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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF ARIZONA

In re:

**AARON L. HUTTSELL,**

Debtors.

In Proceedings under Chapter 11

Case No. 4:16-bk-06939 SHG

**DISCLOSURE STATEMENT  
WITH RESPECT TO CHAPTER  
11 PLAN OF LIQUIDATION**

Filed on October 10, 2016

**DISCLOSURE STATEMENT WITH RESPECT TO THE  
CHAPTER 11 PLAN OF LIQUIDATION FOR DEBTOR**

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**ARTICLE I**  
**SUMMARY OF PLAN AND ASSOCIATED RISKS**

**Section 1.1 General Summary**

On June 17, 2016, the Debtor filed a petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). In conjunction with this Disclosure Statement, the Debtor filed its proposed Plan of Reorganization (as amended or supplemented from time to time, the “Plan”). The Plan sets forth the manner in which Claims against and Interests in the Debtor will be treated following confirmation of the Plan. This Disclosure Statement describes certain aspects of the Plan, the Debtor’s business operations, significant events occurring in the Debtor’s Chapter 11 Case, and related matters. FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THE DISCLOSURE STATEMENT, THE PLAN AND THE EXHIBITS THERETO IN THEIR ENTIRETY. Capitalized terms used in this Summary and not otherwise defined herein have the meanings ascribed to them in the plan.

**Section 1.2 Risk Factors Affecting the Debtor**

**(a) Certain Bankruptcy Law Considerations**

Although the Debtor believes that the Plan will satisfy all requirements necessary for Confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications would not necessitate the resolicitation of votes. Although the Debtor believes that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to such timing. In the event the conditions precedent to Confirmation of the Plan have not been satisfied or waived (to the extent possible) by the Debtor as of the Effective Date, then the Confirmation Order will be vacated, no distributions under the Plan will be made, and the Debtor and all Holders of Claims and Interests will be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though such Confirmation Date had never occurred.

1           (b)     **Projected operating and Financial Results**

2                     Because payments under the Debtor's Plan are to be made from the sale of assets of the  
3 Debtor's estate, projected financial forecasts for the Debtor are not necessary or helpful for creditors to  
4 determine whether to vote to accept or reject the Plan. Despite this, the Debtor has prepared detailed  
5 projections of its proposed real and personal property sales.  
6

7     **Section 1.3     Tax Consequences of Plan**

8                     CREDITORS AND EQUITY INTEREST HOLDERS CONCERNED WITH HOW THE  
9 PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN  
10 ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS.

11                    NO ANALYSIS OF THE FEDERAL TAX CONSEQUENCES OF CONFIRMATION OF  
12 THE PLAN HAS BEEN MADE AND YOU SHOULD CONSULT WITH YOUR OWN TAX EXPERT TO  
13 DETERMINE WHAT, IF ANY, TAX CONSEQUENCES MAY RESULT FROM CONFIRMATION OF  
14 THE DEBTOR'S PLAN OF REORGANIZATION.  
15

16   **ARTICLE II**  
17   **GENERAL BACKGROUND**

18     **Section 2.1     Introduction**

19                    The Debtor submits the following Disclosure Statement pursuant to §1125 of the Bankruptcy Code  
20 for the purpose of soliciting votes to accept or reject the Debtor's Plan. A copy of the Plan is attached hereto  
21 as Exhibit A. The Disclosure Statement describes certain aspects of the Plan, including the treatment of  
22 Holders of Claims and Interests, and also describes certain aspects of the Debtor's operations, financial  
23 projections, and other related matters.

24                    On the Petition Date, the Debtor filed a voluntary petition for relief under chapter 11 of the  
25 Bankruptcy Code in the Bankruptcy Court. Pursuant to §§1107 and 1108 of the Bankruptcy  
26 Code, the Debtor is continuing to operate as a debtor in possession in this Chapter 11 Case.  
27  
28

1 **Section 2.2 Sources of Information**

2 THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED  
3 AUDIT AND IS BASED, IN PART, UPON INFORMATION PREPARED BY PARTIES OTHER THAN  
4 THE DEBTOR. THEREFORE, ALTHOUGH THE DEBTOR HAS MADE EVERY REASONABLE  
5 EFFORT TO BE ACCURATE IN ALL MATERIAL MATTERS, THE DEBTOR IS UNABLE TO  
6 WARRANT OR REPRESENT THAT ALL THE INFORMATION CONTAINED HEREIN IS  
7 COMPLETELY ACCURATE.

8  
9 Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the  
10 Debtor, its business, properties and management, and the Plan, have been prepared from information  
11 furnished by the Debtor.

12 Certain of the materials contained in this Disclosure Statement are taken directly from other readily  
13 accessible documents or are digests of other documents. While the Debtor has made every effort to retain  
14 the meaning of such other documents or portions that have been summarized, the Debtor urges that any  
15 reliance on the contents of such other documents should depend on a thorough review of the documents  
16 themselves. In the event of a discrepancy between this Disclosure Statement and the actual terms of a  
17 document, the actual terms of such document shall apply.

18 The authors of the Disclosure Statement have compiled information from the Debtor without  
19 professional comment, opinion or verification and do not suggest comprehensive treatment has been given  
20 to matters identified herein. Each Holder of a Claim or Interest is urged to independently investigate any such  
21 matters prior to reliance. No statements concerning the Debtor, the value of its property, or the value of any  
22 benefit offered to the Holder of a Claim or Interest in connection with the Plan should be relied upon other  
23 than as set forth in this Disclosure Statement. In arriving at your decision, you should not rely on any  
24 representation or inducement made to secure your acceptance or rejection that is contrary to information  
25 contained in this Disclosure Statement, and any such additional representations or inducements should be  
26 reported to counsel for the Debtor, The Law Offices of Eric Ollason, 182 N. Court Ave., Tucson, AZ 85710.  
27  
28

Attached as Exhibits to this Disclosure Statement are copies of the following documents:

- (a) The Plan (Exhibit "A")
- (b) Liquidation Analysis (Exhibit "B")
- (c) Projections for the Debtor's sale of assets (Exhibit "C")
- (d) Ballot (Exhibit "D")

### ARTICLE III SOLICITATION; VOTING INSTRUCTIONS AND PROCEDURES

The Bankruptcy Court has not yet approved the Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Debtor's creditors and interest holders to make an informed judgment whether to accept or reject the Plan. APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.

#### **Section 3.1      Holders of Claims and Interests Entitled to Vote**

Pursuant to the provisions of the Bankruptcy Code, only classes of claims or equity interests which (i) are "Impaired" by a chapter 11 plan and (ii) entitled to receive a distribution under such a plan are entitled to vote to accept or reject a proposed plan. Classes of claims or equity interests in which the holders of claims or equity interests are unimpaired are deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

Classes 1, 2, 3, 4 and 5 (the "Impaired Classes") are Impaired under the Plan. To the extent that Claims or Interests in such Classes are deemed Allowed Claims or Allowed Interests, the Holders of such Claims or Interests are entitled to vote to accept or reject the Plan.

The Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan. The Bankruptcy Code defines "acceptance" of a plan by a class of equity interests as acceptance by holders of equity interests in that class that hold at least two-thirds in amount of the allowed equity interests of such class that cast ballots for acceptance or rejection of the plan.

1 Thus, acceptance of the Plan by the Impaired Classes will occur only if at least two-thirds in dollar amount  
2 and a majority in number of the holders of Claims and two-thirds of the amount of Interests in each Class that  
3 cast their ballots vote in favor of acceptance. A vote may be disregarded if the Bankruptcy Court determines,  
4 after notice and a hearing, that such acceptance or rejection was not solicited or procured in good  
5 faith or in accordance with the provisions of the Bankruptcy Code.

6 If the Classes of Claims or Interests entitled to vote on the Plan reject the Plan, the Debtor reserves  
7 the right to amend the Plan or request confirmation of the Plan pursuant to §1129(b) of the Bankruptcy Code  
8 or both. §1129(b) permits confirmation of a plan of reorganization notwithstanding the non-acceptance of  
9 a plan by one or more impaired classes of claims or equity interests if the plan does not “discriminate  
10 unfairly” and is “fair and equitable” with respect to each non-accepting class.

11  
12 EVEN IF YOU ARE NOT ENTITLED TO VOTE ON THE PLAN, YOU HAVE A RIGHT TO  
13 OBJECT TO THE CONFIRMATION OF THE PLAN AND TO THE ADEQUACY OF THE DISCLOSURE  
14 STATEMENT.

15 **Section 3.2 Voting Procedures**

16 If you are entitled to vote to accept or reject the Plan, a ballot is enclosed for the purpose of voting  
17 on the Plan. If you hold Claims or Interests in more than one Class and you are entitled to vote such Claims  
18 or Interests, you will receive separate ballots, which must be used for each separate Class of Claims and  
19 Interests. Please vote and return your ballot(s) in the return envelope provided.

20  
21 **TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE**  
22 **OR REJECTION OF THE PLAN MUST BE RECEIVED BY NO**  
23 **LATER THAN 5:00 P.M., PREVAILING ARIZONA LOCAL TIME,**  
24 **ON \_\_\_\_\_, 2016.**

25 Any Claim or Interest in an impaired Class as to which an objection or request for estimation is  
26 pending or which was scheduled by the Debtor in its statements of financial affairs as unliquidated, disputed  
27 or contingent and for which no timely proof of claim has been filed is not entitled to vote unless the holder  
28

1 of such Claim or Interest has obtained an order of the Bankruptcy Court temporarily allowing such Claim  
2 for the purpose of voting on the Plan.

3 If you are a holder of a Claim or Interest entitled to vote on the Plan and did not receive a ballot,  
4 received a damaged ballot or lost your ballot, or if you have any questions concerning the Disclosure  
5 Statement, the Plan or the procedures for voting on the Plan, please contact Debtor's counsel at the address  
6 indicated above.

7  
8 **Section 3.3 Solicitation Package**

9 Accompanying this Disclosure Statement for the purpose of soliciting votes (the "Solicitation") on  
10 the Plan are copies of (i) the Plan; (ii) the notice of, among other things, the time for submitting Ballots to  
11 accept or reject the Plan, the date, time, and place of the hearing to consider Confirmation of the Plan and  
12 related matters, and the time for filing objections to Confirmation of the Plan; and, as applicable, (iii) a Ballot  
13 or Ballots (and return envelope(s)) that you may use in voting to accept or to reject the Plan), or a notice of  
14 non-voting status, (collectively, the "Solicitation Package"). Only Holders eligible to vote in favor of or  
15 against the Plan will receive a Ballot(s) as part of their Solicitation Packages. If you did not receive a Ballot  
16 and believe that you should have, please contact the Debtor's counsel.

17 **Section 3.4 Voting Instructions**

18 After carefully reviewing the Plan and this Disclosure Statement, and the Exhibits thereto, and the  
19 detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan on  
20 the enclosed Ballot. Please complete and sign your Ballot and return it in the envelope provided so that it is  
21 RECEIVED by Debtor's counsel on or before the Plan Voting Deadline set forth on the Ballot.

22 If you have any questions about the procedure for voting your eligible Claim or with respect to the  
23 Solicitation Package that you have received, please contact Debtor's counsel:

24  
25 The Law Offices of Eric Ollason  
26 182 North Court Avenue  
27 Tucson, AZ 85701  
28 Attn: Eric Ollason



1       **IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY**  
2 **RECEIVED ON OR BEFORE 5:00 P.M., ARIZONA LOCAL STANDARD TIME, ON \_\_\_\_\_,**  
3 **AT THE ABOVE ADDRESS. EXCEPT TO THE EXTENT ALLOWED BY THE BANKRUPTCY**  
4 **COURT OR DETERMINED OTHERWISE BY THE DEBTOR, BALLOTS RECEIVED AFTER**  
5 **THE PLAN VOTING DEADLINE WILL NOT BE ACCEPTED OR USED IN CONNECTION WITH**  
6 **THE DEBTOR'S REQUEST FOR CONFIRMATION OF THE PLAN OR ANY MODIFICATION**  
7 **THEREOF.**

8       **ONLY BALLOTS WITH ORIGINAL SIGNATURES WILL BE COUNTED. BALLOTS**  
9 **WITH COPIED SIGNATURES WILL NOT BE ACCEPTED OR COUNTED. YOU MAY NOT**  
10 **SUBMIT A BALLOT ELECTRONICALLY, INCLUDING VIA EMAIL OR FACSIMILE. ONLY**  
11 **ORIGINAL BALLOTS RECEIVED BY THE PLAN VOTING DEADLINE WILL BE COUNTED.**

### 12       **Section 3.5      Voting Tabulation**

13       Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have  
14 been received, only Holders who actually vote will be counted. The failure of a Holder to deliver a duly  
15 executed Ballot will be deemed to constitute an abstention by such Holder with respect to voting on the Plan  
16 and such abstentions will not be counted as votes for or against the Plan.

17       Unless otherwise ordered by the Bankruptcy Court, Ballots that are signed, dated, and timely  
18 received, but on which a vote to accept or reject the Plan has not been indicated, will not be counted. The  
19 Debtor may request that the Debtor's counsel attempt to contact such voters to cure any such defects in the  
20 Ballots.

21       Except as provided below, unless the applicable Ballot is timely submitted to the Debtor's counsel  
22 before the Voting Deadline, together with any other documents required by such Ballot, the Debtor may  
23 reject such Ballot as invalid and decline to utilize it in connection with seeking Confirmation of the Plan.

24       A vote may be disregarded if the Bankruptcy Court determines, pursuant to Bankruptcy Code  
25 §1126(e), that it was not solicited or procured in good faith or in accordance with the provisions of the  
26 Bankruptcy Code.

