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9 **UNITED STATES BANKRUPTCY COURT**

10 **DISTRICT OF ARIZONA**

11 In Re:

12 Mark Jeffrey Klamrzynski,

13 Debtor.

In Proceedings Under Chapter 11

Case No.: 2:16-bk-02390-PS

**DEBTOR'S AMENDED DISCLOSURE
STATEMENT DATED NOVEMBER 23,
2016**

14 **I. INTRODUCTION**

15 Mark Jeffrey Klamrzynski, the debtor and debtor-in-possession in the above-captioned
16 Chapter 11 case ("Debtor"), through undersigned counsel, hereby submit this *Amended*
17 *Disclosure Statement Dated November 23, 2016* (the "Amended Disclosure Statement") to
18 assist creditors in making an informed decision in voting on the *Debtor's Plan of*
19 *Reorganization Dated September 28, 2016* (the "Plan") proposed pursuant to 11 U.S.C. § 1121.

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

23 The proposed distributions under the Plan are discussed at pages 05-09 of this Amended
24 Disclosure Statement. General unsecured creditors are classified in Class 3, and will receive a
25 *pro rata* portion of \$50,400, likely to result in a 16.12% recovery of allowed claims.

26 **A. PURPOSE OF THIS DOCUMENT**

27 This Amended Disclosure Statement is intended to summarize and analyze the proposed
28 Plan of Reorganization of Debtor. The Amended Disclosure Statement attempts to make

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1 factual disclosures relevant to your decision to accept or reject the Plan. To the extent any
2 statement made in this Amended Disclosure Statement is inconsistent with any provision in the
3 actual Plan, the terms and provisions of the Plan control. In particular, the definitions of the
4 Plan are incorporated herein. Any representations or inducements made to secure acceptance of
5 the Plan other than those made or referred to in this Amended Disclosure Statement should not
6 be relied on by any party in interest. Although every effort has been made by the Debtor to be
7 accurate in his statements included in this Amended Disclosure Statement, the Debtor's records
8 have not been audited, and are not warranted to be without inaccuracies.

9 No representations concerning the bankruptcy estate, the Debtor or the Plan are
10 authorized other than as set forth in this Amended Disclosure Statement. You should not rely
11 on any representations or inducements made to secure your acceptance of the plan other than
12 those contained in this Amended Disclosure Statement as approved by the bankruptcy court.

13 The Court has not verified the accuracy of the information contained in this Amended
14 Disclosure Statement. The Court's approval hereof only signifies that if the information
15 contained herein is accurate, it is sufficient to provide creditors and interested parties an
16 adequate basis to decide whether to accept or reject the plan. Court approval is not a judicial
17 endorsement of the plan.

18 This Disclosure Statement describes:

- 19 • The Debtor and significant events during the bankruptcy case;
- 20 • How the Plan proposes to treat claims or equity interests of the type you hold (*e.g.*, what
21 you will receive on your claim or equity interest if the plan is confirmed);
- 22 • Who can vote on or object to the Plan;
- 23 • What factors the Bankruptcy Court (the "Court") will consider when deciding whether
24 to confirm the Plan;
- 25 • Why the Debtor believes the Plan is feasible, and how the treatment of your claim or
26 equity interest under the Plan compares to what you would receive on your claim or
27 equity interest in liquidation; and

- 1 • The effect of confirmation of the Plan.

2
3 **B. PROCEDURES FOR VOTING AND OBJECTING; DATE OF PLAN CONFIRMATION**
4 **HEARING**

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

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

13
14 **II. BACKGROUND**

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

16 Debtor was laid off from his full-time job in 2010 at \$100,000 annually. Debtor was out
17 of work for almost a year, he was finally found employment with the U.S. Department of
18 Justice. Debtor has been employed with U.S. Department of Justice for over five years now,
19 but Debtor has continually tried catching-up his past due payments for over five years and
20 unfortunately this system caused the Debtor to fall further in debt and incur additional interest
21 and fees.

