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

12) Chapter 11
13 STEVEN D. FISHER and)
14 LYNN A. FISHER) Case No.: 2-13-bk017932 GBN
15)
16) **DISCLOSURE STATEMENT FOR**
17) **DEBTORS' PLAN DATED JULY 27, 2015**
18) (AS REVISED)
19 _____ Debtors)

20 Steven and Lynn Fisher, the debtors and debtors-in-possession in the above-captioned
21 Chapter 11 case (the "Debtors"), hereby submit this Disclosure Statement for Debtor' Plan dated
22 July 27, 2015 ("Disclosure Statement") to assist its creditors in making an informed decision in
23 voting on the Debtors' Plan of Reorganization Dated July 27, 2015 As Revised (the "Plan")
24 proposed pursuant to 11 U.S.C. § 1121.

25 **ARTICLE I**

26 **INTRODUCTION TO THE DISCLOSURE STATEMENT AND VOTING**

27 **1.1 Purpose of the Disclosure Statement.**

28 This Disclosure Statement sets forth certain information regarding Debtors' pre-petition
history, their assets, significant events that have occurred during this Chapter 11 case and the
companion Chapter 11 case of FOC Airport Limited Partnership [Case no 2-14-bk-2050 EPB], a
summary of the Plan, including when and how creditors will be paid, and a brief discussion of the
confirmation process and the voting procedures that holders of claims in Impaired Classes must

1 follow for their votes to be counted.

2 The primary purpose of this Disclosure Statement is to provide adequate information to
3 those creditors voting on the Plan so that they may make a reasonably informed decision with
4 respect to exercising their right to accept or reject the Plan. This Disclosure Statement is
5 intended for the sole use of creditors and other parties in interest. This Disclosure Statement
6 may not be relied upon for any purpose other than to determine how to vote on the Plan and
7 nothing contained herein shall constitute an admission of any fact or liability by any party or be
8 admissible in any proceedings involving the Debtors or any other party or be deemed conclusive
9 advise on the tax or other legal effects of the reorganization on holders of claims or interests.
10

11 **YOU SHOULD CONSULT YOUR PERSONAL COUNSEL OR TAX ADVISOR ON ANY**
12 **QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL**
13 **CONSEQUENCES OF THE PLAN.**

14 **1.2 Definitions.**

15 Unless otherwise defined herein, terms defined in the Plan shall have the same meaning
16 when used in this Disclosure Statement. In addition, unless otherwise defined herein or in the Plan,
17 terms used in this Disclosure Statement shall have the same meaning as in the Bankruptcy Code (the
18 “Code”) or the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), or, if not defined
19 therein, their ordinary meaning.

20 **1.3 Authorized Representations.**

21 This Disclosure Statement is the only document authorized by the Bankruptcy Court to be
22 used in connection with the solicitation of votes on the Plan. You should not rely upon any
23 representations or inducements made to secure your acceptance of the Plan other than those set forth
24 herein or in the Plan.
25

26 **The Bankruptcy Court's approval of this Disclosure Statement does not constitute a**
27 **certification or ruling by the Court regarding the completeness or accuracy of any statements**
28 **contained herein.**

1 The information contained in this Disclosure Statement came from the Debtors and the
2 Chapter 11 proceeding of FOC Airport Limited Partnership.

3 This Disclosure Statement is not the Plan. This Disclosure Statement, together with the
4 Plan, should be read in their entirety before you vote on the Plan. For the convenience of the
5 creditors and holders of interests, the Plan is summarized in this Disclosure Statement, but all
6 summaries are qualified in their entirety by the Plan itself, which is controlling in the event of any
7 inconsistency.
8

9 While the Debtors have attempted to insure that all information in this Disclosure Statement
10 is accurate and has been provided in good faith, the financial information contained herein has not
11 been audited by a certified public accountant and has not necessarily been prepared in accordance
12 with generally accepted accounting principles. Certain information contained in the Disclosure
13 Statement represents the Debtors' best informed opinions as to valuations or time periods and
14 should not be considered a guarantee.
15

16 The Disclosure Statement is a solicitation by Debtors only, and not its Professionals.
17

18 **1.4 Voting Procedures.**

19 To be entitled to vote, a creditor must have an Allowed Claim that is impaired under the
20 Plan. An allowed claim is one that has been allowed within the meaning of Section 502 of the
21 Code or has been temporarily allowed within the meaning of Rule 3018(a), Federal Rules of
22 Bankruptcy Procedure. The Bankruptcy Code defines whether a claim is impaired in 11 U.S.C. §
23 1124. Summarily, a claim is impaired if the plan modifies the legal or contractual rights of the
24 claimant, or if the plan does not cure and reinstate the legal rights of the claimant. A creditor in a
25 class that will not, under any circumstances, receive any distributions under the Plan, is not entitled
26 to vote as the class of which it is a member is deemed to have rejected the Plan. If a creditor holds
27 more than one claim in one class, all of the claims in such class will be aggregated and the creditor
28

1 will be entitled to one vote in the amount of all aggregated claims.

2 **All creditors or parties in interest entitled to vote on the Plan may cast their votes for**
3 **or against the Plan by completing, dating and signing the Ballot which accompanies this**
4 **Disclosure Statement.**

5
6 In order for the Ballot to be considered, the original Ballot must be mailed to the Bankruptcy
7 Court and the copies of the Ballot must be sent to the attorneys for the Plan Proponents. **The Court**
8 **has issued an order requiring that all votes for the acceptance or rejection of the Plan be**
9 **received by close of business on July 13, 2016.** The Ballots should be sent as follows:

10
11 The original to: Clerk
12 U.S. Bankruptcy Court
13 P.O. Box 34151
14 Phoenix, Arizona 85067-4151

15 A copy to: Gary V Ringler
16 Gary V Ringler PLLC
17 7303 W Boston St
18 Chandler, AZ 85226

19 **Your ballot will not be counted if the Clerk of the Bankruptcy Court or the**
20 **Proponent's counsel receives it after such deadline.**

21 You may not change your vote after it is cast, unless the Bankruptcy Court permits you to do
22 so after notice and a hearing to determine whether sufficient cause exists to permit the change.