27       If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a  
28 corporation, or another acting in a fiduciary or representative capacity, such Person should indicate such  
capacity when signing and, unless otherwise determined by the Debtor, must submit proper evidence  
satisfactory to the Debtor of authority to so act.

1  
2 **Section 3.6 Agreements Upon Furnishing Ballots**

3 The delivery of an accepting Ballot by a Holder pursuant to one of the procedures set forth above  
4 will constitute the agreement of such Holder to accept (i) all of the terms of, and conditions to, the  
5 solicitation and voting procedures and (ii) the terms of the Plan, but subject to rights of such Holder under  
6 §1128 of the Bankruptcy Code.

7  
8 **Section 3.7 Confirmation Hearing**

9 Pursuant to Section 1128 of the Bankruptcy Code, the Confirmation Hearing will be held on \_\_\_\_\_,  
10 commencing at \_\_\_\_\_ a.m. prevailing Arizona Local Time, before the Honorable Scott H. Gan, United  
11 States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Arizona, 38 South Scott  
12 Avenue, Courtroom No. 329, Tucson, Arizona 85701. The Bankruptcy Court has directed that objections,  
13 if any, to confirmation of the Plan be served and filed so that they are received on or before \_\_\_\_\_  
14 at 5:00 p.m., Arizona Local Time. The Confirmation Hearing may be adjourned from time to time by the  
15 Bankruptcy Court without further notice except for the announcement of the adjournment date made at the  
16 Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

17 THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF  
18 THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THE DELIVERY OF  
19 THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS  
20 BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. HOLDERS OF  
21 CLAIMS AND INTERESTS SHOULD CAREFULLY READ THIS DISCLOSURE STATEMENT IN ITS  
22 ENTIRETY, INCLUDING THE PLAN, PRIOR TO VOTING ON THE PLAN.

23  
24 FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO  
25 VOTE, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN. IF ANY  
26 INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE  
27 TERMS OF THE PLAN ARE CONTROLLING. THE DISCLOSURE STATEMENT MAY NOT BE  
28

1 RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT  
2 OR REJECT THE PLAN, AND NOTHING STATED HEREIN SHALL CONSTITUTE AN ADMISSION  
3 OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING  
4 INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE  
5 OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTOR OR HOLDERS OF  
6 CLAIMS OR INTERESTS. CERTAIN OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE  
7 STATEMENT, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND  
8 ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE  
9 REFLECTIVE OF ACTUAL OUTCOMES. ALL HOLDERS OF CLAIMS AND INTERESTS SHOULD  
10 CAREFULLY READ AND CONSIDER FULLY THE RISK FACTORS SET FORTH IN ARTICLE XI OF  
11 THIS DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.  
12

13 SUMMARIES OF CERTAIN PROVISIONS OF AGREEMENTS REFERRED TO IN THIS  
14 DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND  
15 ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE  
16 APPLICABLE AGREEMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH  
17 AGREEMENT.  
18

19 THE DEBTOR BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS  
20 OF THE DEBTOR, ITS CREDITORS AND ALL PARTIES IN INTEREST.  
21

## 22 **ARTICLE IV** **GENERAL INFORMATION**

### 23 **Section 4.1 Description of Debtor and Debtor's Assets**

24 Debtor is currently employed at Factory Expo Homes as a sales manager in Seguin, Texas. His gross  
25 income is \$5,000.00 per month. Prior to this employment with Factory Expo Homes, he was working as a  
26 real estate agent for Tierra Antigua for approximately six months and prior to that he was employed with  
27 Long Realty Company as a real estate agent for approximately 24 months. His tenure as a real estate agent  
28

1 began in 2011 and was off and on due to the need to seek a more lucrative opportunity. Currently his license  
2 is registered as inactive. Arizona has been his home since 1969 when his mother and father moved here  
3 while being active duty in the military.

4 Debtor graduated from Buena High School in Sierra Vista Arizona and joined the military. His first  
5 duty station was in El Paso, Texas. Debtor chose this duty station to be close to his family in Arizona. His  
6 military career ended after 6 years with an Honorable Discharge to seek a career in sales. Debtor has been  
7 a successful sales consultant most of his life. He met his ex-wife while pursuing a career in sales in El Paso  
8 Texas.

9  
10 Today, he is married to another wonderful woman and together they are raising her 13 year old  
11 daughter. Debtors' wife lives in his home in Sierra Vista and Debtor hopes to find employment and return  
12 to live there full time as soon as possible.

#### 13 **Section 4.2 Events Leading to Bankruptcy Filing**

14  
15 In 2008, when Debtor was a realtor, there was an economic downturn which greatly decreased the  
16 value of land he was trying to sell and the land he owned. Living in a small rural community and being out  
17 of work, he was forced to look outside of the area to include out of state. Prior to the economic downturn,  
18 Debtor and his HW Enterprise partner, Mr. Marc Walston, purchased 80 acres of property that they had  
19 planned to market as residential lots for sale. They purchased this property for \$900,000.00 and originally  
20 financed \$450,000.00. While working with the county and several other developers to finalize the planned  
21 development, they were shut down due to the drastic economic decline. The lender that was carrying the note  
22 was not willing re-negotiate better terms on the unpaid balance in the beginning, but finally agreed to  
23 reducing the balance owed to \$200,000.00 if they paid in full. At that time, financing was non-existent for  
24 vacant land so Debtor's partner contacted one of his close friends, owner of T-1 Properties. Debtor does not  
25 know his name, because he never met him. The owner of T-1 agreed to lend them the \$200,000.00 to pay  
26 off the existing lender. Debtor and his partner agreed that this was the best move for them at the time  
27 because it reduced the monthly payment by more than half and they both signed the personal guaranty. As  
28

1 time went on, the economy had declined more and they could no longer make the payment to T-1 Properties.  
2 At that point, Debtor's partner, Mr. Walston, contacted Debtor demanding that he sign over ownership of  
3 the 80 acres to him. Debtor offered to sell his ownership of the 80 acres to Mr. Walston for \$100,000.00  
4 which was a fraction of what he had invested at that point. Mr. Walston's response was, "Not gunna happen,  
5 never mind". This was the last conversation Debtor had with his business partner. T-1 Properties acquired  
6 the property through a sheriff sale for the amount of \$80,000.00 and Debtor was served with a lawsuit by T-1  
7 Properties for the full amount of the defaulted loan of \$120,000.00 plus attorney fees. To date, Mr. Walston  
8 has not been included in the lawsuit. Debtor could have worked out payment for half of the deficiency had  
9 T-1 Properties pursued it's friend and co-guarantor of the loan as well. The case went to court against Debtor  
10 alone and the Judge awarded a judgement in favor of T-1 Properties. The Judge decided the value of the  
11 property was more accurate on its current valuation from the opinion of a real estate agent over a local  
12 licensed appraiser that valued the property based on land sales of comparable properties in the area, which  
13 resulted in more than twice the value the real estate agent provided. Debtor and his attorney are of the  
14 opinion, that this was not the best decision made by the Judge so they have filed for an appeal with the  
15 Courts.  
16

