

1 Kenneth L. Neeley, 025899
2 Chris J. Dutkiewicz, 024962
3 **NEELEY LAW FIRM, PLC**
4 2250 E. Germann Road, Ste. 11
5 Chandler, AZ 85286
6 Tel: 480.802.4647 | Fax: 480.907.1648
7 ECF@neeleylaw.com

8 *Attorneys for Debtors*

9 **UNITED STATES BANKRUPTCY COURT**

10 **DISTRICT OF ARIZONA**

11 In Re:

12 Anthony Mannino and Madeline Ventura
13 Mannino,
14
15 Debtors.

In Proceedings Under Chapter 11

Case No.: 2:15-bk-14819-MCW

**DISCLOSURE STATEMENT DATED
JUNE 6, 2016**

16 Anthony Mannino and Madeline Ventura Mannino, the debtors and debtors-in-possession
17 in the above-captioned Chapter 11 case (the “Debtors”), through undersigned counsel, hereby
18 submit this *Disclosure Statement Dated June 6, 2016* (the “Disclosure Statement”) to assist their
19 creditors in making an informed decision in voting on the Debtors’ *Plan of Reorganization*
20 *Dated June 6, 2016* (the “Plan”) proposed pursuant to 11 U.S.C. § 1121.

21 **I. INTRODUCTION**

22 **A. PURPOSE OF THIS DOCUMENT**

23 The Disclosure Statement contains information regarding the Debtors’ pre-petition
24 history, their assets, significant events that have occurred during this Chapter 11 case, a
25 summary of the Plan, including when and how creditors will be paid, and a brief discussion of
26 the confirmation process and the voting procedures that holders of claims in Impaired Classes
27 must follow for their votes to be counted.

28 The primary purpose of this Disclosure Statement is to provide adequate information to
creditors voting on the Plan so that they may make a reasonably informed decision with respect
to exercising their right to accept or reject the Plan. The Disclosure Statement is intended for
the sole use of creditors and other parties in interest. This Disclosure Statement may not be

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1 relied upon for any purpose other than to determine how to vote on the Plan and nothing
2 contained herein shall constitute an admission of any fact or liability by any party or be
3 admissible in any proceedings involving Debtors or any other party to be deemed conclusive
4 advice on the tax or other legal effects of the reorganization on holders of claims or interests.

5 To the extent any statement made in this Disclosure Statement is inconsistent with any
6 provision in the actual Plan, the terms and provisions of the Plan control. In particular, the
7 definitions of the Plan are incorporated herein and shall have the same meaning when used in
8 this Disclosure Statement. In addition, unless otherwise defined herein or in the Plan, terms
9 used in this Disclosure Statement shall have the same meaning as in the Bankruptcy Code
10 (“Code”) or the Federal Rule of Bankruptcy Procedure (“Bankruptcy Rules”), or, if not defined
11 therein, their ordinary meaning.

12 This Disclosure Statement is the only document authorized by the Bankruptcy Court to
13 be used in connection with the solicitation of votes on the Plan. Any representations or
14 inducements made to secure acceptance of the Plan other than those made or referred to in this
15 Disclosure Statement should not be relied on by any party in interest. Although every effort has
16 been made by the Debtors to be accurate in their statements included in this Disclosure
17 Statement, the Debtors’ records have not been audited, and are not warranted to be without
18 inaccuracies.

19 No representations concerning the bankruptcy estate, the Debtors or the Plan are
20 authorized other than as set forth in this Disclosure Statement. You should not rely on any
21 representations or inducements made to secure your acceptance of the plan other than those
22 contained in this Disclosure Statement as approved by the bankruptcy court.

23 The Court has not verified the accuracy of the information contained in this Disclosure
24 Statement. The Court’s approval hereof only signifies that if the information contained herein
25 is accurate, it is sufficient to provide creditors and interested parties an adequate basis to decide
26 whether to accept or reject the plan. Court approval is not a judicial endorsement of the plan.

1 *Your rights may be affected. You should read the Plan and this Disclosure Statement*
2 *carefully and discuss with your attorney. If you do not have an attorney, you may wish to*
3 *consult one.*

4 **B. DEADLINES FOR VOTING AND OBJECTING**

5 The Court has not yet confirmed the Plan described in this Disclosure Statement. This
6 section describes the procedures pursuant to which the Plan will or will not be confirmed.