23 **1.5 Confirmation of the Plan.**

24 In order for the Proponents' Plan to be effective, it has to be confirmed. Confirmation of
25 the Plan means that the Court has approved the Plan. For the Plan to be confirmed, votes by each
26 Impaired Class representing at least two-thirds (2/3) in amount of the Allowed Claims voting in
27 each class and greater than one-half (1/2) in number of individual creditors for such class (of those
28 casting votes) must be submitted in favor of acceptance of the Proponent's Plan. If the requisite
acceptances are not obtained from one or more Impaired Classes, the Court may nonetheless

1 confirm the Proponent's Plan pursuant to 11 U.S.C. § 1129(b) if one Impaired Class accepts the
2 Plan and the Court finds that the Plan provides, among other things, fair and equitable treatment of
3 the classes rejecting the Plan and that creditors receive as much or more under the Plan than they
4 would receive in a Chapter 7 liquidation.
5

6 When confirmed by the Bankruptcy Court, this Plan will bind all holders of claims or equity
7 interests in Solaris, whether or not they are entitled to vote, or did vote on the Plan and whether or
8 not they received or retained any distributions or property under the Plan.

9 **1.6 Proponents' Recommendations and Position.**

10 The Proponents strongly urge each creditor to vote to accept the Plan. Debtors believe that
11 each person or entity entitled to vote will conclude that the Plan is fair, reasonable and provides the
12 greatest return to the greatest number of creditors.
13

14 **ARTICLE II**

15 **THE DEBTORS AND EVENTS LEADING TO THE BANKRUPTCY FILING**

16 **2.1 Steven and Lynn Fisher.**

17 Lynn Fisher began her work career in the banking industry when she first entered the
18 University of Oklahoma in 1968 in the banking industry. She quickly rose to become the assistant
19 to the manager of the Norman, Oklahoma, Security National Bank. While fulfilling both of these
20 roles, she found after the 2nd year it to be impossible to continue her schooling efforts with her bank
21 position and upon her marriage to Steve left her schooling. She has continued her career of raising
22 two sons while providing them a full time, stay at home, mom.
23

24 Steve Fisher began his career as an engineering student at the University of Oklahoma in
25 1967 becoming active in the Engineer's Club and the Loyal Knights of Old Trusty, an engineering
26 honor and service organization. Mr. Fisher was able to earn honors including Sigma Tau, Tau Beta
27 Pi, Sigma Gamma Tau, as well as rising to the second in command during his LKOT activities
28

1 during his active engineering activities during his school years.

2 Mr. Fisher joined Phoenix based Space Data Corporation after graduation from OU and
3 began an aggressive expansion of this Aerospace Company. By 1976, Mr. Fisher had become the
4 President of Space Data and continued its expansion into the areas of Meteorological Rockets,
5 Sounding Rockets, Minuteman Launch Services, and Tracking Systems. The company grew from
6 a head count of 50 doing about \$3.5 million per year to a head count of 350 and \$35 million per year
7 in sales by the year 1988 when he merged the company with Orbital Sciences. After staying with
8 the company to build a new state of the art design facility in Chandler and to develop the Pegasus
9 satellite launch vehicle, Mr. Fisher left Orbital in 1990 to concentrate on commercial endeavors.
10

11 During the next 25 years, Mr. Fisher performed Indy cars racing until the joining of the
12 CART and Indy leagues, performed real estate development in Arizona and South Carolina,
13 developed golf cart tracking systems, performed real estate building development, and developed a
14 metal roofing construction company.
15

16 Steven and Lynn Fisher have been involved in various businesses and real estate ventures
17 over the years. The businesses and real estate ventures were conducted through corporate entities,
18 limited partnerships or LLC's with Steven Fisher either acting a principal of the entity(ies) or
19 managing the entity(ies) through a separate entity formed for the purpose of acting as a general
20 partner or management company. For a listing of the interests in various entities held by the
21 Debtors at the time of the filing of the Petition, see section 4.2, infra.
22

23 **2.2 FOC Lawshe Limited Partnership.**

24 FOC Lawshe owned the Lindhaven Farm, 309 acres of recreational hunting property in
25 Pineville, South Carolina. ArborOne ACA has foreclosed on the property and claimed a
26 significant deficiency. The Bankruptcy Court approved a settlement between FOC Lawshe and
27 State Farm Fire and Casualty Company which resulted in \$24,800.00 being paid to that partnership.
28

1 Debtors and this estate have no direct interest in those funds which may be used for operating
2 expenses, taxes and necessary business interests of that partnership. The Debtors own a 100%
3 interest in Fisher Opportunity Corporation (“FOC”), the largest unsecured creditor of FOC Lawshe.
4 To the extent not used for operating expenses, taxes and necessary business interests of that
5 partnership, some of these funds may flow through to this estate. In that event, it is possible that the
6 flow through funds will be necessarily used to pay administrative expenses of this estate. See ¶ 4.2,
7
8 infra, for additional financial information on this partnership.

