case No. 4:12-07178 BMW

12 **NOTICE OF TRANSFER OF CLAIM**  
13 **PURSUANT TO FED. R. BANKR. P. 3001(e)**

14 Pursuant to Rule 3001(e), Fed. R. Bankr. P., Diamond Care Health Network (“Diamond  
15 Care”), gives notice that it has acquired the claim of Pinal County Federal Credit Union, as  
16 follows:

- 17 1. Person or entity to whom the claim has been transferred (“Substitute Creditor”):  
18 Diamond Care Health Network  
19 c/o Christopher R. Kaup  
20 Tiffany & Bosco, P.A.  
21 2525 E. Camelback Road, Seventh Floor  
22 Phoenix, AZ 85016
- 23 2. Date of Transfer of Claim: January 27, 2015.
- 24 3. Type of Claim: Unsecured.
- 25 4. Amount of Original Proof of Claim: \$3,143.76
- 26 5. Date of Filing Original Proof of Claim: May 23, 2012
6. Claims Docket Number: 6
7. Person or entity originally holding the claim (“Original Creditor”):

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Pinal County Federal Credit Union  
1000 E. Florence Blvd.  
Casa Grande, AZ 85122

8. Attorney (if any) for Original Creditor: N/A.

**RESPECTFULLY SUBMITTED** this 10<sup>th</sup> day of February, 2015.

**TIFFANY & BOSCO, P.A.**

By: /s/ Christopher R. Kaup  
Christopher R. Kaup  
2525 E. Camelback Rd., Seventh Floor  
Phoenix, AZ 85016  
Attorneys for Diamond Care Health Network

**FOREGOING** electronically filed with  
Bankruptcy Court on this 10<sup>th</sup> day of  
February, 2015.

**COPIES** served by the Court's electronic  
notification system if marked with and "\*" or  
otherwise mailed, on this or the next business  
day to:

Allan D. NewDelman  
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80 E. Columbus Avenue  
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*Attorneys for JPMorgan Chase Bank, N.A.\**

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[renee.s.shamblin@usdoj.gov](mailto:renee.s.shamblin@usdoj.gov)  
*US Trustee\**

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*On behalf of the U.S. Trustee\**

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*Attorneys for Internal Revenue Service\**

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[michelle.schlosser@azag.gov](mailto:michelle.schlosser@azag.gov);  
[BankruptcyUnit@azag.gov](mailto:BankruptcyUnit@azag.gov)  
*Attorney for Arizona Department of Revenue\**

Adam B. Nach  
2025 N 3<sup>rd</sup> Street, Suite 157  
Phoenix, AZ 85004  
[adam.nach@azbar.org](mailto:adam.nach@azbar.org);  
[lnbkcourt@yahoo.com](mailto:lnbkcourt@yahoo.com)  
*Attorneys for Compass Bank\**

Jamin S. Neil  
2 North Central Avenue, Suite 1135  
Phoenix, AZ 85004  
[jneil@piteduncan.com](mailto:jneil@piteduncan.com)  
*Attorney for GMAC Mortgage, LLC\**

Green Tree Servicing, LLC  
P O BOX 6154  
Rapid City, SD 57709-9858

Pinal County Treasurer  
PO Box 729  
Florence, AZ 85132

Pinal County Federal Credit Union  
1000 E. Florence Blvd.  
Casa Grande, AZ 85122

/s/ Louis A. Lofredo

**This form is intentionally blank.**

**The notice is scheduled to be processed by the Bankruptcy Noticing Center (BNC).**

**Refer to the BNC Certificate of Notice entry to view the actual form.**

## Notice Recipients

District/Off: 0970-4

User: schriste

Date Created: 2/11/2015

Case: 4:12-bk-07178-BMW

Form ID: trc

Total: 1

**Recipients submitted to the BNC (Bankruptcy Noticing Center):**

11280524 Pinal County Federal Credit Union

1000 E. Florence Blvd.

Casa Grande, AZ 85122

TOTAL: 1

**EXHIBIT “C”**



# United States Bankruptcy Court

District of Arizona  
Case No. 4:12-bk-07178-BMW  
Chapter 11

In re: Debtor(s) (including Name and Address)

JOSEPH A OLADOKUN  
1142 E. MCMURRAY BLVD  
CASA GRANDE AZ 85122

FLORENCE A OLADOKUN  
1142 E. MCMURRAY BLVD  
CASA GRANDE AZ 85122

## NOTICE OF TRANSFER OF CLAIM OTHER THAN FOR SECURITY

The Claim No(s). listed below was/were filed or deemed filed under 11 U.S.C. § 1111(a) in this case by the alleged transferor. As evidence of the transfer of that claim, the transferee filed a Transfer of Claim Other than for Security in the clerk's office of this court on 02/10/2015.

Name and Address of Alleged Transferor(s):

Claim No. 6: Pinal County Federal Credit Union, 1000 E. Florence Blvd., Casa Grande,  
AZ 85122

Name and Address of Transferee:

Diamond Care Health Network  
c/o Christopher R. Kaup  
Tiffany & Bosco, P.A.  
2525 E. Camelback Road, Seventh Floor  
Phoenix, AZ 85016

### -- DEADLINE TO OBJECT TO TRANSFER --

The alleged transferor(s) of the claim is hereby notified that objections must be filed with the court within twenty-one (21) days of the mailing of this notice. If no objection is timely received by the court, the transferee will be substituted as the original claimant without further order of the court.

Date: 02/13/15

George Prentice  
**CLERK OF THE COURT**

United States Bankruptcy Court  
District of Arizona

In re:  
JOSEPH A OLADOKUN  
FLORENCE A OLADOKUN  
Debtors

Case No. 12-07178-BMW  
Chapter 11

**CERTIFICATE OF NOTICE**

District/off: 0970-4

User: schriste  
Form ID: trc

Page 1 of 1  
Total Noticed: 1

Date Rcvd: Feb 11, 2015

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Feb 13, 2015.