7 The Bankruptcy Court will hold a hearing on approval of the Disclosure Statement and
8 confirmation of the Plan before the Honorable Madeleine C. Wanslee at the U.S. Bankruptcy
9 Court, 230 N. First Avenue, 7th Floor, Courtroom 702, Phoenix, AZ.

10 Any objections to confirmation of the Plan or approval of the Disclosure Statement must
11 be filed and served by the time and date of the hearing, or in person at the hearing. If there is
12 any modification to the Plan, the Bankruptcy Court will determine whether it is a material
13 modification and whether a further hearing, re-voting, or change of any deadline is required.

14 **II. BACKGROUND**

15 **A. EVENTS LEADING TO CHAPTER 11 FILING**

16 Debtors invested in two commercial buildings to operate a family practice called TLC
17 Family Medicine, LLC (“TLC”). Anthony Mannino was the physician-owner of the family
18 practice. One of the commercial buildings had a secured loan with Wells Fargo Bank, N.A.
19 (“WF”) for \$525,820.96 and the building was worth significantly less. The other commercial
20 building has a secured loan with BBVA Compass (“Compass”) for \$406,291.26 and the
21 building is believed to be worth significantly less. The practice was no longer operating and the
22 Debtors could no longer afford the commercial building payments. Debtors personally
23 guaranteed each secured loan from WF and Compass and would be left with any deficiency
24 balances after the buildings were foreclosed.

25 Debtors owned real property located at 19885 E. Via Del Oro, Queen Creek, AZ 85242.
26 The real property is secured by a first mortgage with Nationstar Mortgage, LLC for
27 \$449,375.80 and a home equity line of credit for \$289,282.45. The real property is scheduled
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1 to be foreclosed and the opening bid has been placed at \$420,000.00. The Debtors have moved
2 from the real property and would be responsible for the home equity line of credit after the
3 foreclosure.

4 As a result of the massive commercial loans and foreclosure, Debtors sought legal
5 counsel regarding a personal bankruptcy filing.

6 **B. SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE**

7 Debtors filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code on
8 November 19, 2015. On December 29, 2015, No official committee of unsecured creditors has
9 been appointed. No trustee or examiner has been appointed.

10 The Bankruptcy Court has approved the employment of Neeley Law Firm, PLC as
11 counsel for the bankruptcy proceedings.

12 An Order Setting Bar Date for Filing Proofs of Claim was April 5, 2016.

13 **C. PROJECTED RECOVERY OF AVOIDABLE TRANSFERS**

14 The Debtors are not aware of any preference, fraudulent conveyance, or other potential
15 avoidance actions.

16 **D. CLAIM OBJECTIONS**

17 Except to the extent that a claim is already allowed pursuant to a final non-appealable
18 order, the Debtors reserve the right to object to claims. Therefore, even if your claim is allowed
19 for voting purposes, you may not be entitled to a distribution if an objection to your claim is
20 later upheld. The procedures for resolving disputed claims are set forth in the Plan.

21 **E. CURRENT FINANCIAL CONDITION OF DEBTORS**

22 Anthony Mannino is currently employed as a physician and receives regular monthly
23 income. Debtors believe that by restructuring their debts through the Plan, they will be able to
24 confirm their Plan and perform as set forth therein.

25 **III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF**
26 **CLAIMS AND EQUITY INTERESTS**

27 **A. WHAT IS THE PURPOSE OF THE PLAN OF REORGANIZATION?**

1 As required by the Code, the Plan places claims and equity interests in various classes
2 and describes the treatment each class will receive. The Plan also states whether each class of
3 claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery
4 will be limited to the amount provided by the Plan.