9 **2.3 FOC Airport Limited Partnership.**

10 The partnership was formed in 1997 to acquire and develop a 475 acre farm site located in
11 Florence, South Carolina. While this partnership experienced some success in development and
12 sale, pressure from its secured lenders forced it to file a Chapter 11 proceeding in July of 2014 under
13 case no. 2-14-bk-2050. The partnership is currently operating under a Chapter 11 Plan of
14 reorganization that was confirmed on March 16, 2015. According to the projections contained in
15 the disclosure statement that accompanied the Plan it is expected that the Debtors will receive
16 distributions of approximately \$270,000 in December of 2019. Again, the distribution will not
17 come directly from the partnership but from Fisher Opportunity Company which has a junior
18 secured position on the real estate owned by FOC Airport Limited Partnership and any amounts
19 flowing through to the Debtors will be net of administrative costs and taxes related to the
20 distributions (flow throughs). See ¶ 4.2, infra, for additional financial information on this
21 partnership. It is estimated that the distribution of the flow through from FOC will take place in
22
23 2020.

24
25 The partnership is managed by Steve Fisher, in his capacity as the managing member of
26 AZCar Enterprises, which is currently the Debtor’s general partner. According to the confirmed
27 plan, Mr. Fisher will receive a management fee of \$4,000 per month from FOC Airport and will
28

1 continue his efforts involving developing and selling the remaining lots, selling raw land, arranging
2 and overseeing timber harvesting on the property, overseeing and managing the agricultural and
3 hunting leases for the property, overseeing the preparation of tax returns, maintaining the
4 partnership's books and records, and maintaining insurance on the partnership's property.
5

6 Mr. Fisher suffered a stroke on May 22, 2014. The stroke was a mild one and he is nearly
7 fully recovered. The Debtors (and the creditors of FOC Airport Limited Partnership) do not
8 believe that the stroke will affect Mr. Fisher's ability to discharge his duties going forward.

9 **2.3 Total Metals**

10 Total Metals ceased operations in August, 2013 after its assets had been foreclosed on by its
11 lender, Mutual of Omaha Bank, which then sold the assets to a newly formed company. Total
12 Metals filed for liquidation under Chapter 7 of the Bankruptcy Code on October 4, 2013 under case
13 number 2-13-bk-17344.
14

15 The Total Metals bankruptcy was precipitated by bonding claims made against Total Metals
16 as a result of its inability to complete jobs that were underbid by a former employee. At that time,
17 Total Metals was being managed by a third party. When Steve Fisher discovered the employee's
18 error, it was too late to save the company due to the size of the losses.
19

20 **2.4 Cumulative Events Leading to the Filing.**

21 The financial problems associated with the three businesses mentioned above, coupled with
22 certain creditors' assertions of personal liability against the Debtors for debt belonging to these and
23 other entities, on account of, among other things, the existence of personal guarantees and
24 indemnity agreements, led to the filing of this Chapter 11 proceeding and the Debtors efforts to
25 reorganize.
26

27 **ARTICLE III**

28 **DEVELOPMENTS DURING THE BANKRUPTCY CASE**

1 **3.1 Employment of Professionals.**

2 With the approval of the Bankruptcy Court, Debtors employed the law firm of Gary V.
3 Ringler PLLC to serve a general counsel. Gary V. Ringler PLLC will be compensated for its
4 services at the rates approved by the court and must obtain court approval before any payment is
5 made for these services. Gary V. Ringler PLLC will continue to represent the Reorganized
6 Debtors after confirmation of the Plan and the Effective Date, but will no longer be required to
7 obtain court approval before it is compensated, from the estate, for services rendered after the
8 Effective Date.
9

10 With the approval of the Bankruptcy Court, Debtors employed Alzate Ducomb Law Firm
11 LLC on a contingency basis to prosecute an action against State Farm Fire and Casualty Company
12 (“State Farm”).
13

14 **3.2 Settlement with State Farm Fire and Casualty Company.**

15 Prior to the filing of their Chapter 11 Petition, the Debtors had made a claim against State
16 Farm for certain personal property stolen from the Lindhaven Property. A portion of the property
17 belonged to the Debtors and a portion to FOC Lawshe Limited Partnership. Special counsel filed a
18 lawsuit against State Farm which resulted in a settlement agreement approved by the Bankruptcy
19 Court. The Estate received \$20,310.00 from that Settlement. The Debtors were entitled to
20 retain \$250.00 of the settlement monies as compensation for their allowed exemption in a JC
21 Higgins 583.10 bolt action 12 gauge shotgun. The Debtors have voluntarily elected to include this
22 amount in the funds available for distribution pursuant to orders of the Court and the Plan. These
23 funds have been used to pay interim attorney’s fees and costs approved by the Court.
24

25 **3.3 Settlement with Hudson Insurance Company.**

26 Hudson Insurance Company (“Hudson”) originally filed an unliquidated secured claim
27 against the Debtors in the amount of \$6,017,937.68 based upon indemnity agreements executed by
28

1 the Debtors in connection with Total Metals jobs bonded by Hudson. Hudson also filed an
2 objection to the Debtors' homestead exemption. Pursuant to a settlement agreement approved by
3 the Bankruptcy Court, Hudson amended its claim to be an unsecured claim in the maximum amount
4 of \$1,575,063.00 and withdrew its objection to the Debtors' homestead exemption.
5

6 **3.4 Settlement with Beckham Development Company.**

7 Beckham Development Company (BDC) filed a complaint asserting that its unsecured
8 claim against the Debtors was not dischargeable. While the Debtors hotly contest the allegations
9 concerning non-dischargability, the costs of litigation as well as the potential effect upon the
10 Debtors ability to devote their full efforts to the reorganization efforts if unsuccessful, led to the
11 settlement generally described in section 4.7, infra. This settlement was noticed to creditors and
12 approved by the Court pursuant to an order and judgment entered on October 16, 2015. The terms
13 of the settlement and judgment are reflected in the treatment of the Class VII creditor; ¶ 7.7 infra.
14

15 **3.5 Bar Date for Filing Claims.**

16 After notice to all creditors and interested parties, the Court set March 12, 2015 as the bar
17 date for filing claims. As provided in the Notice of Bar Date sent to creditors, any person or entity
18 that the Debtors' schedules listed as disputed, contingent, or unliquidated or in an unknown amount
19 and any person not originally listed on the schedules was required to file a proof of claim on or
20 before the bar date.
21