22 For additional income, Debtor often did tax preparation as a sole proprietor. The income
23 for the tax practice declined drastically and dropped from \$15,000 annually to \$5,000 annually
24 in the past couple years. Debtor no longer makes a significant income from tax preparation.
25 Also, Debtor's second mortgage payment recently changed from \$300 a month to \$1,000 a
26 month and Debtor realized he could no longer afford the real property.

1 As a result of the job loss and decline in the tax practice income, Debtor sought legal
2 counsel regarding a personal bankruptcy filing.

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

4 Debtors filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code on
5 March 10, 2016. On April 6, 2016, the United States Trustee advised the Court that a
6 committee under 11 U.S.C. § 1102 has not been appointed. No trustee or examiner has been
7 appointed.

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

10 An Order Setting Bar Date for Filing Proofs of Claim was June 25, 2016.

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

12 The Debtor is not aware of any preference, fraudulent conveyance, or other potential
13 avoidance actions.

14 **D. CLAIM OBJECTIONS**

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

19 **E. CURRENT AND FUTURE FINANCIAL CONDITION OF DEBTORS**

20 The identity and fair market value of the estate's assets are listed in **Exhibit "1"** and was
21 obtained from the Debtor directly at the time of filing. A majority of the Debtor's assets are
22 exempt or encumbered by liens. The Debtor will retain control of his assets and use his
23 income to make payments set forth in the Plan.

24 Through restructuring the debts, Debtor believes he can be successful in a Chapter 11
25 Plan of Reorganization. A summary of the Debtor's monthly operating reports filed since the
26 commencement of the Debtor's bankruptcy case is set forth in **Exhibit "2"**.

1 The attached projections reflect Debtor's ability to pay his expenses and to make
2 payments under the Plan, attached hereto as **Exhibit "3"**. The Debtor's monthly expenses in
3 Year 1 are a current reflection, Debtor will be retiring from his U.S. Department of Justice job
4 in Year 2 and his monthly expenses will change slightly after retirement. Debtor has
5 anticipated this retirement and believes with budgeting he will be successful paying the
6 unsecured creditors after retirement. Debtor intends on keeping his part-time teaching job to
7 supplement his retirement income and social security until the Plan is deemed complete.

8 **F. ANTICIPATED PAYMENTS TO CREDITORS**

9 After payment of administrative claims and priority claims, the Debtor will make
10 quarterly payments to satisfy claims of his unsecured creditors. Debtor anticipates beginning
11 payments to general unsecured creditors once administrative and priority claims have been
12 paid, which should begin before month twelve in the Plan and will conclude in month sixty.

13
14 **III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF**
15 **CLAIMS AND EQUITY INTERESTS**

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

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

21 **B. UNCLASSIFIED CLAIMS**

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

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

1. Classes of Secured Claims

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

The following chart lists all classes containing Debtor’s secured prepetition claims and their proposed treatment under the Plan:

a. 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
2A	Ford Motor Credit	2016 Ford Expedition	\$68,650.49	5.25%	\$1,303	60 Months

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

b. Property to Be Surrendered.

Class	Name of Creditor	Description of Collateral
2B	Seterus, Inc.	Real Property located at 24422 N. 38 th Lane, Glendale, AZ 85310
2D	HTS Loan Servicing	Timeshare located at 120 Highlands Drive, #411, Carmel, CA 93923
2E	HTS Loan Servicing	Timeshare located at 1 N. Highway 89A, #2111, Sedona, AZ 86336

Debtor will surrender the above collateral on the Effective Date of the Plan. The Confirmation Order will constitute an order for relief from stay. Any Secured Claim in this category is satisfied in full through surrender of the collateral. **These Secured Claims are not impaired and are not entitled to vote.**

Class	Name of Creditor	Description of Collateral
2C	Ditech Financial, LLC	Real Property located at 24422 N. 38 th Lane, Glendale, AZ 85310