NO NOTICES MAILED.

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center. 11280524 +E-mail/Text: bankruptcy@pinalcountyfcu.com Feb 12 2015 00:27:48

Pinal County Federal Credit Union, 1000 E. Florence Blvd., Casa Grande, AZ 85122-4630  
TOTAL: 1

\*\*\*\*\* BYPASSED RECIPIENTS \*\*\*\*\*

NONE.

TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

**I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.**

**Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: Feb 13, 2015

Signature: /s/Joseph Speetjens

---

**CM/ECF NOTICE OF ELECTRONIC FILING**

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on February 10, 2015 at the address(es) listed below:

ADAM B. NACH on behalf of Creditor COMPASS BANK adam.nach@azbar.org;lnbkcourt@yahoo.com  
ALLAN 2 NEWDELMAN on behalf of Joint Debtor FLORENCE A OLADOKUN anewdelman@adnlaw.net,  
leeanns@adnlaw.net  
ALLAN 2 NEWDELMAN on behalf of Debtor JOSEPH A OLADOKUN anewdelman@adnlaw.net,  
leeanns@adnlaw.net  
ALLAN D. NEWDELMAN on behalf of Debtor JOSEPH A OLADOKUN anewdelman@adnlaw.net,  
leeanns@adnlaw.net  
ALLAN D. NEWDELMAN on behalf of Joint Debtor FLORENCE A OLADOKUN anewdelman@adnlaw.net,  
leeanns@adnlaw.net  
BARBARA C KLABACHA on behalf of Creditor Arizona Department of Revenue ,  
hua.qin@azag.gov;kathryn.prosise@azag.gov;michelle.schlosser@azag.gov;BankruptcyUnit@azag.gov  
CHRISTOPHER R. KAUP on behalf of Creditor Oasis Pavilion Nursing & Rehabilitation Center, LLC  
crk@tblaw.com, ramchugh@tblaw.com  
DENISE ANN FAULK on behalf of Creditor INTERNAL REVENUE SERVICE denise.faulk@usdoj.gov,  
lisa.startup@usdoj.gov;pamela.vavra@usdoj.gov  
ELIZABETH C. AMOROSI on behalf of U.S. Trustee U.S. TRUSTEE Elizabeth.C.Amorosi@usdoj.gov  
JAMES B BALL on behalf of Creditor JPMorgan Chase Bank, N.A. ball@poliball.com,  
bkecf@poliball.com  
JAMES B. BALL on behalf of Creditor JPMorgan Chase Bank, N.A. ball@poliball.com,  
bkecf@poliball.com  
JAMIN S. NEIL on behalf of Creditor GMAC Mortgage, LLC (successor by merger to GMAC Mortgage  
Corp.) jneil@piteduncan.com, bkgroup@wrightlegal.net  
JOSEPH D. DORSEY on behalf of Creditor Oasis Pavilion Nursing & Rehabilitation Center, LLC  
jdd@tblaw.com, ramchugh@tblaw.com  
RENEE SANDLER SHAMBLIN on behalf of U.S. Trustee U.S. TRUSTEE renee.s.shamblin@usdoj.gov,  
connie.s.hoover@usdoj.gov  
ROBERT J. CAMPO, JR. on behalf of Creditor GMAC Mortgage, LLC rcampo@robertcampolaw.com  
TOTAL: 15

**EXHIBIT “D”**

Arizona Corporation Commission

05/12/2015

State of Arizona Public Access System

7:21 AM

**Jump To...**

Scanned Documents   Microfilm

<b>Corporate Inquiry</b>	
<b>File Number: L-1459813-0</b>	<input type="button" value="Check Corporate Status"/>
<b>Corp. Name: DIAMOND CARE CASA GRANDE OPERATIONS, LLC</b>	

**Domestic Address**

5134 N CENTRAL AVE #204
PHOENIX, AZ 85012

**Statutory Agent Information**

<b>Agent Name: MATTHEW K MEYER</b>
<b>Agent Mailing/Physical Address:</b>
5134 N CENTRAL AVE #204
PHOENIX, AZ 85012
<b>Agent Status: APPOINTED 06/26/2008</b>
<b>Agent Last Updated: 08/18/2008</b>

**Additional Corporate Information**

<b>Corporation Type: DOMESTIC L.L.C.</b>	<b>Business Type:</b>
<b>Incorporation Date: 06/26/2008</b>	<b>Corporate Life Period: PERPETUAL</b>
<b>Domicile: ARIZONA</b>	<b>County: MARICOPA</b>





**EXHIBIT “E”**

# 1

**LETTER AGREEMENT**

**THIS LETTER AGREEMENT** ("Letter Agreement") is made and entered into effective this 24 day of March, 2010, by and between West Rodeo-Casa Grande, LLC, an Arizona limited liability company ("West Rodeo") and Oasis Pavilion, LLC, an Arizona limited liability company ("Oasis").