22
23 **ARTICLE IV**

24 **SUMMARY OF THE FISHERS' CURRENT FINANCIAL CONDITION**

25 **4.1 Income and Expenses.**

26 Apart from the analysis of the Debtors' non-exempt assets (below), the Debtors' current
27 financial condition is reflected in their monthly budget. The Debtors receive net monthly
28

1 exempt Social Security Income of \$1955.00 (Steve) and \$792.00 (Lynn). Steve Fisher will
 2 receive \$4000.00 per month as a management fee from FOC Airport Limited Partnership
 3 pursuant to its confirmed Plan of Reorganization. According to the financial reports filed by the
 4 Debtors, monthly expenditures have averaged nearly \$5,000.00 per month for the last six months.
 5 It is unlikely that the Debtors will be able make contributions to the Plan from their monthly
 6 income. **4.2 Property Interests.**

8 **4.2a Entities.** At the time of the filing of the Petition, the Debtors held the in the
 9 entities described below. To the extent there is any difference between the original Schedules and
 10 the values listed below, the values below are the Debtors' best estimates of what the estate might
 11 realize.

ENTITY	ESTATE'S INTEREST	VALUE
Caddytronic LLC	60% of Membership held by Fisher Family Trust	0 – formally dissolved 06/13
Total Metals LLC	84% of Membership held by Fisher Family Trust	0 – filed chapter 7 under case no 2-13-bk-17344
Fisher Research Inc.	80% of Stock - Individually	0 – formally dissolved 09/13
Custom Sheet Metal LLC	60% of Membership via interests held by Fisher Research Inc. and Total Metals	0 – formally dissolved 09/13
FOC Financial LP	2% of Partnership via \$47,000 investment by Lynn Fisher ¹	0 to \$47,000 less administrative costs and taxes
FOC Airport LP	It is expected that Distributions will flow through to the Debtors via FOC Lawshe's 68% interest in this partnership and monies owed to Fisher Opportunity Corporation [FOC] which is owned 100% by the Debtors. Additionally, FOC owns 40%	\$272,000.00 (estimated) less administrative expenses and taxes attributable to distributions Thru ownership in FOC from monies that FOC and FOC Lawshe are expected to receive from the confirmed Chapter 11 Plan of FOC Airport Limited Partnership ² .

26 ¹ Approximately \$469,000 was invested by Fisher Charitable Remainder Unitrust dated July 26, 1991. It is not
 27 anticipated that these funds, if received, will be available to the estate. These funds will be administered pursuant to
 the terms of the Trust.

28 ² Debtors will be retaining their interest in Fisher Opportunity Corporation. The FOC Airport Chapter 11 Plan
 projects that all creditors of that entity will be paid in full by June of 2020. If all goes as planned FOC Airport LP
 may realize funds for its equity holders from the Development and Sale of remaining acreage. See ¶8.5 infra.

	of FOC Lawshe. FOC is indebted to Steve and Lynn Fisher so that monies received by FOC will flow through to the Debtors.	
FOC Airport Finklea LP	21.75% of Partnership through 60% interest owned by FOC Airport Limited Partnership.	\$0 – any monies that would flow through to the Debtors are included in FOC Airport estimate above
Cedar Creek Development LLC	60% of Membership owned by Steve Fisher. 40% owned by Gary Finklea	\$0 – this entity performed management services for FOC Airport prior to its filing for Chapter 11. No monies were owed to the LLC at that time. It is likely that this entity will be dissolved. If not, the Debtor believes that the earnings of the LLC would not be property of the estate.
Fisher Opportunity Corp	100% of Stock	See analysis of FOC Airport Limited Partnership (above)
FOC Lawshe LP	62.5% of Partnership	See analysis of FOC Airport Limited Partnership (above) including footnote 2
AZ Car Enterprises LLC	90% of Membership thru Fisher Family Trust	\$0 – management company for various entities; no assets

4.2b Other Personal Property. In addition, the Debtors scheduled other non-exempt property available for distribution (per B and C – netted where appropriate):

Household furnishings – (if anything can be realized at all)	\$ 2,082.50
Cash on hand on date of filing (consumed for operating/living expenses)	\$ 0.00
Mink coat and excess woman’s wardrobe – (if saleable)	\$ 1,625.00
Non-exempt jewelry	\$ 14,500.00
IRA brokerage account (exempt consumed for expenses)	\$ 0.00
Orbital Sciences Corporation	\$ 1,500.00
2008 Mercedes (\$4,500 non-exempt value in 2013 less depreciation)	\$ 0.00
Replacement value	\$ 19,707.50

PLEASE REFER TO ¶ 6.1, INFRA

4.2c Holdbacks and Potential Litigation. At the time of the filing of the Petition, ArborOne ASA was holding approximately \$11,740.00 in payments apparently derived from Debtors’ interests in those entities. While Debtor believed these amounts should be turned over to

1 the estate, ArborOne believed that it was justified in holding these funds as security because of the
2 potential deficiency claim that it may have against this estate if not paid in full pursuant to the FOC
3 Airport confirmed Chapter 11 Plan. ArborOne ASA eventually applied these funds to the
4 indebtedness paid pursuant to the FOC Airport confirmed Chapter 11 Plan.
5

6 Additionally, while no additional litigation claims have been identified, the Debtors reserve
7 all interests they may have in any litigation that might benefit the estate; including without
8 limitation, preference, fraudulent transfer and other causes of action arising from §§ 362 and 542
9 through 553 of the Bankruptcy Code.
10