17 While all of this was going on, Debtor and his wife relocated out of state because of a job  
18 opportunity they both had received from a property management company in Denver Colorado. Both had  
19 received offer letters of employment outlining their jobs and salaries, only to find out they did not have a  
20 position for Debtor immediately. After approximately five months of waiting Debtor finally realized his  
21 position would not be available for several more months. Approximately 30 days later he received an offer  
22 of employment in Seguin, Texas that would all a better opportunity. A couple weeks before moving to  
23 Texas, Debtor got a call from his Nephew that lives across the street from his Arizona residence that the  
24 Sheriff Department was seizing and securing the property for a Sheriff sale which expedited the bankruptcy.  
25

26 In Debtor's divorce, it was agreed upon to liquidate the real-estate at fair market value and hire his  
27 and his ex-wife's son, Robert Huttshell, as their real estate agent to market and sell the properties. In the  
28

1 divorce decree, it was forced onto Debtor that if he and his ex-wife wouldn't not agree to the sales price, that  
2 she and his son could authorize the sale without his consent. The real estate agent did not perform his duties  
3 and failed to market the said properties. After a couple of trips to Arizona, Debtor discovered that he need  
4 to take control of getting the properties listed, marketed and sold before they were lost through tax lien sales.  
5 Properties are now listed through a court appointed real estate agent.  
6

### 7 **Section 4.3 Significant Events During the Bankruptcy Case**

8 All of the Debtor's real properties, and the bulk of his personal property has been listed for sale for  
9 the purpose of paying creditors.  
10

### 11 **Section 4.4 Current and Historical Financial Conditions**

12 Currently, the Debtor's financial situation is that he is employed at Factory Expo Homes as a sales  
13 manager. Debtor does not know how long this job will last and his position is being extended on a month  
14 to month basis depending on his sales performance. Currently the Debtor grosses approximately \$5,000.00  
15 per month. The Debtor receives income from Noble Energy from a lease/mineral rights inheritance he  
16 received from his mother after her death, which ranges from \$500.00 to \$5,000.00 per month. Debtor has  
17 not yet had an appraisal done on the value of the mineral rights. However, the Debtor is requesting not to  
18 have this included as part of the liquidation to pay creditors as the values of the other property to be sold is  
19 believed to be sufficient enough to pay all creditors in full. The Debtor's wife is currently unemployed. The  
20 Debtor is seeking employment closer to his home and residence in Arizona. With the exception of his  
21 personal residence, all of Debtor's real estate assets have been listed for sale in order to pay off the creditors.  
22 The value of the real properties total between \$800,000.00 and \$1,139,000.00. The value of the personal  
23 assets that Debtor has listed for sale total between \$80,000.00 and \$109,500.00.  
24  
25  
26  
27  
28

1 **Section 4.5 Avoidable Transfers**

2 The Debtor has conducted a preliminary investigation of pre-petition transfers that may potentially  
3 be subject to avoidance and recovery, including transfers involving insiders. To date, the Debtor has not  
4 encountered any transfer of property of this estate which would allow for an avoidable transfer action.  
5

6 **Section 4.6 Non-Bankruptcy Litigation**

7 Debtor was sued by T-1 Properties for a loan deficiency for which he and his business partner were  
8 co-guarantors. T-1 properties received a judgment against the Debtor for the full amount of the deficiency.  
9

10 **Section 4.7 Accounts Receivable**

11 The Debtor has not identified any accounts receivable, whether recoverable or unrecoverable, that  
12 would constitute an asset of the Debtor's bankruptcy estate.  
13

14 **Section 4.8 Relationship with Affiliates**

15 Debtor is 100% owner of Ideal Homes Inc., now closed.

16 Debtor is 100% owner of AH Family, LLC.

17 Debtor is 100% owner of Sun Built Homes, LLC.

18 Debtor is 50% owner of H&W Enterprises, LLC with Marc Walston owning the other 50%.

19 **ARTICLE V**  
20 **THE CHAPTER 11 CASE**

21 **Section 5.1 Overview of Chapter 11**

22 Commencing a chapter 11 case creates an estate that comprises all of the legal and equitable interests  
23 of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to remain in  
24 possession of his or her property as a "debtor in possession".

25 The principal objective of a chapter 11 case is to consummate a plan of reorganization. A plan of  
26 reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of  
27 a plan of reorganization by a bankruptcy court binds a debtor, any issuer of securities thereunder, any person  
28

1 acquiring property under the plan, any creditor or equity interest holder of a debtor, and any other person or  
2 entity the bankruptcy court may find to be bound by such plan. Chapter 11 requires that a plan treat similarly  
3 situated creditors and similarly situated equity interest holders equally, subject to the priority provisions of  
4 the Bankruptcy Code.

5 Subject to certain exceptions, the confirmation and full payment of a plan of reorganization  
6 discharges a debtor from any debt that arose prior to the date of confirmation of the plan and provides for  
7 the treatment of such debt in accordance with the terms of the confirmed plan of reorganization. One such  
8 exception is contained in 11 U.S.C. § 1141(d), which provides that the confirmation of a plan does not  
9 discharge a debtor if the plan provides for the liquidation of all or substantially all of the property of the  
10 estate, the debtor does not engage in business after consummation of the plan, and the debtor would be denied  
11 a discharge under 11 U.S.C. § 727(a) if the case were a case under Chapter 7.

12 Prior to soliciting acceptances of a proposed plan of reorganization, Bankruptcy Code §1125 requires  
13 a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable  
14 a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan of  
15 reorganization. This Disclosure Statement is submitted in accordance with Bankruptcy Code §1125.

## 16 17 18 **Section 5.2 Administration of the Chapter 11 Case**

### 19 (a) *Filing of Schedules and Statement of Financial Affairs*

20 The Debtor filed its Schedules of Assets and Liabilities and Statement of Financial Affairs  
21 in compliance with §521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy  
22 Procedure. The Schedules and Statement set forth, among other things, the Debtor's assets and  
23 liabilities, current income and expenditures, and executory contracts and unexpired leases.

### 24 (b) *Adversary Complaints*

25 At present, no adversary complaints, have been filed either by or against the Debtor. It is  
26 anticipated however, that one will be filed in this case.  
27  
28



1  
2 (c) *Rejection of Landlord Leases and Stipulations Related to Landlord Claims*

3 At present, there are no leases to assume or reject.  
4

5 **ARTICLE VI**  
6 **CLASSIFICATION AND TREATMENT**  
7 **OF CLAIMS AND INTERESTS**

8 **Section 6.1 Introduction**

9 The categories of Claims and Interest set forth below classify Claims and Interests for all purposes,  
10 including for purposes of voting, Confirmation and distribution pursuant to the Plan and §§ 1122 and  
11 1123(a)(1) of the Bankruptcy Code. A Claim or Interest shall be deemed classified in a particular Class only  
12 to the extent that it qualifies within the description of such Class, and shall be deemed classified in other  
13 Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other  
14 Classes. Notwithstanding anything to the contrary in the Plan, a Claim or Interest shall be deemed classified  
15 in a Class only to the extent that such Claim or Interest has not been paid, released, or otherwise settled prior  
16 to the Effective Date. All Claims (except for Administrative Expense Claims, which are not classified  
17 pursuant to Bankruptcy Code section 1123(a)(1)) are classified in the Plan as described below.