5 **B. UNCLASSIFIED CLAIMS**

6 Certain types of claims are automatically entitled to specific treatment under the Code.
7 They are not considered impaired, and holders of such claims do not vote on the Plan. They
8 may, however, object if, in their view, their treatment under the Plan does not comply with that
9 required by the Code. As such, the Plan Proponent has not placed the following claims in any
10 class:

11 **1. Administrative Claims**

12 Administrative Claims for actual and necessary costs and expenses of
13 administration are entitled to priority under Sections 503(b) and 507(a)(1) of the Bankruptcy
14 Code. This class includes, without limitation, post-petition tax claims, Debtors' attorneys' fees,
15 approved accounting fees and fees due to the United States Trustee, if any. The holders of
16 Allowed Administrative Claims shall be paid, in full, on the Effective Date of the Plan.

17 1(a) Professional Fees.

18 The following professionals have agreed to accept payment over time as follows.
19 Payments will be made monthly, due on the 15th day of the month, starting the first full calendar
20 month after the Effective Date (subject to approval of fees by the Bankruptcy Court). Payments
21 to general unsecured creditors will be made quarterly after administrative claims and priority
22 claims are paid in full.
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Name and Role of Professional	Estimated Amount	Proposed Treatment
Neeley Law Firm, PLC	\$10,000	Paid in full on the Effective Date of the Plan, or according to separate written agreement, or according to the Court Order if such fees have not been approved by the Court on the Effective Date of the Plan.

Estate professionals are not entitled to vote on confirmation of the Plan.

1(b) Post-Confirmation Compensation of Professional Persons.

Compensation for services rendered and for reimbursement of expenses by a professional person after the Effective Date need not be approved by the Bankruptcy Court. Professional persons may invoice the reorganized Debtors (or other responsible third-party) directly, and the reorganized Debtors (or other responsible third-party) may pay such invoices without further order from the Bankruptcy Court.

1(c) United States Trustee Fees.

All fees payable to the United States Trustee as of confirmation will be paid on the Effective Date; post-confirmation fees to the United States Trustee will be paid when due.

2. Priority Tax Claims

Priority tax claims are unsecured income, employment and other taxes described by §507(a)(8) of the Code. Unless the holder of such a §507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim in regular installments paid over a period not exceeding five years from the petition date. Payments to general unsecured creditors will be made quarterly after administrative claims and priority claims are paid in full. Priority claims will likely be paid in full early.

C. CLASSES OF CLAIMS AND EQUITY INTERESTS

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1 **1. Classes of Secured Claims**

2 Allowed Secured Claims are claims secured by property of the Debtors’
3 bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under
4 §506 of the Code. If the value of the collateral or setoffs securing the creditor’s claims is less
5 than the amount of the creditor’s allowed claim, the deficiency will be classified as a general
6 unsecured claim.

7 The following chart lists all classes containing Debtors’ secured prepetition
8 claims and their proposed treatment under the Plan:

9 **Creditors’ Rights Remain Unchanged**

Class	Name of Creditor	Description of Collateral
1A	Basswood Ave, San Tan, LLC	824 W. Basswood Avenue San Tan Valley, AZ 85140

13 These creditors’ legal, equitable, and contractual rights remain unchanged with respect to
14 the above collateral. The confirmation order will constitute an order for relief from stay.

15 Creditors in these classes shall retain their interest in the collateral until paid in full.

16 **These secured claims are not impaired and are not entitled to vote on confirmation of**
17 **the Plan.**

18 **Debtor to Adjust Terms and Pay Amount in Full Over Time**

Class	Name of Creditor	Description of Collateral	Amount Due	Interest Rate	Monthly Payment	Term
1B	Toyota Motor Credit	2015 Toyota Corolla	\$14,288.03	5.25%	\$271.00	60 Months
1C	Toyota Motor Credit	2015 Toyota Corolla	\$16,851.81	5.25%	\$320.00	60 Months

24 **These claims are impaired and are entitled to vote on confirmation of the Plan.**

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1 **Property to Be Surrendered**

2

Class	Name of Creditor	Description of Collateral
3 1D	Nationstar Mortgage, LLC	19885 E. Via Del Oro Queen Creek, AZ 85142
4 1E	Wells Fargo Bank, N.A.	19885 E. Via Del Oro Queen Creek, AZ 85142
5 1F	BBVA Compass	Assets of Med Mann Investments, LLC, including a commercial building located at 16515 S. 40 th Street, 6 #131, Phoenix, AZ 85048
7 1G	Wells Fargo Bank, N.A.	Assets of TLC Family Medicine, PC and Med Mann Investments, LLC, including a commercial building located at 21321 E. Ocotillo Road, Suite 124, Queen 8 Creek, AZ 85242

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13 **2. Classes of Priority Unsecured Claims**

14 Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of
15 the Code are required to be placed in classes. The Code requires that each holder of such a
16 claim receive cash on the effective date of the Plan equal to the allowed amount of such claim.
17 However, a class of holders of such claims may vote to accept different treatment.