11 **ARTICLE V**

12 **POST CONFIRMATION CONTROL**

13 Steve Fisher shall continue his management responsibilities for Reorganized FOC Airport
14 Limited Partnership. Lynn Fisher may obtain temporary or permanent employment as a book
15 keeper or in another suitable line of work. The Debtors shall retain their ownership interests in the
16 entities described herein.
17

18 **ARTICLE VI**

19 **LIQUIDATION ANALYSIS**

20 As a condition to Confirmation, Bankruptcy Code § 1129(a)(7) requires the Plan to
21 provide that each creditor either accept the Plan or receive from the Fishers' estate as much under
22 the Plan as each creditor would receive in a Chapter 7 liquidation.
23

24 **6.1 Liquidation Analysis.**

25 A review of Schedules B and C, and the Chart contained in section 4.2 indicates a value of
26 \$19,707.50 for personal property interests exclusive of interests in entities. However, the Debtors'
27 estimated values in Schedule B are based upon 'replacement value' as defined by the Bankruptcy
28 Code and not liquidation value which is believed to be much less. Additionally, costs of sale must

1 be deducted from any purported value. The Debtors therefore believe that the value of any
2 non-exempt personal property exclusive of corporate interests is de minimus.

3
4 In a Chapter 7 proceeding, a Trustee would likely auction off the Debtors' interests in the
5 various entities through which the proceeds to fund the current plan will be provided. The Debtors
6 believe that these interests are virtually unsaleable or worth very little due to the labor, costs and
7 ongoing responsibility involved in operating the entities until proceeds can be realized.
8 Additionally, trustee's fees and costs of sale would need to be accounted for.

9 For these reasons, the Debtors believe that the following plan offers a better recovery than
10 an immediate liquidation.

11 **ARTICLE VII**

12 **SUMMARY OF PLAN**

13
14 This section contains a brief summary of the Plan, and it is qualified in its entirety by
15 reference to the Plan, which accompanies this Disclosure Statement. **THIS SUMMARY DOES**
16 **NOT PURPORT TO BE COMPLETE. THE PLAN ITSELF CONTROLS THE**
17 **RELATIONSHIP BETWEEN THE DEBTORS AND CREDITORS. YOU SHOULD**
18 **READ THE PLAN IN ITS ENTIRETY PRIOR TO CASTING YOUR BALLOT.**

19
20 In accordance with Bankruptcy Code Section 1122, all claims or interests against the
21 Debtor and/or Estate of Debtor are classified below:

22 **7.1 Class I - Administrative Claims.**

23 Class I consists of the allowed Administrative Claims for actual and necessary costs and
24 expenses of administration entitled to priority under Sections 503(b) and 507(a)(1) of the
25 Bankruptcy Code. This class includes, without limitation, post-petition tax claims, attorneys'
26 fees and costs, approved accounting fees, and fees due the United States Trustee, if any.

27
28 Holders of Allowed Class I Claims shall be paid, in full, on the Effective Date of the Plan

1 of Reorganization from Debtors' cash funds, or upon such other terms as Debtors and the holders
2 of Allowed Class I Claims agree. Class I Claims are not impaired.

3
4 **7.2 Class II – Priority Claims.**

5 The Class II Claims consist of all Claims which are entitled to priority treatment
6 pursuant to 11 U.S.C. § 507(a). Each holder of a Priority Claim in Class II is considered to be in
7 its own separate subclass within Class II, and each such subclass is deemed to be a separate Class
8 for purposes of the Plan.

9 The Debtors do not believe that any Class II Claims exist. If there are any holders of
10 Allowed Class II Claims they shall be paid in full in equal yearly payments such that the holder of
11 any individual Allowed Class II Claim shall be paid, in full, within five years of the Petition Date
12 or on such better terms as the Debtors' circumstance will allow. The first payment will be due on
13 first anniversary of the effective date of the Plan. The interest rate paid to Allowed Class II
14 Claims shall be three percent (3%) per annum. Class II Claims, if they exist, are impaired.

15
16 **7.3 Class III – Personal Secured Claims.**

17 The Class III Claims consist of all Secured Claims against the individual Debtors. Each
18 holder of a Secured Claim in Class III is considered to be in its own separate subclass within Class
19 III, and each such subclass is deemed to be a separate Class for purposes of the Plan. Class III
20 Secured Creditors shall retain the liens securing their Allowed Claims. The liens securing
21 Allowed Class III Secured Claims shall be extinguished upon payment of the Allowed Class III
22 Secured Claim. The holder of an Allowed Class III Secured Claim that has been paid shall
23 promptly file or record notice of the release of its lien. Unless otherwise provided, payments to
24 holders of Allowed Class III Claims will begin 30 days after the Effective Date.

25
26 **7.3.1 Class III(a) – Caliber Home Loans Inc – First lien on Residence.**

27 Class III(a) consists of the Allowed Secured Claim of Caliber Home Loans Inc. through its
28

1 servicer, LSF9 Master Participation Trust. Caliber Home Loans Inc. is believed to be the
2 successor in interest to Bank of America. This creditor holds a first position perfected security
3 interest and lien on the Debtors' residence at 1310 W. Island Circle, Chandler, AZ. The stay shall
4 be lifted to allow this creditor to foreclose on the property. Alternatively, should this claim be
5 purchased by another lender or should the Debtors be able to reach an agreement to alter or amend
6 the amount of the claim or its payment terms, then the Class III(a) claimant shall be paid pursuant
7 to a stipulation approved by the Bankruptcy Court. The Class III(a) Claim is impaired.
8