Debtor will surrender the above collateral on the Effective Date of the Plan. The Confirmation Order will constitute an order for relief from stay. Any remaining deficiency claim is a general unsecured claim and will be treated in Section (C)(3) below. **These Secured Claims are impaired and are entitled to vote in Class 3 – General Unsecured Claims.**

c. Deadline for § 1111(b) Election

An election of application of §1111(b)(2) of the Code by a class of secured creditors in a chapter 11 case may be made at any time prior to the conclusion of the hearing on the disclosure statement or within such later time as the court may fix. If the disclosure statement is conditionally approved pursuant to Rule 3017.1, and a final hearing on the disclosure statement is not held, the election of application of §1111(b)(2) may be made not later than the date fixed pursuant to Rule 3017.1(a)(2) or another date the court may fix. The election shall be in writing and signed unless made at the hearing on the disclosure statement. The election, if made by the majorities required by §1111(b)(1)(A)(i), shall be binding on all members of the class with respect to the plan.

2. Classes of Priority Unsecured Claims

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

3. Class of General Unsecured Claims

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

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1 Creditors will receive a *pro-rata* share of a fund totaling \$50,400.00, likely to
2 result in a 16.12% recovery of allowed claims. Pro-rata means the entire amount of the
3 fund divided by the entire amount owed to creditors with allowed claims in this class.

4 Any general unsecured creditors expected to receive a *pro rata* share of less than
5 \$50.00 will not receive a payment unless a request is made in writing within 90 days of
6 Effective Date to Debtor's counsel at:

7 Mark J. Klamrzynski
8 c/o Neeley Law Firm, PLC
9 2250 E. Germann Rd, Suite 11
10 Chandler, AZ 85286

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

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

14 **D. MEANS TO IMPLEMENT PLAN**

15 The Plan will be funded from the Debtor's post-confirmation income from employment
16 and retirement income. Through hard work in his profession and by restructuring the debt, the
17 Debtor believes he can fulfill the obligations under the Plan.

18 **E. RISK FACTORS**

19 Debtor's ability to earn income is the only risk factor in this case. Based on the Debtor's
20 income history, he is expected to be able to pay claims as proposed in the Plan.

21 **F. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

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

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

3 **G. TAX CONSEQUENCES OF PLAN**

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

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

9
10 **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

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

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

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

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

26 In this case, the Plan Proponent believes that classes are impaired and that holders of
27 claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The
28

1 Plan Proponent believes that classes are unimpaired and that holders of claims in each of these
2 classes, therefore, do not have the right to vote to accept or reject the Plan.

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

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

13 *The deadline for filing a proof of claim in this case was June 25, 2016.*

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

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

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

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

- 22 • holders of claims and equity interests that have been disallowed by an order of
23 the Court;
- 24 • holders of other claims or equity interests that are not "allowed claims" or
25 "allowed equity interests" (as discussed above), unless they have been "allowed"
26 for voting purposes.
- 27 • holders of claims or equity interests in unimpaired classes;

- 1 • holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8)
- 2 of the Code; and
- 3 • holders of claims or equity interests in classes that do not receive or retain any
- 4 value under the Plan;
- 5 • administrative expenses.

6 *Even if you are not entitled to vote on the plan, you have a right to object to the confirmation*

7 *of the plan and to the adequacy of the Disclosure Statement.*

8 **4. Who Can Vote in More Than One Class?**

9 A creditor whose claim has been allowed in part as a secured claim and in part as

10 an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or

11 reject a Plan in each capacity, and should cast one ballot for each claim.

12 **B. VOTES NECESSARY TO CONFIRM THE PLAN**

13 If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one

14 impaired class of creditors has accepted the Plan without counting the votes of any insiders

15 within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is

16 eligible to be confirmed by “cram down” on non-accepting classes, as discussed later in

17 Section (B)(2).

18 **1. Votes Necessary for a Class to Accept the Plan**

19 A class of claims accepts the Plan if both of the following occur: (1) the holders

20 of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to

21 accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed

22 claims in the class, who vote, cast their votes to accept the Plan.