18 **Section 6.2 Administrative Expense Claims**

19 Administrative Expense Claims are those Claims constituting a cost or expense of administration of  
20 administration of the Chapter 11 Case allowed under §503(b) and 507(a)(1) of the Bankruptcy Code. Such  
21 Claims include, without limitation, all actual and necessary costs and expenses of preserving the Debtor's  
22 estate, all actual and necessary costs and expenses of operating the Debtor's businesses, any indebtedness or  
23 obligations incurred or assumed by the Debtor, as debtor in possession, during its bankruptcy case, all  
24 allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under  
25 §§330 or 503 of the Bankruptcy 1930 of title 28 of the United States Code.  
26  
27  
28

Below are estimates of administrative expenses in the Debtor's case to date:

Type	Estimated Amount Owed	Treatment Under the Plan
Expenses Arising in the Ordinary Course of Business After the Petition Date	N/A	None
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	N/A	None
Professional Fees, as approved by the Court	After applying any advanced fee paid to attorney in advance of the petition date, Debtor estimates attorney's fees and costs will total approximately \$30,000.00 through confirmation of the case presuming that there is no contested confirmation hearing.	Paid in full on the Effective Date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan.
Office of the U.S. Trustee Fees	Current as of the date of filing.	To be paid in full on the effective date of the plan should there be any fees outstanding.

### Section 6.3 Classes of Claims and Equity Interests

The following chart sets forth the Plan treatment of Classes 1 through 6 under the Plan:

Class	Description	Treatment Under the Plan	Estimated Recovery	Voting Status
1	Secured Tax Claims - Cochise County Treasurer	Class 1 consists of the Secured Tax Claim of the Cochise County Treasurer ("Cochise County"). Cochise County holds a secured claim in the amount of <b>\$32,137.46</b> (Proof of Claim #1). Cochise County shall be paid its real property tax claims as each property to which the tax attaches to is sold. Cochise County's personal property tax shall be paid within 6 months of the filing of the plan directly by the Debtor.	100%	Impaired Entitled to Vote

2	Priority Tax Claims - AZDOR and IRS	Class 2 consists of the Priority Tax Claim of the Arizona Department of Revenue ("AZDOR") and the Internal Revenue Service ("IRS"). AZDOR holds a priority claim in the amount of <b>\$27,830.73</b> (Proof of Claim #6). The IRS holds a priority claim in the amount of <b>\$1,117.92</b> (Proof of Claim #7). The Class 2 claimants shall receive payment in full from the sale of real and personal properties of the Debtor.	100%	Impaired Entitled to Vote
3	Claimants Holding §507(a)(1)(A) or (a)(1)(B) Claims - Betsy Huttzell	Class 3 consists of any claimants holding an Allowed 507(a)(1)(A) or (a)(1)(B) Priority Claim. At present, Betsy Huttzell is the only holder of a Class 3 Claim. Betty Huttzell holds a claim in the amount of \$361,857.34 (Proof of Claim #10). The Class 3 claimant shall receive payment in full, to the extent that funds are available, from the sale of real and personal properties of the Debtor.	100%	Impaired Entitled to Vote
4	Judgment Creditor holding potential liens against properties - T-1 Properties	At present, T-1 Properties, LLC ("T-1") is the only holder of a Class 4 Claim. T-1 holds a claim in the amount of \$132,630.12 (Proof of Claim #9) plus any allowed post-petition attorney fees and costs to be determined by the Court. The Class 4 claimant shall receive payment in full, to the extent that funds are available, from the sale of real and personal properties of the Debtor.	100%	Impaired Entitled to Vote
5	General Unsecured Claims	To the extent that funds are available to unsecured creditors from the proceeds of the sale of real and personal property.		Impaired Entitled to Vote
6	Debtor's Interest	All Estate property shall vest in the Debtor at Confirmation of the Plan. Class 6 Holder(s) shall receive no Distributions under the Plan.		Not Entitled to Vote

## ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN

Debtor shall fund the Plan by the sale of his assets which include real and personal property. The Debtor anticipates that the proceeds of the sales will significantly exceed the proceeds under a Chapter 7 liquidation.

1 **Section 7.1 Sale of Real Property.**

2 Debtor shall have 150 days from the date of the employment of the real estate broker  
3 employed by the Court, Keller Williams/Henry Zipf, to have a pending contract on the following properties  
4 and/or have the properties in escrow. Within 10 days upon the closing of a sale of real property listed herein,  
5 the Debtor shall file a report of sale and attach the Closing Settlement/HUD-1.

6 Within 15 days from the date of this Order, Debtor shall file an application to employ two  
7 real estate agents/brokers to market and sell the real properties held by limited liability companies in which  
8 Debtor has an interest. The agents will be agreed upon in advance by Debtor, T-1, and the Arizona  
9 Department of Revenue. If the parties cannot agree on an AZ and NM real estate agent/broker within 10 days  
10 from the date of this Order, each party shall submit no more than two proposed agents/brokers based in  
11 Cochise County (AZ) and Otero County (NM) or nearby county to the Court, and the Court shall decide  
12 which professionals to appoint.

13  
14 The real estate agent/brokers shall have the discretion to set the listing prices for the  
15 properties. The agent/brokers are required to set prices at a level that, in the agent/broker's professional  
16 judgment, will allow the properties to be sold in a manner which will bring the most benefit to the estate.

17 **Real property to be sold by Debtor:**

18

Property Address	Additional Description	List Price
4455 South Highway 92 Sierra Vista, AZ 85650	Lot #65 Jointly owned with Betsy Huttshell	\$ 450,000.00
TBD Saddlebronc Trail Sierra Vista, AZ 85650	Lot #13 Jointly owned with Betsy Huttshell	\$ 75,000.00 Sale Appr. by Court
TBD Moson Road Hereford, AZ 85615	Lot #1 (Commercial Potential) Jointly owned with Betsy Huttshell	\$ 75,000.00
TBD Moson Road Hereford, AZ 85615	Lot #2 Jointly owned with Betsy Huttshell	\$ 39,900.00
TBD Moson Road Hereford, AZ 85615	Lot #3 Jointly owned with Betsy Huttshell	\$ 39,900.00