9 **7.3.2 Class III(b) – First Financial Bank – Second Lien on Residence**

10 Class III(b) consists of the Secured Claim of First Financial Bank regarding the Debtors'
11 personal residence at 1310 W. Island Circle, Chandler, AZ. The stay shall be lifted to allow this
12 creditor to foreclose on the property. Should this creditor conduct a deed of trust sale on the
13 property, it shall accept the property in full satisfaction of its claim. Should this creditor's lien
14 be extinguished in whole or in part by the foreclosure of a higher priority lien, then the
15 remaining balance of its claim shall be deemed unsecured and be treated as a Class VIII
16 unsecured claim. Alternatively, should this claim be purchased by another lender or should the
17 Debtors be able to reach an agreement to alter or amend the amount of the claim or its payment
18 terms, then the Class III(b) claimant shall be paid pursuant to a stipulation approved by the
19 Bankruptcy Court. The Class III(b) Claim is impaired.
20
21

22 **7.3.3 Class III(c) – Ocotillo Community Association – HOA dues.**

23 Class III(c) consists of the secured claim of Ocotillo Community Association for past due
24 Homeowners Association Fees concerning the residence at 1310 W. Island Dr., Chandler, AZ.
25 This creditor will receive no monetary distribution under the Plan and shall look to its collateral
26 for satisfaction of its claim. Alternatively, should the Debtors be able to retain the residence,
27
28

1 this claim will be paid in full from the Debtors' exempt post-petition income. The Class III(c)
2 creditor is impaired by the Plan.

3
4 **7.3.4 Class III(d) – US Bank – 2012 Ford Explorer Sports Utility.**

5 Class III(d) consists of the claim of US Bank secured by the Debtors' 2012 Ford Explorer.
6 This creditor shall be paid in full pursuant to the terms of its contract; however, the debt shall not
7 be reaffirmed. In the event the claim is not paid in full and the creditor must look to its collateral
8 for payment, any unpaid balance remaining shall be treated as a Class VIII unsecured claim.
9 The Class III(d) claim is impaired by the Plan.

10
11 **7.3.5 Class III(e) – Nissan Infiniti LT – Lease of 2012 Nissan Altima.**

12 Class III(e) consists of the claim of Nissan Infiniti LT for a 39 month lease of a Nissan
13 Altima. The lease was being paid by the Debtors' son, Shawn Fisher. Pursuant to a
14 stipulation approved by the Court [dkt 193], the stay has been lifted and the vehicle has been
15 returned and disposed of pursuant to Nissan's rights under state law. Nissan shall have a Class
16 VIII unsecured claim in the amount of \$856.16 for the balance remaining due under the lease.
17 This class is impaired by the Plan.

18
19 **7.4 Class IV – Secured/Lease Claimants Being Paid by FOC Airport Ltd Pshp who**
20 **might assert unsecured claims in this proceeding.**

21 **7.4.1 Class IV(a) – Senior Secured Claim of ArborOne, ACA.**

22 Class IV(a) consists of the Claim of ArborOne, ACA. ("ArborOne") relating to real
23 property owned by FOC Airport Limited Partnership ("FOC LTD"). The Holder of the Class
24 IV(b) claim shall retain its secured position as to the property owned by FOC and shall be paid in
25 full pursuant to the terms of the confirmed Chapter 11 Plan in case 2-14-bk-2050. The Class
26 IV(a) claim shall receive no distribution in these proceedings. The Class IV(a) Claim is
27 impaired.
28

1 **7.4.2 Class IV(b) – Secured Claim of Mutual of Omaha Bank.**

2 Class IV(b) consists of the Allowed Secured Claim of Mutual of Omaha Bank (“MOB”)
3 relating to real property owned by FOC Airport Limited Partnership (“FOC LTD”). The Holder
4 of the Class IV(b) claim shall retain its junior lien on the property owned by FOC LTD and shall
5 be paid in full pursuant to the terms of the confirmed Chapter 11 Plan in case 2-14-bk-2050. The
6 Class IV(b) claim shall receive no distribution in these proceedings. The Class IV(b) Claim is
7 impaired.
8

9 **7.4.3 Class IV(c) – Secured Claim of Fisher Opportunity Corporation.**

10 Class IV(c) consists of the Allowed Secured Claim of Fisher Opportunity Corporation
11 (“FOC”) relating to real property owned by FOC Airport Limited Partnership (“FOC LTD”).
12 The Holder of the Class IV(c) claim shall retain its junior lien on the property owned by FOC
13 LTD and shall be paid in full pursuant to the terms of the confirmed Chapter 11 Plan in case
14 2-14-bk-2050. The Class IV(c) claim shall receive no distribution in these proceedings. The
15 Class IV(c) Claim is impaired.
16

17 **7.4.4 Class IV(d) – Junior Secured Claim of ArborOne, ASA.**

18 Class IV(d) consists of the Junior Secured Claim of ArborOne, ASA relating to real
19 property owned by FOC Airport Limited Partnership (“FOC LTD”). The Holder of the Class
20 IV(d) claim shall retain its secured position as to the property owned by FOC LTD and shall be
21 paid in full pursuant to the terms of the confirmed Chapter 11 Plan in case 2-14-bk-2050. The
22 Class IV(d) claim shall receive no distribution in these proceedings. The Class IV(a) Claim is
23 impaired. The Class IV(d) Claim is impaired .
24

25 **7.5 Class V – Other Creditors and Interest Holders – FOC Airport Ltd Pshp.**

26 Class V consists of all Unsecured Claims asserted or which could be asserted by creditors
27 or interest holders in FOC Airport Limited Partnership (“FOC LTD”). A list of creditors in this
28

1 class is attached. These entities shall retain their rights against FOC LTD; but shall not receive
2 distribution in this Chapter 11 proceeding except pursuant to an allowed unsecured claim filed by
3 the bar date. Debtors anticipate that these claims may be paid in full upon the winding up of
4 FOC Airport Limited Partnership. This Class would include FOC Financial Limited Partnership
5 and any of its members or creditors. See attachment – CLASS V CREDITORS. This Class is
6 impaired by the Plan.
7