WHEREAS, West Rodeo and Oasis are the sole members of Diamond Care Casa Grande Ventures, LLC and each hold a fifty (50%) percent membership interest in the Company;

WHEREAS, Oasis' initial capital contribution to the Company was \$179,532 greater than West Rodeo's initial capital contribution to the Company, therefore due to the unequal initial capital contributions, West Rodeo gave Oasis a promissory note dated February 2009 in the original principal amount of \$179,532, as amended by that first amendment dated March 9, 2009 (the "Note");

WHEREAS, the Company requires an additional \$480,000 to pay for certain change orders to the Company's construction project ("Change Orders");

WHEREAS, West Rodeo and Oasis have agreed to each loan \$175,000 to the Company in order to enable the Company to pay for certain change orders to the Company's, and in furtherance of that agreement have each delivered \$125,000 to Tiffany & Bosco, P.A., which amount is being held in trust ("Trust Account");

WHEREAS, the Company is in the process of negotiating a loan from the contractor of \$130,000 to pay a portion of the Change Orders; and

WHEREAS, West Rodeo desires to prepay the Note in full provided that Oasis agrees to use \$50,000 of the amount due under the Note to pay for the Change Orders.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. The current outstanding balance of the Note is \$55,954.78 which will be paid by West Rodeo to Oasis as follows: (a) \$50,000 to the Trust Account by wire transfer, and (b) \$5,954.78 to Oasis by check or wire transfer.
2. West Rodeo will deliver an additional \$50,000 to the Trust Account by wire transfer to pay for the Change Orders so that the total amount deposited into the Trust Account by West Rodeo is \$175,000.
3. Upon repayment of the Note by West Rodeo as set forth in paragraph 1, Oasis agrees that the \$50,000 deposited in the Trust Account pursuant to paragraph 1 will be used to satisfy Oasis' obligations to pay for the Change Orders, so that the total amount deposited into the Trust Account by Oasis is \$175,000.
4. Upon satisfaction of the obligations set forth in paragraph 1: (a) the Note will be paid in full, (b) West Rodeo and Oasis will each be responsible for one half of the payments of the promissory note dated February 10, 2009 between West Rodeo and Oasis and Ronald and



Shelli Gibson ("Gibson Note"), and (c) Oasis (or its members) will have the sole responsibility for payment of the Great Western Bank line of credit.

5. Following the successful completion of the Company's negotiations with the contractor for a \$130,000 loan, Oasis and West Rodeo will authorize Tiffany & Bosco, P.A. to release the funds in the Trust Account to Red Mortgage Capital, Inc. to pay for the Change Orders.

6. Miscellaneous.

6.1 This Letter Agreement may be executed in counterparts, all of which together shall constitute one complete Letter Agreement.

6.2 The Recitals and introductory paragraph set forth above are a part of and fully incorporated into this Letter Agreement and are terms and conditions of this Letter Agreement and not meant as mere introduction or prologue.

6.3 This Letter Agreement shall be deemed to have been made and are to be performed in Maricopa County, Arizona and shall be governed by and construed in accordance with the laws of the State of Arizona.

6.4 This Letter Agreement may be executed in counterparts, all of which together shall constitute one complete Agreement.

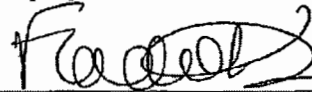
6.5 If any provision of this Letter Agreement is declared or determined by a court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and the illegal or invalid term, part or provisions shall be deemed not to be part of this Letter Agreement.

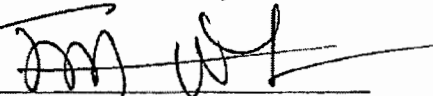
IN WITNESS WHEREOF, the Parties have executed this Letter Agreement effective as of the date set forth above.

West Rodeo-Casa Grande, LLC, an Arizona  
limited liability company

By:   
Matthew K. Meyer, Manager

Oasis Pavilion, LLC, an Arizona limited  
liability company

By:   
Florence Oladokun, Member

By:   
Joseph Oladokun, Member

427144.DOC/15523-001

Note From Diamond Care to Joseph and Florence Oladokun

Note Amount \$179,532.00

Date of Note

Date

Date			Difference		
					\$ 179,532.00
	107,954.24 from HUD loan	128,499.95 Permit			\$ 179,532.00
4/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 177,754.52
4/30/2009	From Compass West Rodeo	Great Western Payment	\$ 3,381.96	\$ 3,381.96	\$ 174,372.56
5/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 172,595.07
5/6/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 170,626.54
6/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 168,849.06
6/10/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 166,880.53
7/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 165,103.04
7/14/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 163,134.51
8/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 161,357.03
8/14/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 159,388.50
9/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 157,611.01
9/15/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 155,642.48
10/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 153,865.00
10/15/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 151,896.47
11/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 150,118.98
11/15/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 148,150.45
12/1/2009	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 146,372.97
12/17/2009	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 144,404.44
1/1/2010	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 142,626.95
1/15/2010	From Compass West Rodeo	Great Western Payment	\$ 1,968.53	\$ 1,968.53	\$ 140,658.42
2/1/2010	From Compass West Rodeo	Gibson Note	\$ 3,554.97	\$ 1,777.49	\$ 138,880.94
12/9/2009	From DCCGVentures	Tiffany and Bosco	\$ 5,000.00	\$ 2,500.00	\$ 136,380.94
2/9/2010	From DCHN	Joseph and Florence Oladokun	\$ 25,000.00	\$ 25,000.00	\$ 111,380.94
3/5/2009	From Diamond Care HN	Great Western Payment	\$ 5,000.00	\$ 5,000.00	\$ 106,380.94
3/12/2009	From Diamond Care HN	For the Permits	\$ 20,545.71	\$ 10,272.86	\$ 96,108.08
3/30/2009	From Diamond Care HN	Great Western Payment	\$ 14,648.95	\$ 14,648.95	\$ 81,459.13