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28

TBD Isla Bonita Drive Sierra Vista, AZ 85635	Lot #339 Jointly owned with Betsy Huttshell	\$ 75,000.00 Sale Appr. By Court
9262 East Faith Avenue Hereford, AZ 85615	Lot #12 Jointly owned with Betsy Huttshell	\$ 9,900.00
TBD South Honeysuckle Drive Hereford, AZ 85615	Lot #6 Jointly owned with Betsy Huttshell	\$ 9,900.00
TBD Wisteria Court Sierra Vista, AZ 85650	Lot #106 Owned by Sun Built Homes, LLC	\$ 39,900.00
TBD Wisteria Court Sierra Vista, AZ 85650	Lot #108 Owned by Sun Built Homes, LLC	\$ 39,900.00
TBD Wisteria Court Sierra Vista, AZ 85650	Lot #109 Owned by Sun Built Homes, LLC	\$ 39,900.00
4392 South Pueblo Drive Sierra Vista, AZ 85650	Owned by Sun Built Homes, LLC	\$ 79,900.00
TBD Blue Oak Court Hereford, AZ 85615	Lot #25 Owned by Sun Built Homes, LLC	\$ 75,000.00
TBD Dake Road Sierra Vista, AZ 85650	Owned by AH Family, LLC	\$ 19,900.00
3925 South Mahonia Place Sierra Vista, AZ 85650	Owned by AH Family, LLC	\$ 34,900.00
TBD Little Bear Cloudcroft, NM 88310	Jointly owned with Betsy Huttshell	\$ 35,000.00 Not Listed for Sale

## **Section 7.2      Sale of Personal Property.**

Debtor shall have 60 days from the date of the filing of this Plan to sell the personal property as set forth below (list prices are not guaranteed sale prices). Debtor shall file a report indicating the sale of personal property sold, if any, on the 60<sup>th</sup> day following the filing of this Plan. The report shall include the terms of the sale, the name and address of the purchaser, indicate the relationship, if any, the purchaser has with the Debtor, and attach a bill of sale.

If any of the below listed personal property is not sold within 60 days of the date of this Plan, the items shall be immediately turned over to an auctioneer for liquidation. Debtor is required to file an application to employ the auctioneer within 30 days from the date of this Plan, such that the auctioneer may

1 be employed and empowered to liquidate the remaining personal property on the 61<sup>st</sup> day after the date of  
2 the Plan.

3 **Personal property to be sold by Debtor:**

4

Property Description	List Price
2008 Harley Davidson Road King	\$ 20,000.00
Carr-1 Sandcar	\$ 35,000.00
2007 Yamaha Quad	\$ 3,000.00
Yamaha 4x4 Quad	\$ 3,500.00
Bobcat 246	\$ 10,000.00
2009 Big Tex Utility Trailer	\$ 700.00
2006 Big Tex Dump Trailer	\$ 12,500.00
2005 Big Tex Utility Trailer	\$ 400.00
APC Utility Trailer	\$ 900.00
3 Car Hauler	\$ 5,000.00
2008 Jayco Recon 5 <sup>th</sup> Wheel	\$ 20,000.00

15  
16  
17

18 **Section 7.3 Creditors Not Paid in Full.**

19 If the sale of the real and personal assets as described above do not result in the creditors  
20 being paid in full within 12 months, Debtor shall be required to contribute the appraised value of his mineral  
21 rights with Nobel Energy Incorporated to creditors with monthly payments over a 5 year period. The  
22 appraised value shall be determined by an independent appraiser. Debtor shall retain his rights and interest  
23 in Nobel Energy Incorporated.

24 **Section 7.4 Segregated Proceeds.**

25 Any net proceeds from the sale of the real or personal property shall be segregated in a  
26 separate Trust account for which funds are NOT to be disbursed except upon further order of the Court.  
27  
28

1 **Section 7.5 Motion to Extend Time to Sell Property.**

2 Debtor reserves the right to file a Motion to Extend the time within which to sell the  
3 properties listed herein in the event circumstances justify such Motion.

4  
5 **ARTICLE VIII**  
6 **FEASIBILITY, BEST INTEREST OF THE CREDITORS, AND LIQUIDATION**

7 **Section 8.1 Feasibility of the Plan**

8 Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Plan is not likely to  
9 be followed by Debtor or any successors to the Debtor under the Plan, unless such liquidation or  
10 reorganization is proposed in the Plan. The Plan proposed by the Debtor provides for an orderly liquidation  
11 of the Debtor's assets. Given the proposed liquidation of the Debtor's assets, the most recent projections of  
12 the sales are listed in Section VII above. Based on the projections of the property sales this Disclosure  
13 Statement is feasible and meets the requirements of §1129(a)(11) of the Bankruptcy Code.

14  
15 **Section 8.2 Best Interest of Creditors Test**

16 Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that  
17 the Plan provides, with respect to each Class, that each Holder of a Claim or Interest in such Class either:  
18 (a) has accepted the Plan; or (b) will receive or retain under the Plan property of a value, as of the Effective  
19 Date, that is not less than the amount that such person would receive or retain if the Debtor liquidated under  
20 chapter 7 of the Bankruptcy Code. In chapter 7 liquidation cases, unsecured creditors and interest holders  
21 of a debtor are paid from available assets generally in the following order, with no junior class receiving any  
22 payments until all amounts due to senior classes have been paid fully or any such payment is provided for:

- 23  
24 (a) Secured Creditors (not applicable in this case);  
25 (b) Administrative and other priority creditors;  
26 (c) Unsecured Creditors; and  
27 (d) Interest Holders.

28 As described in the liquidation analysis set forth in Exhibit "B" hereof, the Debtor believes that the  
value of any distributions if the Chapter 11 Case were converted to a Chapter 7 case would be equal to or

1 less than the value of distributions under the Plan. In addition, proceeds received in a Chapter 7 liquidation  
2 are likely to be significantly discounted due to the distressed nature of the sale, and the Debtor's estate would  
3 have to pay the fees and expenses of a Chapter 7 trustee in addition to the Professionals' pre-conversion fees  
4 and expenses (thereby further reducing cash available for distribution). Accordingly, it is likely there will  
5 be lower distributions on account of Interests and other subordinated claims in a Chapter 7 proceeding.  
6

## 7 **ARTICLE IX** 8 **CONFIRMATION PROCEDURES**

### 9 **Section 9.1 The Confirmation Hearing**

10 Bankruptcy Code § 1128(a) requires the Bankruptcy Court, after notice, to hold a Confirmation  
11 Hearing.

12 The Bankruptcy Court has scheduled the Confirmation Hearing for \_\_\_\_\_ at \_\_\_\_ a.m., Arizona  
13 Local Judge, United States Bankruptcy Court for the District of Arizona, 38 South Scott Avenue, Courtroom  
14 No. 329, before the Honorable Scott H. Gan, United States Bankruptcy, Tucson, Arizona 85701.

15 Objections to Confirmation of the Plan must be filed and served on the Debtor and the other required  
16 parties, by no later than \_\_\_\_\_ at 5:00 p.m., Arizona Local Time all in accordance with the order  
17 approving the Disclosure Statement. THE BANKRUPTCY COURT MAY NOT CONSIDER OBJECTIONS  
18 TO CONFIRMATION OF THE PLAN IF ANY SUCH OBJECTIONS HAVE NOT BEEN TIMELY  
19 SERVED AND FILED IN COMPLIANCE WITH THE ORDER APPROVING THE DISCLOSURE  
20 STATEMENT.