18 **3. Class of General Unsecured Claims**

19 This class includes all known non-priority unsecured creditors, including
20 deficiency claims, and rejection claims, whether scheduled or based on proofs of claim on file.
21 Allowed claims of general unsecured creditors (including allowed claims of creditors whose
22 executory contracts or unexpired leases are being rejected under this Plan) will be paid as
23 follows:

24 Creditors will receive a *pro-rata* share of a fund totaling \$19,500.00 created by
25 Debtors' \$325.00 per month of disposable monthly income for a period of 60 months.
26 Debtors will commit these funds to general unsecured claims beginning in the first full
27 calendar month after the effective date. Pro-rata means the entire amount of the fund

1 divided by the entire amount owed to creditors with allowed claims in this class. Debtors
2 estimate that creditors will receive approximately 2.28% of their claims in this class.

3 Payments to general unsecured creditors will be made quarterly after
4 administrative claims and priority claims are paid in full. Any general unsecured
5 creditors expected to receive a *pro rata* share of less than \$25.00 will not receive a
6 payment unless a request is made in writing within 90 days of Effective Date to Debtors'
7 counsel at:

8 Anthony and Madeline Mannino
9 c/o Neeley Law Firm, PLC
10 2250 E. Germann Rd, Suite 11
11 Chandler, AZ 85286

12 All payments will be completed before 60 months passes from the Effective Date
13 of the Plan.

14 **This class is impaired and is entitled to vote on confirmation of the Plan.**

15 **D. RISK FACTORS**

16 The Plan will be funded from Debtors' post-confirmation income from Anthony's
17 employment. Based on the Debtors' income history, they are expected to be able to pay claims
18 as proposed in the Plan.

19 **E. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

20 The Plan lists all executory contracts and unexpired leases that the Debtors will assume
21 under the Plan. Assumption means that the Debtors have elected to continue to perform the
22 obligations under such contracts and unexpired leases, and to cure defaults of the type that must
23 be cured under the Code, if any.

24 If you object to the assumption of your unexpired lease or executory contract, the
25 proposed cure of any defaults, or the adequacy of assurance of performance, you must file and
26 serve your objection to the Plan within the deadline for objecting to the confirmation of the
27 Plan, unless the Court has set an earlier time.

1 **F. TAX CONSEQUENCES OF PLAN**

2 The confirmation and consummation of the Plan may result in federal and state income
3 tax consequences to holders of claims. Tax consequences to a particular creditor will depend on
4 the particular circumstances regarding the claim of that creditor.

5 Creditors concerned with how the plan may affect their tax liability should consult with
6 their own accountants, attorneys, and/or advisors.

7 **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

8 To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the
9 Code. These include the requirements that: the Plan must be proposed in good faith; at least
10 one impaired class of claims must accept the plan, without counting votes of insiders; the Plan
11 must distribute to each creditor and equity interest holder at least as much as the creditor or
12 equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity
13 interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are
14 not the only requirements listed in § 1129, and they are not the only requirements for
15 confirmation.

16 **A. WHO MAY VOTE OR OBJECT**

17 Any party in interest may object to the confirmation of the Plan if the party believes that
18 the requirements for confirmation are not met.

19 Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A
20 creditor or equity interest holder has a right to vote for or against the Plan only if that creditor
21 or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for
22 voting purposes and (2) impaired.

23 In this case, the Plan Proponent believes that classes are impaired and that holders of
24 claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The
25 Plan Proponent believes that classes are unimpaired and that holders of claims in each of these
26 classes, therefore, do not have the right to vote to accept or reject the Plan.