11/20/2009	From Diamond Care HN	Tiffany and Bosco	\$ 2,500.00	\$ 1,250.00	\$ 80,209.13
3/12/2009	Ken Opara	Plans	\$ 508.00	\$ 254.00	\$ 79,955.13
2/19/2009	Title Security Agency	Gibson Note	\$ 3,900.17	\$ 1,950.09	\$ 78,005.05
2/19/2009	UPS	Overnight Charge for Gibson	\$ 17.37	\$ 8.69	\$ 77,996.36
3/26/2009	UPS	Cash from Matthew	\$ 27.67	\$ 13.84	\$ 77,982.53
4/6/2009	UPS	Cash from Matthew	\$ 6.39	\$ 3.20	\$ 77,979.33
4/30/2009	UPS	Cash from Matthew	\$ 24.20	\$ 12.10	\$ 77,967.23
5/27/2009	UPS	Cash from Matthew	\$ 24.20	\$ 12.10	\$ 77,955.13
7/1/2009	UPS	Cash from Matthew	\$ 27.20	\$ 13.60	\$ 77,941.53
7/28/2009	UPS	Cash from Matthew 44.28	\$ 22.14	\$ 11.07	\$ 77,930.46
8/31/2009	UPS	Cash from Matthew	\$ 25.76	\$ 12.88	\$ 77,917.58
10/1/2009	UPS	Cash from Matthew	\$ 25.52	\$ 12.76	\$ 77,904.82
10/27/2009	UPS	Cash from Matthew	\$ 26.00	\$ 13.00	\$ 77,891.82
12/1/2009	UPS	Cash from Matthew 45.78	\$ 22.89	\$ 11.45	\$ 77,880.38
			\$ 231.97	\$ 115.99	
11/2/2009	Wired to Title Co	Off Sites	\$ 35,592.00	\$ 17,796.00	\$ 60,084.38
					\$ 60,084.38
					\$ 60,084.38

**PROMISSORY NOTE**

Date: February 10, 2009

\$ 378,000.00

Location: \_\_\_\_\_

1. *FOR VALUE RECEIVED*, West Rodeo Casa Grande, LLC, an Arizona limited liability company, and Oasis Pavilion, LLC, an Arizona limited liability company, (hereinafter referred to as "Maker" or "Payor"), each hereby promise to pay to the order of Ronald or Shelli Gibson, husband and wife, or their designee (hereinafter referred to "Payee"), 4125 W. Friendly Meadow Road, Prescott, Arizona, 86305, or at such other place as may hereafter at any time or from time to time be designated by the Payee or the holder of this Note, the principal sum of Three Hundred Seventy Eight Thousand and 00/100 (\$378,000.00), plus all additional charges incurred as a result of this Promissory Note, all computed and payable hereunder in lawful money of the United States as follows:

- A.) Equal monthly installments of at least Three Thousand Five Hundred Forty Five and 97/100 Dollars (\$3,545.97) commencing February 10, 2009 and continuing on or before the 1<sup>st</sup> day of each month thereafter until January 1, 2010. Such payments shall be based on the initial principal amount with eight percent (8%) interest per annum amortized over a twenty (20) year period
- B.) Thereafter, equal monthly installments of at least Three Thousand Five Hundred Forty Five and 97/100 Dollars (\$3,545.97) commencing February 1, 2010 and continuing on or before the 1<sup>st</sup> day of each month thereafter until January 1, 2011. Such payments shall be based on the initial principal amount plus an interest rate of nine percent (9%) per annum amortized over the remainder of a twenty (20) year period since February 1, 2009.
- C.) Thereafter, equal monthly installments of at least Three Thousand Five Hundred Forty Five and 97/100 Dollars (\$3,545.97) commencing February 1, 2011 and continuing on or before the 1<sup>st</sup> day of each month thereafter until paid in full. Such payment shall be based on the initial principal amount plus an interest

rate of ten percent (10%) per annum amortized over the remainder of a twenty (20) year period since February 1, 2009.

- D.) Maker shall pay, or cause to be paid, to Payee the full amount of principal, as of the payment due date, along with any additional late charges, fees or other amounts properly due and owing pursuant to this Note.
- E.) Each such payment shall be applied first to late charges accrued and the remaining part thereof to principal;
- F.) Provided however, if not sooner paid, the entire unpaid balance of principal shall be all due and payable by February 10, 2019.

There shall be a late fee assessed of Thirty Nine and 00/100 Dollars (\$39.00) for any monthly payment due but not received by Payee within five (5) days of the date it is due. There shall be a late fee assessed of Three Thousand Nine Hundred and 00/100 Dollars (\$3900.00) per day for any balloon payment due but not received by Payee within five (5) days of the date it is due.

2. It is agreed that if default be made in the payment of any amount due under this Note or the performance or observance of any covenant contained in this Note, or any instrument securing this Note, between Maker and Payee, the term of this Note may be accelerated and if default is not cured within fifteen (15) days after the giving of written notice of the same, then the whole principal sum thereof shall at once, at the option of the holder of this Note become due and payable without further notice or demand. The failure to exercise this option shall not constitute a waiver of the right to exercise the same upon the occurrence of any subsequent event of default or continuance of such default after demand for strict performance.

3. It is agreed that any sums which shall not be paid when due, whether maturing by lapse of time or by reason of acceleration under the provisions herein stated, all principal, accrued interest, money owing or advancements by the holder pursuant to the terms or any instrument securing this Note, shall be added to the principal and shall bear interest at the rate of ten percent (10%) per annum to date of payment. Should compliance with any agreement contained herein or in any instrument securing this Note or other instrument or any transaction related thereto result in usury, then only so much interest shall be payable as will not amount to any exaction of interest in excess of that allowed by law.

4. In the event the Payee hereunder utilizes the services of any attorney in attempting to collect the amounts due hereunder or enforce the terms hereof or of any agreements related to this indebtedness; the Maker, its successors and assigns shall repay to the Payee or any holder hereof on demand all reasonable costs and expenses so incurred, including reasonable attorneys' fees incurred to collect the amounts due hereunder or enforce the terms hereof or of any agreements related to this indebtedness; or in connection with the filing by or against the Maker hereof of any proceeding under any Chapter of the Bankruptcy Act, or similar federal or state statute, and whether incurred in connection with the Payee's involvement as a creditor in such proceedings or otherwise.