21 The Debtor will distribute a notice of the Confirmation Hearing, which will contain, among other  
22 things, the deadline to object to Confirmation of the Plan, and the date and time of the Confirmation Hearing.  
23

### 24 **Section 9.2 Statutory Requirements for Confirmation of the Plan**

25 At the Confirmation Hearing, the Bankruptcy Court will be asked to determine whether the  
26 requirements of Bankruptcy Code 46 §1129 have been satisfied. The Debtor believes that the Plan satisfies  
27 or will satisfy the applicable requirements, as follows:  
28



- 1 (a) The Plan complies with the applicable provisions of the Bankruptcy Code.
- 2 (b) The Debtor, as Plan proponent, will have complied with the applicable provisions of the
- 3 Bankruptcy Code.
- 4 (c) The Plan has been proposed in good faith and not by any means forbidden by law.
- 5 (d) Any payment made or promised under the Plan for services or for costs and expenses in, or
- 6 in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the
- 7 case, has been disclosed to the Bankruptcy Court, and any such payment; (i) made before
- 8 Confirmation of the Plan is reasonable; or (ii) is subject to approval of the Bankruptcy Court
- 9 as reasonable if it is to be fixed after Confirmation of the Plan.
- 10 (e) Either each Holder of an Impaired Claim or Interest has accepted the Plan, or will receive
- 11 value or retain under the Plan on account of that Claim or Interest, property of a value, as
- 12 of the Effective Date of the Plan, that is not less than the amount that the Holder would
- 13 receive or retain if the Debtor were liquidated on that date under chapter 7 of the Bankruptcy
- 14 Code.
- 15 (f) Each Class of Claims that is entitled to vote on the Plan has either accepted the Plan or is
- 16 not Impaired under the Plan, or the Plan can be confirmed without the approval of each
- 17 voting Class pursuant to Bankruptcy Code § 1129(b).
- 18 (h) At least one Class of Impaired Claims will accept the Plan, determined without including
- 19 any acceptance of the Plan by any insider holding a Claim of that Class.
- 20 (i) Confirmation of the Plan is not likely to be followed by the liquidation or the need for
- 21 further financial reorganization of the Debtor or any successors thereto.
- 22 (j) All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States
- 23 Trustee, will be paid as of the Effective Date.

24 The Debtor believes that: (i) the Plan satisfies or will satisfy all of the statutory requirements of

25 chapter 11 of the Bankruptcy Code; (ii) the Debtor has complied or will have complied with all of the

26 requirements of chapter 11; and (iii) the Plan has been proposed in good faith.

### 27 **9.2.1 Acceptance by Impaired Classes**

28 The Bankruptcy Code requires, as a condition to Confirmation, that, except as described in the

following section, each Class of Claims or Interests that is Impaired under the Plan accept the Plan. A class

that is not impaired under a plan of reorganization is deemed to have accepted the plan and, therefore,

solicitation of acceptances with respect to such class is not required. A class is impaired unless the plan; (a)

leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder

1 of that claim or equity interest; or (b) notwithstanding any contractual provision or applicable law that  
2 entitles the holder of such claim or interest after the occurrence of a default (1) cures any such default that  
3 occurred before or after the commencement of the case under this title, other than a default of a kind  
4 specified in § 365(b)(2) of this title or of a kind that § 365(b)(2) expressly does not require to be cured; (2)  
5 reinstates the maturity of such claim or interest as such maturity existed before such default; (3) compensates  
6 the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such  
7 holder on such contractual provision or such applicable law; and (4) if such claim or such interest arises from  
8 any failure to perform a non-monetary obligation, other than a default arising from failure to operate a  
9 nonresidential real property lease subject to § 365(b)(1)(A), compensates the holder of such claim or such  
10 interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result  
11 of such failure; and (5) does not otherwise alter the legal, equitable, or contractual rights to which such claim  
12 or interest entitles the holder of such claim or interest.  
13

#### 14 **9.2.2 Confirmation Without Acceptance by All Impaired Classes**

15 Bankruptcy Code § 1129(b) allows a bankruptcy court to confirm a plan, even if an impaired class  
16 entitled to vote on the plan has not accepted it, provided that the plan has been accepted by at least one  
17 impaired class. In this case, no Classes are deemed to reject the Plan. However, the Debtor cannot guarantee  
18 that all impaired Classes will accept the Plan. If any Impaired Class does not accept the Plan, the Debtor  
19 intends to seek Confirmation of the Plan pursuant to Bankruptcy Code § 1129(b). Bankruptcy Code §  
20 1129(b) states that, notwithstanding an Impaired class' failure to accept a plan of reorganization, the plan  
21 may still be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down,"  
22 so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of  
23 claims or equity interests that is impaired under, and has not accepted, the Plan.  
24

25 The condition that a plan be "fair and equitable" with respect to a non-accepting class of secured  
26 creditors includes the following requirements: either: (a) the plan provides that holders of such claims retain  
27 the liens securing such claims, whether the property subject to such liens is retained by the debtor or  
28

1 transferred to another entity, to the extent of the allowed amount of such claims and that each holder of a  
2 claim of such class receive on account of such claims deferred cash payments totaling at least the allowed  
3 amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's  
4 interest in the estate's interest in such property; (b) the plan provides for the sale, subject to § 363(k) of this  
5 title, of any property that is subject to the liens securing such claims, free and clear of such liens, with such  
6 liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under (a) or (c) of  
7 this paragraph; or (c) the plan provides for the realization by such holders of the indubitable equivalent of  
8 such claims.

9  
10 The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured  
11 claims includes the requirement that either; (a) the plan provides that each holder of a claim of such class  
12 receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to  
13 the allowed amount of such claim; or (b) the holder of any claim or equity interest that is junior to the claims  
14 of such class will not receive or retain under the plan on account of such junior claim or equity interest any  
15 property.

16 The Debtor reserves the right to alter, amend, modify, revoke or withdraw the Plan or any Exhibit,  
17 including to amend or modify it to satisfy Bankruptcy Code § 1129(b), if necessary.

18  
19 **ARTICLE X**  
20 **ALTERNATIVES TO CONFIRMATION**  
21 **AND CONSUMMATION OF THE PLAN**

22 If the Plan is not confirmed and consummated, the alternatives to the Plan include; (a) liquidation  
23 of the Debtor under chapter 7 of the Bankruptcy Code; and (b) an alternative plan of reorganization.

24 **Section 10.1 Liquidation Under Chapter 7**

25 If no plan can be confirmed, the Debtor's Chapter 11 Case may be converted to a case under chapter  
26 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed (or elected) to liquidate the  
27 Debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. A  
28

1 discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and  
2 Interests is set forth below. The Debtor believes that liquidation under chapter 7 would result in smaller  
3 distributions to creditors than those provided for in the Plan.