1 **1. What Is an Allowed Claim or an Allowed Equity Interest?**

2 Only a creditor or equity interest holder with an allowed claim or an allowed
3 equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed
4 if either (1) the Debtor has scheduled the claim on the Debtors' schedules, unless the claim has
5 been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of
6 claim or equity interest, unless an objection has been filed to such proof of claim or equity
7 interest. When a claim or equity interest is not allowed, the creditor or equity interest holder
8 holding the claim or equity interest cannot vote unless the Court, after notice and hearing,
9 either overrules the objection or allows the claim or equity interest for voting purposes pursuant
10 to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

11 *The deadline for filing a proof of claim in this case was April 5, 2016.*

12 **2. What Is an Impaired Claim or Impaired Equity Interest?**

13 As noted above, the holder of an allowed claim or equity interest has the right to
14 vote only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Code, a
15 class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the
16 members of that class.

17 **3. Who is Not Entitled to Vote?**

18 The holders of the following five types of claims and equity interests are not
19 entitled to vote:

- 20 • holders of claims and equity interests that have been disallowed by an order of
21 the Court;
- 22 • holders of other claims or equity interests that are not “allowed claims” or
23 “allowed equity interests” (as discussed above), unless they have been “allowed”
24 for voting purposes.
- 25 • holders of claims or equity interests in unimpaired classes;
- 26 • holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8)
27 of the Code; and
- 28

- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

Even if you are not entitled to vote on the plan, you have a right to object to the confirmation of the plan and to the adequacy of the Disclosure Statement.

4. Who Can Vote in More Than One Class?

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. VOTES NECESSARY TO CONFIRM THE PLAN

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in Section (B)(2).

1. Votes Necessary for a Class to Accept the Plan

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

2. Treatment of Nonaccepting Classes

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind non-accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not “discriminate unfairly,” and is “fair and equitable” toward

1 each impaired class that has not voted to accept the Plan.

2 You should consult your own attorney if a “cram down” confirmation will affect
3 your claim or equity interest, as the variations on this general rule are numerous and complex.

4 **C. LIQUIDATION ANALYSIS**

5 To confirm the Plan, the Court must find that all creditors and equity interest holders
6 who do not accept the Plan will receive at least as much under the Plan as such claim and
7 equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is
8 attached to this Disclosure Statement as **Exhibit “1”**.

9 **D. FEASIBILITY**

10 The Court must find that confirmation of the Plan is not likely to be followed by the
11 liquidation, or the need for further financial reorganization, of the Debtors or any successor to
12 the Debtors, unless such liquidation or reorganization is proposed in the Plan.

13 Debtors are gainfully employed and expect to have the ability to make payments over
14 the life of the Plan. Debtors have provided financial information in **Exhibit “3”**.

15 You should consult with your accountant or other financial advisor if you have any
16 questions pertaining to these projections.

17 **V. EFFECT OF CONFIRMATION OF PLAN**

18 **A. DISCHARGE OF DEBTOR**

19 Confirmation of this Plan does not discharge any debt provided for in this Plan until the
20 Bankruptcy Court grants a discharge on completion of all payments under this Plan, or as
21 otherwise provided in § 1141(d)(5) of the Code, or the Bankruptcy Court grants a limited
22 (“hardship”) discharge as allowed under Bankruptcy Code § 1141(d)(5)(B). Debtors will not be
23 discharged from any debt excepted from discharge under § 523 of the Code, except as provided
24 in Rule 4007(d) of the Federal Rules of Bankruptcy Procedure.

25 **B. MODIFICATION OF PLAN**

26 In accordance with Section 1127(a) of the Code, the modification of the Plan may be
27 proposed in writing by the Proponent at any time before its Confirmation, provided that the
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1 Plan, as thus modified, meets the requirements of Section 1122 and 1123 of the Code, and the
2 Proponent complies with Section 1125 of the Code. However, the Court may require a new
3 disclosure statement and/or revoting on the Plan.

4 In accordance with Section 1127(b) of the Code, upon request of the Debtors, the United
5 States trustee, or the holder of an allowed unsecured claim, the Plan may be modified by the
6 court at any time after confirmation of the Plan but before the completion of payments under
7 the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a
8 particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount
9 of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to
10 take account of any payment of the claim made other than under the Plan.