5. If there shall be filed by or against Maker a petition (whether voluntary or involuntary) under any chapter of the United States Bankruptcy Code (the "Code") on or after the date of this Note, it is the intention of Maker and Payee that all of the terms and conditions of this Note with respect to Maker shall be incorporated into a plan of reorganization under Section 1129 of the Code (a "Plan"). Maker agrees that under any potential Plan which may be filed in the future (i) this Note shall represent a necessary element of such Plan; (ii) Maker will not seek to alter or amend any of the terms and conditions of this Note; (iii) such terms and conditions are necessary for Payee's adequate protection; and (iv) such terms and conditions will remain binding upon Maker in any such Plan.

Alternatively, in the event Maker fails to obtain confirmation of a plan of reorganization incorporating the terms of this Note within one hundred twenty (120) days after a petition is filed, Payee shall be entitled to the automatic and absolute lifting of any automatic stay as to the enforcement of the Note and other security documents securing this Note, including specifically, but not limited to, the stay imposed by Section 362 of the Code. After the expiration of that 120-day time period, Maker hereby consents to the lifting of any such automatic stay and will not contest any motion by Payee to lift such stay. Maker acknowledges that Payee's interest in the Property secured by this Note can be adequately protected only if a plan of reorganization incorporating the terms of this Note is confirmed within 120 days after the petition is filed.

Payee reserves its right to seek all remedies available to creditors under the Code, including, but not limited to, the right to move for relief from the automatic stay at any time.

6. Except as specifically provided herein, Maker and any endorsers and guarantors hereof and all others who may become liable for all or any part of this Note severally waive presentment for payment, demand, protest and notice of protest and nonpayment of this Note as well as the benefit of any exemption laws as to the debt evidenced by this Note, and consent to any number of renewals or extensions of time of payment hereof or other indulgences granted to the undersigned by the holder hereof. Any such renewals, extensions or indulgences may be made without notice to any of said parties and without affecting their liability.

7. The obligations of Maker hereunder may not be assigned or transferred by Maker without the prior written consent of Payee, which may be withheld in the sole discretion of Payee.

8. The Maker understands and agrees that by signing this instrument, they are binding themselves to payment of all sums due herein and all conditions set forth herein and, in connection herewith, understands and agrees further as follows:

- A.) Maker agrees to waive all claims of exemption or right to require Payee to seek any remedy available under A.R.S. Section 12-1641 et seq., prior to claiming any enforcement or remedy herein;
- B.) Maker agrees that Pinal County, Arizona is the proper venue for any collection or litigation of this Note, and Maker waives any objections to either the venue or jurisdiction of that Court with respect to any legal proceeding relating to this Note.

9. Maker understands and agrees that time is of the essence of this Promissory Note, and that by accepting payment of any sum secured hereby after its due date, Payee does not waive his right either to require prompt payment when due of all other sums hereunder or to declare default for failure so to pay. No delays or omissions by Payee in exercising any rights or remedy will impair that right or remedy, nor be an acquiescence in any default, nor affect any subsequent default of the same or of a different nature.

10. This Promissory Note is secured by the entire membership interest in West Rodeo Casa Grande, LLC, an Arizona limited liability company, and Oasis Pavilion, LLC, an Arizona limited liability company. Within ninety (90) days of written notice of default from Payee, the entire membership interest of Maker shall be assigned to Payee and all other documents as are reasonably necessary to complete such an assignment shall be executed.

11. Should this Note be signed by more than one person, all of the obligations contained herein shall be the joint and several obligation of each signer hereof.

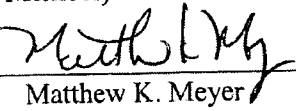
12. During the first five (5) years of this Note, Maker shall have the right to prepay any sums owing under this Note with a payment penalty of ten percent (10%) of the principal balance. Thereafter, Maker shall have the right to prepay any sums owing under this Note, at any time, without penalty.

13. Maker agrees to execute and deliver such further documents and to do such other acts and things as Payee may reasonably request in order further to effect the purposes of this Note and the due performance of Maker of its obligations hereunder.

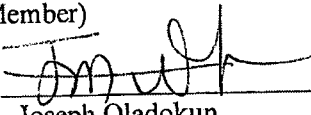
**IN WITNESS WHEREOF**, the parties hereto have hereunto set their respective hands as of the date first written above.

DIAMOND CARE CASA GRANDE VENTURES, LLC,  
an Arizona Limited Liability Company

By: West Rodeo-Casa Grande, LLC,  
an Arizona Limited Liability Company  
(50% Member)

By:  Date 2/10/2009  
Matthew K. Meyer

By: Oasis Pavilion, LLC,  
an Arizona Limited Liability Company  
(50% Member)

By:  Date 2/10/2009  
Joseph Oladokun



**EXHIBIT "F"**

RE: Message from Allan D. NewDelman re: Oladokun

Christopher R. Kaup <CRK@tblaw.com>

Thu 11/20/2014 2:33 PM

To: Carol Prieur <cprieur@adnlaw.net>; Allan NewDelman <anewdelman@adnlaw.net>;

What is the rationale for rejecting this offer considering the Debtors' attributed no value to these interests in their Schedules or Disclosure Statement?

Christopher R. Kaup, Esq.  
Shareholder

sin looo

Seventh Floor Camelback Esplanade II  
2525 East Camelback Road  
Phoenix, AZ 85016-9240  
Direct (602) 255-6024 | Fax (602) 255-0103 |  
Mobile (602) 432-1555  
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**From:** Carol Prieur [mailto:cprieur@adnlaw.net]  
**Sent:** Thursday, November 20, 2014 2:20 PM  
**To:** Christopher R. Kaup  
**Cc:** Allan NewDelman  
**Subject:** Message from Allan D. NewDelman re: Oladokun

Dear Chris:

Totally my fault, the proposal was presented to Mr. and Mrs. Oladokun on the date received and was immediately rejected. I simply failed to advise you at that time.