8 **7.6 Class VI – Other Claims and Interests Related to Entities.**

9 Class VI consists of all Unsecured Claims asserted or which could be asserted by creditors
10 or interest holders in any of the entities in which the Steve and/or Lynn Fisher had any type of
11 involvement whatsoever; including without limitation, Caddytronic LLC, Custom Sheet Metal
12 LLC, Total Metals LLC, Fisher Research Inc., FOC Airport Finklea LP, Cedar Creek
13 Development LLC, Fisher Opportunity Corporation, FOC Lawshe LP, and AzCar Enterprises
14 LLC (collectively the “ Other Fisher Entities”). A list of creditors in this class is attached.
15 Creditors and Interest Holders with claims against these “Other Fisher Entities” shall retain their
16 rights against these entities; but shall receive no distribution in this Chapter 11 proceeding except
17 pursuant to an allowed unsecured claim filed by the bar date. See attachment CLASS VI
18 CREDITORS. Class VI is impaired by the Plan.
19
20

21 **7.7 Class VII – Claim of Beckham Development Company.**

22 Class VII consists of the unsecured claim of Beckham Development Company (“BDC”)
23 as set forth in a stipulation approved by the Court. BDC shall have an allowed unsecured claim
24 in the amount of \$138,509.21. A stipulated non-dischargeable judgment has been entered against
25 Steven D. Fisher and the marital community in the amount of \$75,000.00. The judgment shall
26 not bear interest. BDC shall take no action to enforce or collect upon the judgment for a period
27 of 5 years from the effective date so long as the Debtors pay \$750.00 per month to BDC from
28 otherwise exempt property. Payments received on the allowed unsecured claim pursuant to the

1
2 Plan shall, in addition to the monthly payments from the Debtors' exempt property, be applied to
3 reduce the amount remaining to be paid on the judgment. The Court's order approving the
4 settlement and the judgment, both dated October 16, 2015 are hereby incorporated by reference
5 and shall b control. The Class VII claim is impaired.

6 **7.8 Class VIII – General Unsecured Claims.**

7 All other duly filed and allowed claims are Class VIII general unsecured claims. A list of
8 creditors in this Class is attached. Class VIII creditors shall receive their pro rata share of the
9 funds available for distribution after payment of claims of higher priority. No interest will
10 accrue or be paid on the Allowed Class VIII Claims. See Attachment CLASS VIII
11 CREDITORS. The Class VIII claims are impaired.

12 **ARTICLE VIII**

13 **PLAN IMPLEMENTATION**

14 The Plan will be implemented upon entry of an Order by the Bankruptcy Court
15 confirming the Plan. Upon the Effective Date, or at such other time as specifically provided for
16 in this Plan, creditors holding Allowed Claims will receive the treatment provided for in the Plan.
17 Creditors must hold Allowed Claims before they will be entitled to the treatment provided in the
18 Plan.

19 The Plan will be funded by proceeds from the State Farm Settlement approved by the
20 Court, the Debtors' post-petition income (excepting Social Security except where use of exempt
21 funds is explicitly mentioned) and monies expected to flow through to the Debtors from their
22 interests in Fisher Opportunity Corporation and FOC Lawshe Ltd Partnership ("Lawshe"). It is
23 expected that implementation of the Plan may necessitate the services of professionals who may
24 be paid by the Debtors from plan proceeds in the ordinary course of business without court order.

25 **8.1 State Farm Settlement.**

26 The Estate has received \$20,310.00 (less \$250.00 exemption) as a result of the
27 Court approved settlement with State Farm Fire and Casualty Company. These funds (less
28

1
2 administrative fees and costs already approved by the Court) have been used to pay interim
3 attorney's fees and costs approved by the Court.

4 **8.2 FOC Airport Limited Partnership.**

5 According to the projections contained in the confirmed FOC LTD plan, it is expected that
6 Fisher Opportunity Corporation ("FOC") will receive approximately \$272,000.00 in December
7 of 2019. Fisher Opportunity Corporation is a junior secured creditor of FOC LTD. Debtors are
8 the 100% owners of FOC. The Estate will receive the funds paid to FOC less any administrative
9 fees or taxes (corporate and personal) incurred as a result of receipt of these funds; i.e., Debtors
10 and/or the entity initially receiving the funds shall be entitled to pay administrative fees and all
11 taxes attributable to the entity or the Debtors on account of the receipt of these funds prior to
12 making distribution to Class V - VIII claimants.

13 **8.3 FOC Lawshe Limited Partnership.**

14 The estate may receive some portion of the \$24,800.00 paid to FOC Lawshe pursuant to a
15 settlement agreement approved by the bankruptcy court. This estate has no direct interest in
16 FOC Lawshe and these funds may be used for the operating expenses, taxes and necessary business
17 interests of that partnership. See also discussion at ¶¶ 4.2 and 6.1, supra and 8.5, infra.

18 **8.4 Post-Confirmation Personal Income.**

19 The FOC LTD plan provides that Steven Fisher will receive a salary of \$4,000.00 per
20 month. In addition, the Debtors receive combined social security payments (not property of the
21 estate) of approximately \$3,000.00 per month. It is unlikely that there will be sufficient funds
22 available after Debtors' reasonable post-petition living expenses for the Debtors to make any
23 contributions to the plan from these sources.

24 **8.5 Residual Interests in Entities.**

25 As indicated in ¶6.1, for various reasons, the Debtors do not believe residual interests have
26 any real value. However, in the interests of full disclosure, Debtors believe that the only entity
27 which might have any value after completion of the FOC Airport Ltd Chapter 11 Plan (the
28 indirect source of the financing for this Chapter 11 Plan) is Fisher Opportunity Corporation. As

1
2 previously described, any value to be attributed to Fisher Opportunity Corporation is derived
3 from the operations of FOC Airport Ltd Partnership. Debtors will be retaining their interest in
4 Fisher Opportunity Corporation.