11 **C. FINAL DECREE**

12 Once the estate has been fully administered, as provided in Rule 3022 of the Federal
13 Rules of Bankruptcy Procedure, the Debtors, or such other party as the Court shall designate in
14 the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close
15 the case. Alternatively, the Court may enter such a final decree on its own motion.

16 **VI. OTHER PLAN PROVISIONS**

17 **A. EFFECTIVE DATE OF PLAN**

18 The Effective Date of the Plan is the fifteenth day following the date of the entry of the
19 order of confirmation. If a notice of appeal has been filed, Debtors may waive the finality
20 requirement and put the Plan into effect, unless the order confirming the Plan has been stayed. If
21 a stay of the confirmation order has been issued, the Effective Date will be the first day after
22 that date on which no stay of the confirmation order is in effect, provided that the confirmation
23 order has not been vacated.

24 **B. DISPUTED CLAIM RESERVE**

25 Debtors do not dispute any claims.
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1 **C. CRAMDOWN**

2 Pursuant to 11 U.S.C. § 1129(b), Debtors reserve the right to seek confirmation of the
3 Plan despite the rejection of the Plan by one or more classes of creditors. The Debtors' ability to
4 "cramdown" this Plan over the objections of creditors may be affected, in part, by how the
5 Bankruptcy Court rules on the applicability of the "Absolute Priority Rule" in this case. The
6 Absolute Priority Rule provides, in essence, that junior claimants, including the Debtors, are
7 barred from retaining any non-exempt property under the Plan unless senior claimants are paid
8 in full. The Debtors assert that the law in this District is that the Absolute Priority Rule will apply
9 to individual debtors in the event of a filed objection to the Chapter 11 Plan. *Zachary v.*
10 *California Bank (In re. Zachary)* 811 F.3d 1191, 1193 (9th Cir. 2016) (Holding that "a
11 bankruptcy judge may find that a debtor's plan is 'fair and equitable' to an **objecting creditor**
12 only if the plan complies with the absolute priority rule") (emphasis added). In the present case,
13 the Debtors propose to retain non-exempt property and proposes to pay less than 100% of
14 claims, but does not anticipate any creditor objections.

15 **D. SEVERABILITY**

16 If any provision in the Plan is determined to be unenforceable, the determination will in
17 no way limit or affect the enforceability and operative effect of any other provision of the Plan.

18 **E. GOVERNING LAW**

19 Except to the extent a federal rule of decision or procedure applies, the laws of the State
20 of Arizona govern the Plan.

21 **F. LAWSUITS AND OTHER CLAIMS FOR RELIEF**

22 Debtors believe that no causes of action exist for fraudulent transfers, voidable
23 preferences, or other claims for relief.

24 Without limiting the foregoing, Debtors retain all causes of action that they have against
25 any party, whether arising pre- or post-petition, and all such causes of action vest in the
26 reorganized Debtors on the Effective Date. The nondisclosure of unknown causes of action is
27 not a settlement, compromise, waiver or release of such cause of action, and does not judicially
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1 estop the Debtors from asserting any such cause of action as a claim or defense. Confirmation of
 2 the Plan does not constitute a settlement, compromise, waiver, or release of any cause of action
 3 unless the Plan or Confirmation Order specifically and unambiguously so provide.

4 **G. DEFAULT**

5 If the Debtors are unable to perform the terms and conditions of the Plan, then they will
 6 be in default. Any creditor may seek to enforce the Plan. Before doing so, the creditor must
 7 provide notice to the Debtors specifying the nature of the alleged default and a 30-day period to
 8 cure the default.

9 Any notice to the Debtor must be in writing, and will be deemed to have been given three
 10 days after the date sent by first-class mail, postage prepaid and addressed as follows:

11 Anthony and Madeline Mannino
 12 c/o Neeley Law Firm, PLC
 13 2250 E. Germann Rd, Suite 11
 14 Chandler, AZ 85286

15 **H. POST-CONFIRMATION UNITED STATES TRUSTEE FEES**

16 Following confirmation, Debtors must continue to pay quarterly fees to the United States
 17 Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as
 18 Debtors are required to make these payments, Debtors must file with the Bankruptcy Court
 19 quarterly reports in the form specified by the United States Trustee for that purpose.