Sincerely,  
Allan D. NewDelman  
[anewdelman@adnlaw.net](mailto:anewdelman@adnlaw.net)

RE: Oladokun Bankruptcy Case

Christopher R. Kaup <CRK@tblaw.com>

Wed 11/19/2014 11:13 AM

To: Allan NewDelman <anewdelman@adnlaw.net>;

What is the Debtor's response to our offer?

Christopher R. Kaup, Esq.  
Shareholder

sin looo

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2525 East Camelback Road  
Phoenix, AZ 85016-9240  
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**From:** Christopher R. Kaup  
**Sent:** Tuesday, November 11, 2014 5:08 PM  
**To:** 'Allan NewDelman'  
**Subject:** RE: Oladokun Bankruptcy Case

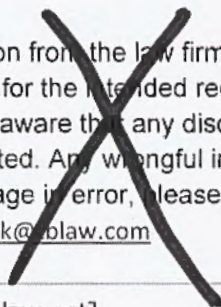
It is a company owned by or affiliated with Matt Meyer, Scott Morin and Joe Martin.

Christopher R. Kaup, Esq.  
Shareholder

sin looo

Seventh Floor Camelback Esplanade II  
2525 East Camelback Road  
Phoenix, AZ 85016-9240  
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**From:** Allan NewDelman [<mailto:anewdelman@adnlaw.net>]

**Sent:** Tuesday, November 11, 2014 5:02 PM

**To:** Christopher R. Kaup

**Subject:** Re: Oladokun Bankruptcy Case

Who is the potential purchaser?

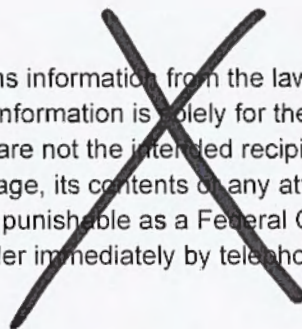
Sent from my iPhone

On Nov 11, 2014, at 4:14 PM, Christopher R. Kaup <[CRK@tblaw.com](mailto:CRK@tblaw.com)> wrote:

Our offer certainly should help you resolve those issues. I bet if you can offer them a big downstroke they should be willing to give you a discount or a more favorable term.

Christopher R. Kaup, Esq.  
Shareholder  
<image001.gif>  
Seventh Floor Camelback Esplanade II  
2525 East Camelback Road  
Phoenix, AZ 85016-9240  
Direct (602) 255-6024 | Fax (602) 255-0103 |  
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**From:** Allan NewDelman [<mailto:anewdelman@adnlaw.net>]

**Sent:** Tuesday, November 11, 2014 3:27 PM

**To:** Christopher R. Kaup

**Subject:** RE: Oladokun Bankruptcy Case

IRS is demanding full payment plus interest on its 6672 against my clients. I will need to meet with the IRS in person to work the matter out. I was trying to get credit on the various installment agreements.



Sincerely,  
Allan D. NewDelman  
ALLAN D. NEWDELMAN, P.C.  
80 East Columbus Avenue  
Phoenix, Arizona 85012  
Email: [anewdelman@adnlaw.net](mailto:anewdelman@adnlaw.net)  
Telephone: (602) 264-4550  
Facsimile: (602) 277-0144

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Our firm is a debt relief agency. Among other legal services, we help individuals and businesses file for bankruptcy relief under the United States Bankruptcy Code.

---

**From:** Christopher R. Kaup [<mailto:CRK@tblaw.com>]  
**Sent:** Tuesday, November 11, 2014 2:43 PM  
**To:** Allan NewDelman  
**Subject:** RE: Oladokun Bankruptcy Case

Why did you withdraw the Amended Plan? When do you think you can get back to us on this proposal?

Christopher R. Kaup, Esq.  
Shareholder  
<image001.gif>  
Seventh Floor Camelback Esplanade II  
2525 East Camelback Road  
Phoenix, AZ 85016-9240  
Direct (602) 255-6024 | Fax (602) 255-0103 |  
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**From:** Allan NewDelman [<mailto:anewdelman@adnlaw.net>]  
**Sent:** Tuesday, November 11, 2014 12:41 PM  
**To:** Christopher R. Kaup  
**Subject:** RE: Oladokun Bankruptcy Case

The proposal has been forwarded to my clients.

Sincerely,  
Allan D. NewDelman  
ALLAN D. NEWDELMAN, P.C.  
80 East Columbus Avenue  
Phoenix, Arizona 85012  
Email: [anewdelman@adnlaw.net](mailto:anewdelman@adnlaw.net)  
Telephone: (602) 264-4550  
Facsimile: (602) 277-0144

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Our firm is a debt relief agency. Among other legal services, we help individuals and businesses file for bankruptcy relief under the United States Bankruptcy Code.

**From:** Christopher R. Kaup [<mailto:CRK@tblaw.com>]  
**Sent:** Tuesday, November 11, 2014 10:20 AM  
**To:** Allan NewDelman  
**Subject:** Oladokun Bankruptcy Case

I have a client interested in purchasing the membership interests in Oasis Pavilion, LLC and Compassionate Patient Care, LLC owned by your clients, Joseph and Florence Oladokun.

Our client, Diamond Care Health Network, LLC, hereby offers to purchase the Debtors' 75% interest in Oasis Pavilion, LLC for \$180,000 and their 47.5% interest in Compassionate Patient Care, LLC for \$20,000. This transaction would be an all cash purchase which would close promptly after approval by the Bankruptcy Court after notice and hearing.