23 **2. Treatment of Nonaccepting Classes**

24 Even if one or more impaired classes reject the Plan, the Court may nonetheless

25 confirm the Plan if the non-accepting classes are treated in the manner prescribed by § 1129(b)

26 of the Code. A plan that binds non-accepting classes is commonly referred to as a “cram down”

27 plan. The Code allows the Plan to bind non-accepting classes of claims or equity interests if it

1 meets all the requirements for consensual confirmation except the voting requirements of
2 § 1129(a)(8) of the Code, does not “discriminate unfairly,” and is “fair and equitable” toward
3 each impaired class that has not voted to accept the Plan.

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

6 **C. LIQUIDATION ANALYSIS**

7 As a condition to confirmation, Bankruptcy Code § 1129(a)(7) requires the Plan to
8 provide each creditor either accept the Plan or receive from Debtor’s estate as much under the
9 Plan as each creditor would receive in a Chapter 7 liquidation. A liquidation analysis is
10 attached to this Disclosure Statement as **Exhibit “1”**.

11 **D. FEASIBILITY**

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

15 Mr. Klamrzynski is gainfully employed and even after retirement expects to have the
16 ability to make payments over the life of the Plan. Debtor has provided financial information in
17 **Exhibit “3”**.

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

20 **V. EFFECT OF CONFIRMATION OF PLAN**

21 **A. DISCHARGE OF DEBTOR**

22 Confirmation of this Plan does not discharge any debt provided for in this Plan until the
23 Bankruptcy Court grants a discharge on completion of all payments under this Plan, or as
24 otherwise provided in § 1141(d)(5) of the Code, or the Bankruptcy Court grants a limited
25 (“hardship”) discharge as allowed under Bankruptcy Code § 1141(d)(5)(B). Debtor will not be
26 discharged from any debt excepted from discharge under § 523 of the Code, except as provided
27

1 in Rule 4007(d) of the Federal Rules of Bankruptcy Procedure.

2 **B. MODIFICATION OF PLAN**

3 The Debtor reserve the right to modify the Plan at any time before confirmation of the
4 Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

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

12 Every modification of the Plan will supersede the previous version of the Plan as and
13 when ever each modification is effective. When superseded, the previous version of the Plan
14 will be in the nature of a withdrawn or rejected settlement proposal, and will be null, void and
15 unusable by Debtor or any other party for any purposes whatsoever with respect to any of the
16 contents of such version of the Plan.

17 **C. FINAL DECREE**

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

22
23 **VI. OTHER PLAN PROVISIONS**

24 **A. EFFECTIVE DATE OF PLAN**

25 The Effective Date of the Plan is the fifteenth day following the date of the entry of the
26 order of confirmation. If a notice of appeal has been filed, Debtor may waive the finality
27 requirement and put the Plan into effect, unless the order confirming the Plan has been stayed. If
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1 a stay of the confirmation order has been issued, the Effective Date will be the first day after
2 that date on which no stay of the confirmation order is in effect, provided that the confirmation
3 order has not been vacated.

4 **B. DISPUTED CLAIM RESERVE**

5 Debtor does not dispute any claims.

6 **C. CRAMDOWN**

7 Debtor intends to confirm the Plan by consent under the requirements of 11 U.S.C. §
8 1129(a). However, Debtor reserves the right to seek confirmation of the Plan pursuant to 11
9 U.S.C. § 1129(b) in the event of an objection to the Plan by one or more classes of creditors or a
10 non-consenting class. The Debtor's ability to "cramdown" this Plan over the objections or non-
11 consent of creditors may be affected, in part, by how the Bankruptcy Court rules on the
12 applicability of the "Absolute Priority Rule" in this case. The Absolute Priority Rule provides,
13 in essence, that junior claimants, including the Debtor, are barred from retaining any non-
14 exempt property under the Plan unless senior claimants are paid in full. The Absolute Priority
15 Rule applies to individual debtors in the Ninth Circuit. *Zachary v. California Bank (In re.*
16 *Zachary)* 811 F.3d 1191, 1193 (9th Cir. 2016). In the present case, the Debtor does not propose
17 to retain any non-exempt assets, and argues that the Absolute Priority Rule will not apply in the
18 event of confirmation pursuant to 11 U.S.C. § 1129(b).