20 DATED: June 6, 2016

21 By: /s/ Anthony Mannino
 22 Anthony Mannino
 23 Debtor

21 /s/ Madeline Ventura Mannino
 22 Madeline Ventura Mannino
 23 Co-Debtor

24 **APPROVED AS TO FORM AND CONTENT:**

25 **NEELEY LAW FIRM, PLC**

26 By: /s/ Kenneth L. Neeley
 27 Kenneth L. Neeley
 28 Attorney for Debtors

In re: Mannino
 Case No. 15-14819

16

EXHIBIT 1

LIQUIDATION ANALYSIS: WHAT CREDITORS WOULD RECEIVE IF THE CASE WERE CONVERTED TO A CHAPTER 7

Real Property: 19885 E. Via Del Oro, Queen Creek, AZ 85142

Fair Market Value	Liens	Amount of Exemption	Net Proceeds
\$568,500.00	\$745,605.45	N/A	\$0.00

Real Property: 824 W. Basswood Avenue, San Tan Valley, AZ 85140

Fair Market Value	Liens	Amount of Exemption	Net Proceeds
\$210,500.00	\$329,014.43	\$150,000.00	\$0.00

Personal Property:

Description	Liquidation Value	Secured Claim	Amount of Exemption	Net Proceeds
2004 Toyota Tundra	\$11,000.00	N/A	\$12,000.00	\$0.00
2015 Toyota Corolla	\$14,000.00	\$16,851.81	N/A	\$0.00
2015 Toyota Corolla	\$14,000.00	\$14,288.03	N/A	\$0.00
Household Good and Furnishing	\$5,930.00	N/A	\$12,000.00	\$0.00
Miscellaneous Books	\$0.00	N/A	\$500.00	\$0.00
Guitar and Keyboard	\$100.00	N/A	\$800.00	\$0.00
Taxidermy	\$500.00	N/A	N/A	\$500.00
Miscellaneous Clothing	\$300.00	N/A	\$1,000.00	\$0.00
Wedding Rings	\$1,500.00	N/A	\$4,000.00	\$0.00
Watches	\$15.00	N/A	\$300.00	\$0.00
Additional Jewelry	\$660.00	N/A	N/A	\$660.00
Computers and Bicycles	\$300.00	N/A	\$1,000.00	\$0.00
Ruger Pistol & Savage Rifle	\$700.00	N/A	\$1,000.00	\$0.00
Additional Firearms	\$700.00	N/A	N/A	\$700.00

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1	Additional Sporting & Hobby Equipment	\$4,225.00	N/A	N/A	\$4,225.00
2	Pet	\$0.00	N/A	\$1,600.00	\$0.00
3	Cash on Hand	\$1,860.00	N/A	N/A	\$1,860.00
4	Checking Account – Chase	\$1,016.63	N/A	\$600.00	\$416.63
5	Term Life Insurance Policy	\$0.00	N/A	N/A	\$0.00
6	Whole Life Insurance Policy	\$13,985.41	\$435,820.52	N/A	\$0.00
7	Disability Insurance Policy	\$0.00	\$435,820.52	N/A	\$0.00
8	The Hartford SMART529	\$6,274.23	N/A	100%	\$0.00
9	IRA Certificate of Deposit (H)	\$4,582.64	N/A	100%	\$0.00
10	Rollover IRA with LPL	\$5,323.77	N/A	100%	\$0.00
11	IRA with Security Benefit	\$42,822.64	N/A	100%	\$0.00
12	IRA Certificate of Deposit (W)	\$11,093.66	N/A	100%	\$0.00
13	IRA with LPL Financial	\$18,010.72	N/A	100%	\$0.00
14	Med Mann Investments, LLC	\$206,100.00	\$435,820.52	N/A	\$0.00
15	TLC Family Medicine, PC	\$283,996.29	\$525,890.26	N/A	\$0.00
16	Total				\$8,361.63