In light of the fact that the Debtors have attributed no value to these assets in their Schedules or their Amended Disclosure Statement (now withdrawn), I expect the Debtors and their creditors will view this offer very favorably.

Please call me to discuss this matter.

**Christopher R. Kaup, Esq.**

**Shareholder**

<image001.gif>

**Seventh Floor Camelback Esplanade II**

**2525 East Camelback Road**

**Phoenix, AZ 85016-9240**

**Direct (602) 255-6024 | Fax (602) 255-0103 |**

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**EXHIBIT "G"**



Dated: October 22, 2014



*Brenda Moody Whinery*

Brenda Moody Whinery, Bankruptcy Judge

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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF ARIZONA**

In re:	Chapter 11
JOSEPH A. OLADOKUN and FLORENCE A. OLADOKUN,  Debtors.	Case No. 4:12-bk-07178-BMW  <b>ORDER FOR A SECOND AMENDED DISCLOSURE STATEMENT</b>

Joseph A. Oladokun and Florence A. Oladokun (“Debtors”) filed an Amended Disclosure Statement on September 5, 2014 (Docket No. 177), to which no objections have been filed. A hearing was conducted, the Court has reviewed the Amended Disclosure Statement and the applicable law, and now the Court issues its ruling concerning the adequacy of the Amended Disclosure Statement.

Disclosure statements are governed by 11 U.S.C. § 1125. Their purpose is set forth both in the legislative history and in the statute itself. The disclosure statement is intended to give such additional information as will assist a typical creditor, in a particular class, to make an informed judgment as to how it will vote on a proposed plan. 11 U.S.C. § 1125(a)(1).

In addition to reviewing the plan itself with respect to the adequacy of the information furnished, the Court also must consider its audience. In that regard, § 1125(a)(2) states that the disclosure statement must be meaningful to an “investor typical of holders of claims or interests of the relevant class.” In determining whether an investor is “typical,” the relevant considerations are: (1) whether the investor has claims in the particular class; (2) whether the investor has a relationship to the debtor as such claimants generally have; and (3) whether the

1 creditor has the ability to obtain information from sources other than the disclosure statement.

2 In determining the adequacy of a disclosure statement, Courts generally follow the  
3 guidelines set forth in In re A.C. Williams Co., 25 B.R. 173, 176 (Bankr. N.D. Ohio 1982). An  
4 adequate disclosure statement primarily requires that creditors be given the information needed  
5 to determine whether to accept or reject a plan. In re Monnier Bros., 755 F.2d 1336, 1342 (8th  
6 Cir. 1985); In re Diversified Investors Fund XVII, 91 B.R. 559 (Bankr. C.D.Cal. 1988).

7 In this case, the Court concludes that the Disclosure Statement does not comply with the  
8 guidelines set forth in A.C. Williams Co. as indicated on Exhibit A attached hereto.

9 IT IS ORDERED that Debtors shall make the changes enumerated on Exhibit A within  
10 thirty (15) days of the entry of this Order, and shall deliver to chambers a copy of the Second  
11 Amended Disclosure Statement that is red-lined or otherwise marked to indicate the changes  
12 that have been made in order to conform to this Order. You must notify my law clerk and/or  
13 courtroom deputy by phone or email, as set forth below, to inform us that the redlined/amended  
14 disclosure statement has been sent. Thereafter, this Court will review the red-lined copy of the  
15 Second Amended Disclosure Statement and, if such changes are deemed adequate, the Court  
16 will notify you that the Second Amended Disclosure Statement is to be filed and is  
17 conditionally approved. You may then obtain a hearing date from the courtroom deputy and  
18 upload an order approving the disclosure statement and setting the matter for confirmation.

19  
20 Brad Terry, Law Clerk to Hon. Brenda Moody Whinery  
21 Telephone: (520) 202-7966  
22 Email: [brad\\_terry@azb.uscourts.gov](mailto:brad_terry@azb.uscourts.gov)

23 Cindy Turnbull, Courtroom Deputy to Hon. Brenda Moody Whinery  
24 Telephone: (520) 202-7988  
25 Email: [cindy\\_turnbull@azb.uscourts.gov](mailto:cindy_turnbull@azb.uscourts.gov)

26 If you fail to notify us and/or file a redlined/amended disclosure statement within the  
27 fifteen day time frame, your case may be dismissed or converted.

28 DATED AND SIGNED ABOVE.

///

1 Notice to be sent through the  
2 Bankruptcy Noticing Center ("BNC")  
3 to the following:

4 Joseph A. Oladokun and Florence A. Oladokun  
5 1142 E McMurray Blvd  
6 Casa Grande, AZ 85122

7 Allan D. NewDelman  
8 Allan D. NewDelman, P.C.  
9 80 E Columbus Ave  
10 Phoenix, AZ 85012

11 U.S. Trustee  
12 230 N First Ave, Ste 204  
13 Phoenix, AZ 85003  
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2 **EXHIBIT A**

3 The Court has indicated those areas of disclosure that are present in the Amended Disclosure  
4 Statement, and has left a blank with respect to those areas that are absent. More importantly, the  
5 Court has provided comments with respect to those areas of disclosure that are either absent OR  
6 inadequate. COUNSEL SHOULD ADDRESS ALL COMMENTS in the Second Amended  
7 Disclosure Statement.