19 **D. SEVERABILITY**

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

22 **E. GOVERNING LAW**

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

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

2 Debtor is not a party to any non-bankruptcy litigation prior to the Petition Date. Debtor
3 also believes no causes of action exist for fraudulent transfers, voidable preferences, or other
4 claims for relief.

5 Without limiting the foregoing, Debtor retains all causes of action that they have against
6 any party, whether arising pre- or post-petition, and all such causes of action vest in the
7 reorganized Debtor on the Effective Date. The nondisclosure of unknown causes of action is not
8 a settlement, compromise, waiver or release of such cause of action, and does not judicially
9 estop the Debtor from asserting any such cause of action as a claim or defense. Confirmation of
10 the Plan does not constitute a settlement, compromise, waiver, or release of any cause of action
11 unless the Plan or Confirmation Order specifically and unambiguously so provide.

12 **G. NOTICES**

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

15 Mark J. Klamrzynski
16 c/o Neeley Law Firm, PLC
17 2250 E. Germann Rd, Suite 11
18 Chandler, AZ 85286

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

20 Following confirmation, Debtor must continue to pay quarterly fees to the United States
21 Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor
22 is required to make these payments, Debtor must file with the Bankruptcy Court quarterly
23 reports in the form specified by the United States Trustee for that purpose.
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1 DATED: November 23, 2016

2 By: /s/ Mark J. Klamrzynski
3 Mark J. Klamrzynski
4 Debtor

5
6 /s/ Kenneth L. Neeley
7 Kenneth L. Neeley
8 Attorney for Debtor
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NEELEY LAW FIRM PLC

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EXHIBIT 1 – FAIR MARKET VALUE ANALYSIS

Real Property: 24422 N. 38th Lane, Glendale, AZ 85310

Fair Market Value	Liens	Amount of Exemption	Net Proceeds
\$250,900.00	\$350,062.21	\$150,000.00	\$0.00

Timeshare #1: 1 N. Highway 89A, #2111, Sedona, AZ 86336

Fair Market Value	Liens	Amount of Exemption	Net Proceeds
\$10,000.00	\$19,026.64	\$0.00	\$0.00

Timeshare #2: 120 Highlands Drive, #411, Carmel, CA 93923

Fair Market Value	Liens	Amount of Exemption	Net Proceeds
\$33,000.00	\$38,474.58	\$0.00	\$0.00

Personal Property:

Description	Fair Market Value	Secured Claim	Amount of Exemption	Net Proceeds
2016 Ford Expedition King	\$58,000.00	\$68,650.49	\$6,000.00	\$0.00
Household Good and Furnishing	\$2,060.00	N/A	\$5,000.00	\$0.00
Small Electronics	\$505.00	N/A	\$2,000.00	\$0.00
Computer	\$500.00	N/A	\$1,000.00	\$0.00
Miscellaneous Books	\$100.00	N/A	\$250.00	\$0.00
Miscellaneous Clothing	\$500.00	N/A	\$500.00	\$0.00
Checking – AZCCU (#2038)	\$226.07	N/A	\$300.00	\$0.00
Savings – AZCCU (#2031)	\$25.01	N/A	N/A	\$25.01
Savings –Chase (#6952)	\$0.00	N/A	N/A	\$0.00
Thrift Savings Plan	\$38,176.39	N/A	100%	\$0.00
ASRS Pension Plan	\$3,105.38	N/A	100%	\$0.00