Summary:

19	Net Proceeds of Real Property and Personal Property	\$8,361.63
20	Chapter 7 Trustee Fees	\$1,586.16
21	NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS	\$6,775.47

22	Estimated Amount of Unsecured Claims	\$781,799.92
23	Percent Distribution to Unsecured Creditors Under Proposed Plan	2.28%
24	Percent Distribution to Unsecured Creditors Under Liquidation Analysis	0.87%

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EXHIBIT 2

SUMMARY OF MONTHLY OPERATING REPORTS (“MOR”)

Month	DOC No.	Total Net Receipts	Total Distributions	Net
November 2015	31	\$6,354.15	\$8,026.41	(\$1,672.26)
December 2015	37	\$10,224.11	\$3,065.93	\$7,158.18
January 2016	41	\$8,358.35	\$7,900.84	\$457.51
February 2016	52	\$13,830.00	\$7,442.60	\$6,387.40
March 2016	55	\$6,701.53	\$12,825.34	(\$6,123.81)
April 2016	56	\$10,755.00	\$12,330.85	(\$1,575.85)
Average		\$9,370.52	\$8,598.66	\$771.86

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EXHIBIT 3

PROJECTED POST-CONFIRMATION MONTHLY INCOME & EXPENSES.

Income	Debtor	Spouse
1. Current monthly gross wages, salary, and commissions	\$8,776.00	
2. Estimated monthly overtime		
3. SUBTOTAL	\$8,776.00	
4a. Payroll taxes and social security		
4b. Insurance		
4c. Mandatory Retirement Contribution		
4d. Voluntary Retirement Contribution		
4d. Other (Specify): Long Term Disability I Uniform		
5. SUBTOTAL OF PAYROLL DEDUCTIONS		
6. TOTAL NET MONTHLY TAKE HOME PAY		
7. Regular income from operation of business or profession		
8. Income from real property		
9. Interest and dividends		
10. Alimony, maintenance or support payments		
11. Social security or government assistance (Specify):		
12. Pension or retirement income		
13. Other monthly income (Specify): NONE.		
14. SUBTOTAL OF LINES 7 THROUGH 13		
15. TOTAL MONTHLY INCOME (Add line 6 and line 14)	\$8,776.00	
A. TOTAL COMBINED MONTHLY INCOME	\$8,776.00	

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Expenses	Amount
1. Rent or home mortgage (include lot rented for mobile home)	\$1,127.00
1a. Are real estate taxes included? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	\$116.00
1b. Is property insurance included? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	\$85.00
1c. Home maintenance, repair and upkeep expenses	\$100.00
1d. Homeowner association	\$137.00
2a. Utilities: Electricity, heat natural gas	\$330.00
2b. Utilities: Water, sewer, garbage collection	\$90.00
2c. Utilities: Telephone	\$222.00
2d. Utilities: Internet/ Cable	\$142.00
4. Food	\$556.00
5. Clothing	\$160.00
6. Laundry and dry cleaning	\$25.00
7. Personal Care Products and Services	
8. Medical and dental expenses	\$108.00
9. Transportation	\$680.00
10. Recreation, clubs, entertainment, newspapers, magazine, etc.	\$225.00
11. Charitable contributions and religious donations	\$425.00
12a. Insurance: Umbrella	\$25.00
12b. Insurance: Health	\$885.00
12c. Insurance: Auto	\$366.00
12d. Insurance: Professional Liability Insurance	\$69.00
13. Estimated Federal Tax Payments (paid quarterly)	\$1,767.00
13. Other (Emergency/Contingency/Misc/Pet Care)	\$45.00

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Expenses	Amount
B. TOTAL MONTHLY EXPENSES	\$7,685.00

C. Disposable Income (Line A - Line B)	\$1,091.00
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Plan Payments	Amount
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	~\$175
General Unsecured Creditors	\$325
Secured Payments to Class 1B (Toyota Motor Credit)	\$271
Secured Payments to Class 1C (Toyota Motor Credit)	\$320
D. Total Plan Payments	\$1,091.00

E. Plan Feasibility (Line C - Line D) (Not feasible if less than zero)	\$0.00
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