8 **A.C. WILLIAMS FACTORS PRESENT:**

- 9  X  Incidents that led to filing Chapter 11
- 10  X  Description of available assets and their value
- 11  X  The anticipated future of the debtors
- 12  X  The source of information of the disclosure statement
- 13  X  A disclaimer
- 14  X  The present condition of the debtors in Chapter 11
- 15  X  A listing of the claims scheduled
- 16  (1)  A liquidation analysis
- 17  X  The identity of the accountant and the process used to value the properties
- 18  X  The future management of the debtors
- 19  X  A plan is attached
- 20  X  A summary of the plan of reorganization
- 21  X  An estimate of all administrative expenses, including attorneys' fees
- 22  X  The collectability of any accounts receivable
- 23  X  Financial information relevant to a creditor's decision whether to accept/reject
- 24  X  Information relevant to the risks being taken by creditors
- 25  (2)  Value, if any, that may be obtained by avoiding pre-petition transfers
- 26  (3)  Existence, likelihood, and possible success of non-bankruptcy litigation
- 27
- 28

- 1  Tax consequences of the plan
- 2  Relationship of the debtors with affiliates, if any

3  
4 In re A.C. Williams, 25 B.R. 173 (Bankr. N.D. Ohio 1982)

5 Additional details under the A.C. Williams standard:

- 6 (1) The liquidation analysis in Second Amended Disclosure Statement must include documentary support for the proposed liquidation value of the Debtors' interest in four LLCs.
- 7 (2) The Second Amended Disclosure Statement must include the actual or projected value that can be obtained from avoidable transfers.
- 8
- 9 (3) The Second Amended Disclosure Statement must discuss the existence, likelihood, and possible success of non-bankruptcy litigation.

10 IN ADDITION TO THE FOREGOING:

11 The Second Amended Disclosure Statement must correct the discrepancies regarding the treatment of unsecured creditors existing in the Amended Disclosure Statement. Specifically, the treatment on page 16 differs from that found on pages 26 and 27.

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**Diamond Care Health Network, LLC’s  
Summary of Responses to the Debtor’s Factual Assertions**

This exhibit is a summary of Diamond Care Health Network, LLC’s (“Diamond”) responses to the *Objection to Creditor, Diamond Care Health Network’s Disclosure Statement* filed by the Debtors on May 22, 2015 at Docket 225 and attached as Exhibit “6” to this Disclosure Statement.

Many of the assertions in the Objection are at odds with the facts. They do not, however, bear on whether the Disclosure Statement may be approved as containing “adequate information”. In order to ensure the record is clear, Diamond provides the following summary responsive to the allegations contained within the Objection located at Exhibit “6”.

<u>Page</u>	<u>Line</u>	<u>Diamond’s Response</u>
2	15	The assertion that the Plan is a “power play” of Matthew Meyer is false. All members of DCHN were involved in all decisions relating to this matter.
2	17 - 19	The relationship between the Debtors and the other members of the affiliated entities is irretrievably broken. They cannot work together. As a result, management of the companies is extremely difficult. In order to allow the parties to part ways on reasonable terms, DCHN has made several offers to the Debtors to purchase the Interests. The Debtors have not even responded to those offers. The Debtors have stated, under penalty of perjury, in documents filed with this Court that the Interests have no value. Diamond has proposed in the Plan to pay \$200,000.00 which will be used to pay creditors. The assertion that Mr. Meyer is trying to “muscle out” the Debtors is false.
5	24 - 25	Actually the Debtors were only planning to build half of the now 134-bed facility. With the analysis and recommendation of DCHN the decision was made to build the entire facility at one time – from a long term perspective it was cheaper, more efficient and the market could support more than 67 beds.
8	6 – 11	The Debtors’ assertions that “millions may be involved”, impliedly alleging their Interests are worth millions of dollars, is directly contrary to their statements in their Bankruptcy Schedules and the Disclosure Statement in support of their withdrawn Chapter 11 Plan that those interests were worthless. The Debtors agree there is a serious dispute between them and the other managers of the companies. DCHN’s Plan would resolve that dispute through the purchase of the Interests for a very substantial sum. If the Debtors believe those interests are worth so much more, they can offer to pay a higher amount or the Court may conduct an auction at the Confirmation Hearing. DCHN is agreeable to such an auction which would eliminate an allegation of unfairness to the Debtors.
10	1 – 7	The issues with the payroll taxes and the agreements with the IRS raised by the Debtors in their Objection do not bear on any aspect of the Plan. After DCHN pays the \$200,000.00 purchase price for the Interests, it will not be required to make any further payments to the Debtors or their creditors.

**EXHIBIT “7”**

**Diamond Care Health Network, LLC's  
Summary of Responses to the Debtor's Factual Assertions**

<u>Page</u>	<u>Line</u>	<u>Diamond's Response</u>
		Nothing in the referenced agreements bear on the Debtors responsibility to pay the IRS for their separate tax liabilities or their ability to reach payments terms with the service.
10	7 - 19	Both of the Debtors participated in meetings of the Board of Managers when the IRS tax issues were discussed. Previous copies of minutes of the Board of Managers Meetings were sent to the Debtors prior bankruptcy attorney. They were informed, were knowledgeable and had input into all the IRS issues relating to Oasis Pavilion. Any amount withheld or paid to the IRS by the Debtors for <b>Oasis Pavilion's</b> tax liability (as opposed to the portion of the IRS debt relating the Debtor's ownership of operation of any other entities) will be repaid to them as a result of the indemnification agreement for the Oasis Pavilion tax debt. The Debtors have separate tax liabilities imposed on them by the IRS arising from their operation of business unrelated to Oasis Pavilion and not affiliated with DCHN.
11		The IRS holds an Allowed Secured Claim based on its filed Proof of Claim 12-5 and asserts a right of set-off. The Debtors will retain a right to object to the nature of that claim if they do not believe that claim is not properly classified as secured. DCHN will update its Disclosure Statement and Plan with the dollar amount if the IRS' Unsecured Priority Claim as of April 9, 2015 (\$225,143.28)
12	5 – 21	The "business risks" and "slowdown in economy" relate to the Debtors' ability to continue to earn income and make payments. DCHN will modify this language to make clear it relates to the Debtors as individuals.

**EXHIBIT "7"**