5 The FOC Airport Chapter 11 Plan projects that all creditors of that entity will be paid in
6 full by June of 2020. If all goes as planned FOC Airport LP may realize funds for its equity
7 holders from the Development and Sale of remaining acreage. At that point, FOC may have
8 approximately 300 acres of undeveloped property available. The value of this interest is
9 speculative at best. Appraisals of the FOC Airport Property obtained by secured creditors from
10 May 2012 to April of 2013 value the total property at \$1,100,000.00 to \$2,100,000.00. At these
11 values property would not be of sufficient value to pay the secured claims (in excess of
12 \$1,936,000 according to filed and scheduled claims) let alone the unsecured creditors and equity
13 security holders. The Debtor's projections in the FOC Airport LP Disclosure Statement use a
14 value of \$20,000.00 per acre for the raw land and \$20,000 per lot for developed lots. There is no
15 recent appraisal supporting this value.

16 Accordingly, the Debtors do not ascribe a firm value to this interest.

17 **ARTICLE IX**

18 **TAX ISSUES**

19
20 The Fishers make no representations regarding any tax implications resulting from
21 confirmation of the Plan. **CLAIMANTS AND PARTIES IN INTEREST ARE ADVISED TO**
22 **CONSULT WITH THEIR TAX ADVISORS CONCERNING THE INDIVIDUAL TAX**
23 **CONSEQUENCES OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN,**
24 **INCLUDING STATE AND LOCAL TAX CONSEQUENCES.**

25 **BECAUSE DEBTORS EXPRESS NO TAX ADVICE, NEITHER THE DEBTORS**
26 **NOR ANY OF ITS PROFESSIONAL ADVISORS SHALL BE LIABLE IF, FOR ANY**
27 **REASON, THE CONSEQUENCES OF THE PLAN ARE OTHER THANAS**
28

1 ANTICIPATED. CREDITORS AND EQUITY SECURITY HOLDERS MUST RELY
2 SOLELY UPON THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF THE
3 PLAN.
4

5 ARTICLE X
6 MODIFICATION OF PLAN

7 This Plan may be modified in accordance with the provisions of the Bankruptcy Code and
8 Chapter 11 as follows:

9 **10.1 Pre-Confirmation.**

10 In accordance with Section 1127(a) of the Bankruptcy Code, the modification of the Plan
11 may be proposed in writing by the Proponent at any time before its Confirmation, provided that
12 the Plan, as thus modified, meets the requirements of Sections 1122 and 1123 of the Code, and the
13 Proponent complies with Section 1125 of the Code.

14 **10.2 Post-Confirmation.**

15 In accordance with Section 1127(b) of the Bankruptcy Code, the Plan also may be
16 modified at any time after its Confirmation and before its substantial consummation, provided
17 that the Plan as thus modified meets the requirements of Sections 1122 and 1123 of the Code,
18 provided further that the circumstances then existing justify such modification, and the Court
19 confirms the Plan as thus modified under Section 1129 of the Code.

20 **10.3 Objections.**

21 Any holder of a claim or equity interest that has accepted or rejected the Plan will be
22 deemed to have accepted or rejected, as the case may be, the Plan as modified unless, within the
23 time fixed by the Bankruptcy Court for doing so, such holder changes its previous acceptance or
24 rejection.

25 **10.4 Effect.**

26 Every modification of the Plan will supersede the previous version of the Plan as and
27 when ever each modification is effective. When superseded, the previous version of the Plan
28 will be in the nature of a withdrawn or rejected settlement proposal, and will be null, void and

1 unusable by the Debtor or any other party for any purposes whatsoever with respect to any of the
2 contents of such version of the Plan.

3 4 ARTICLE XI

5 CONFIRMATION RISKS AND RECOMMENDATION

6 **11.1 Confirmation Over Dissenting Class.**

7 The Plan may be confirmed even if it is not accepted by all impaired classes provided that at
8 least one impaired class of Claims votes to accept the Plan. Under Section 1129(b) of the Code, if
9 one or more classes does not accept the Plan, the Bankruptcy Court may confirm the Plan if it finds
10 that the Plan: (i) was accepted by at least one impaired class of claims; and (ii) does not discriminate
11 unfairly against and is fair and equitable as to all non-accepting impaired classes. Debtors believe
12 that the Plan meets these tests and will request confirmation of the Plan pursuant to Section 1129(b)
13 of the Code if all impaired classes do not accept.

14
15 The Fishers believe that the “best interests test” imposed by 11 U.S.C. §1129(a)(7) is
16 satisfied by the Plan because each holder of a Claim or Interest not accepting the Plan will receive at
17 least as much as such holder would receive in a Chapter 7 liquidation as discussed in detail in Article
18 9 herein.

19 **11.2 Best Interests of Creditors and Fair and Equitable Test.**

20 The Debtors believe that the “best interests test” imposed by 11 U.S.C. §1129(a)(7) is
21 satisfied by the Plan because each holder of a Claim or Interest not accepting the Plan will receive at
22 least as much as such holder would receive in a Chapter 7 liquidation as discussed in detail in Article
23 9 herein.

24
25 The Debtors believe that the Plan will satisfy the fair and equitable requirements of the
26 Bankruptcy Code, to the extent such requirements are applicable based upon the vote of creditors on
27 the Plan.
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11.1 Recommendation of the Fishers.

The Fishers recommend that the Plan be approved.

RESPECTFULLY SUBMITTED:

/s/ Steven D. Fisher
Steven D Fisher

/s/ Lynn A. Fisher
Lynn A Fisher

APPROVED AS TO FORM AND CONTENT:

GARY V RINGLER PLLC

By: /s/ Gary V Ringler 006956