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Roth IRA	\$346.70	N/A	100%	\$0.00
State: 2015 Tax Refund	\$1,333.00	N/A	N/A	\$1,333.00
Total				\$1,358.01

Summary:

Interest in Nonexempt Property	\$1,358.01
Estimated Chapter 7 Admin Expenses	\$339.50
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS	\$1,018.51

Estimated Amount of Unsecured Claims	\$312,714.36
Percent Distribution to Unsecured Creditors Under Proposed Plan	16.12%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	0.33%

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Case No. 16-02390

EXHIBIT 2 – SUMMARY OF POST-PETITION OPERATING REPORTS

Month	DOC No.	Total Receipts (payroll deductions already subtracted)	Total Disbursements	Net
March 2016	30	\$6,361.32	\$3,766.13	\$2,595.19
April 2016	35	\$15,409.53	\$9,308.03	\$6,101.50
May 2016	45	\$7,169.63	\$8,734.88	(\$1,565.25)
June 2016	51	\$8,736.44	\$4,936.11	\$3,800.33
July 2016	52	\$14,044.23	\$9,789.55	\$4,254.68
August 2016	53	\$10,952.09	\$8,452.45	\$2,499.64
Average		\$10,445.54	\$7,497.86	\$2,947.68

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Exhibit 3 - Projected Income and Expenses for Mark Klamrzynski

PRE-RETIREMENT		POST-RETIREMENT				
	Year 1	Year 2	Year 3	Year 4	Year 5	
Average Monthly Income	\$6,116.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	
ASRS Retirement Income	\$2,633.00	\$2,633.00	\$2,633.00	\$2,633.00	\$2,633.00	
Social Security Income		\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	
Total Monthly Income	\$8,749.00	\$6,333.00	\$6,333.00	\$6,333.00	\$6,333.00	
Monthly Non-Plan Expenses						
Rental Payment	\$1,700.00	\$1,700.00	\$1,700.00	\$1,700.00	\$1,700.00	
Home Maintenance	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	
Electriciy, Heat, Natural Gas	\$330.00	\$330.00	\$330.00	\$330.00	\$330.00	
Water and Sewer	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	
Telephone, Cable, Internet	\$503.00	\$503.00	\$503.00	\$503.00	\$503.00	
Food and Housekeeping Supplies	\$1,015.00	\$500.00	\$500.00	\$500.00	\$500.00	
Clothing, Laundry & Dry Cleaning	\$125.00	\$50.00	\$50.00	\$50.00	\$50.00	
Medical and dental expenses	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	
Transportation Expenses	\$400.00	\$200.00	\$200.00	\$200.00	\$200.00	
Entertainment, Recreations, Clubs	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	
Charitable Contributions	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	
Insurance: Life	\$84.00	\$84.00	\$84.00	\$84.00	\$84.00	
Insurance: Health	\$115.00	\$50.00	\$50.00	\$50.00	\$50.00	
Insurance: Auto	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	
Insurance: Umbrella	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00	
Care & Support for Elderly Mother	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	
Roth IRA Contribution	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	
Emergency/ Contingency/ Misc.	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	
Total Expenses	\$5,373.00	\$4,518.00	\$4,518.00	\$4,518.00	\$4,518.00	
Net Disposable Income	\$3,376.00	\$1,815.00	\$1,815.00	\$1,815.00	\$1,815.00	
Estimated Monthly Plan Payment	Year 1	Year 2	Year 3	Year 4	Year 5	
Admin Claims	\$500.00					
Class 2A - Secured (Ford Motor)	\$2,876.00	\$1,530.00	\$1,530.00			
Class 3 GUC		\$285.00	\$285.00	\$1,815.00	\$1,815.00	
Total Monthly Plan Payment	\$3,376.00	\$1,815.00	\$1,815.00	\$1,815.00	\$1,815.00	