4 Specifically, the Debtor's costs of liquidation under chapter 7 of the Bankruptcy Code would include  
5 the fees payable to a chapter 7 trustee, as well as those fees that might be payable to attorneys and other  
6 professionals that such a trustee might engage. In addition, claims would arise by reason of the breach or  
7 rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtor  
8 during the pendency of the Chapter 11 Case. The foregoing types of claims and other claims that might arise  
9 in a liquidation case or result from the pending Chapter 11 Case, including any unpaid expenses incurred by  
10 the Debtor during the Chapter 11 Case such as compensation for attorneys, would be paid in full from the  
11 liquidation proceeds before the balance of those proceeds would be made available to pay Allowed General  
12 Unsecured Claims. Furthermore, if the case was converted, it is highly likely that secured creditors would  
13 seek to lift the automatic stay in order to pursue their rights under state law, namely, foreclosure. Any  
14 foreclosure of the Debtor's assets is likely to result in a diminished or zero return to unsecured creditors.  
15

16 After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds  
17 available for distribution to the Holders of Claims and Interests in the Chapter 11 Case, including (i) the  
18 increased costs and expenses of a liquidation under chapter 7 of the Bankruptcy Code arising from fees  
19 payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) the likely erosion in value  
20 of assets in a chapter 7 case in the context of an expeditious liquidation and the "forced sale" atmosphere that  
21 would prevail under a chapter 7 liquidation and (iii) the substantial increases in Claims which would have  
22 to be satisfied on a priority basis or on parity with creditors in the Chapter 11 Case, the Debtor has  
23 determined that Confirmation of the Plan and the approval of the Debtor's sale of assets will provide each  
24 holder of an Allowed Claim or Interest with a recovery that is not less than such holder would receive  
25 pursuant to a liquidation of the Debtor under chapter 7 of the Bankruptcy Code.  
26  
27  
28

1 The Debtor's Liquidation Analysis is attached hereto as Exhibit "B". The information set forth in  
2 Exhibit "B" provides a summary of the liquidation values of the Debtor's assets, assuming a chapter 7  
3 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the Debtor's  
4 Estate. The liquidation analysis was prepared by Debtor's counsel, with input from the Debtor.

5 Underlying the liquidation analysis is a number of estimates and assumptions that, although  
6 developed and considered reasonable by Debtor, are inherently subject to significant economic and  
7 competitive uncertainties and contingencies beyond the control of the Debtor. The liquidation analysis is also  
8 based on assumptions with regard to liquidation decisions that are subject to change. Accordingly, the values  
9 reflected might not be realized if the Debtor were, in fact, to undergo such a liquidation.  
10

## 11 **Section 10.2 Alternative Plan of Reorganization**

12 If the Plan is not confirmed, the Bankruptcy Court could confirm a different plan. A different plan  
13 might involve either a reorganization or an orderly liquidation of the Debtor's assets, or some combination  
14 of the two. The Debtor believes that the Plan, as described herein, enables Holders of Claims and Interests  
15 to realize the highest and best value under the circumstances. The Debtor believes that any alternative form  
16 of a chapter 11 plan is a much less attractive alternative to Creditors than the Plan because of the far greater  
17 returns and certainty provided by the Plan. Other alternatives could involve diminished recoveries,  
18 significant delay, uncertainty, and substantially increased administrative costs.  
19

## 20 **ARTICLE XI**

### 21 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### 22 **Section 11.1 Assumption/Rejection**

23 As of this date, Debtor has no leases to assume or reject.  
24

## 25 **ARTICLE XII**

### 26 **PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT, AND UNLIQUIDATED CLAIMS**

#### 27 **Section 12.1 Objections to Claims**

28

1           **12.1.1 Authority.**

2           The Debtor, prior to the Effective Date, and Reorganized Debtor, after the Effective Date,  
3 shall have the exclusive authority to (i) file objections to any Claim, and to withdraw any objections to any  
4 Claim that it may file; (ii) settle, compromise, or litigate to judgment any objections to any Claim; and (iii)  
5 settle or compromise any Disputed Claim. Except as set forth above, Reorganized Debtor also shall have the  
6 right to resolve any Disputed Claim outside the Bankruptcy Court under applicable governing law.

7           **12.1.2 Objection Deadline.**

8           As soon as practicable, but no later than the Claim Objection Deadline, the Debtor, or  
9 Reorganized Debtor if after the Effective Date, may file objections with the Bankruptcy Court and serve such  
10 objections on the Creditors holding the Claims to which such objections are made. Nothing contained herein,  
11 however, shall limit the right of Reorganized Debtor to object to Claims, if any, filed or amended after the  
12 Claim Objection Deadline. The Claim Objection Deadline may be extended by the Bankruptcy Court upon  
13 motion by Reorganized Debtor.

14           **12.1.3 Estimation of Claims.**

15           The Debtor or Reorganized Debtor, as the case may be, may at any time request that the  
16 Court estimate, subject to U.S.C. § 157, any Disputed Claim pursuant to § 502(c) of the Bankruptcy Code  
17 regardless of whether the Debtor or Reorganized Debtor has previously objected to such Claim. The  
18 Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during proceedings  
19 concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed  
20 Claim, such estimated amount may constitute either (a) the Allowed amount of such Claim, (b) the estimate  
21 to be used by the Debtor in calculating potential Plan Distributions under the Plan, or (c) a maximum  
22 limitation on such Claim, as determined by the Bankruptcy Court. In the case of Claims arising from personal  
23 injury tort or wrongful death actions, the Bankruptcy Court may estimate such Claims for the purpose of  
24 confirming the Plan. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor  
25 or Reorganized Debtor may elect to object to ultimate payment of such Claim. All of the aforementioned  
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1 Claims objection, estimation and resolution 34 procedures are cumulative and not necessarily exclusive of  
2 one another.

3 **12.1.4 No Distributions Pending Allowance.**

4 Notwithstanding any other provision of the Plan, no payments or distributions shall be made  
5 with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim  
6 have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some  
7 portion thereof, has become an Allowed Claim.

8 **12.1.5 Distributions After Allowance.**

9 The Debtor shall make payments and distributions to each Holder of a Disputed Claim that  
10 has become an Allowed Claim in accordance with the provisions of the Plan governing the class of Claims  
11 to which such Holder belongs. As soon as reasonably practicable after the date that the order or judgment  
12 of the Bankruptcy Court allowing all or part of any Disputed Claim becomes a Final Order, there shall be  
13 Distributions to the Holder of such Claim the distribution (if any) that would have been made to such Holder  
14 on the Distribution Date had such Allowed Claim been allowed on the Distribution Date. After a Disputed  
15 Claim is Allowed or otherwise resolved, the excess cash or other property that was reserved on account of  
16 such Disputed Claim, if any, shall revert to Reorganized Debtor.  
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20 **12.1.6 Reduction of Claims.**

21 Notwithstanding the contents of the Bankruptcy Schedules or the Bankruptcy SOFA, Claims  
22 listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was  
23 paid by the Debtor before the Effective Date, including pursuant to orders of the Bankruptcy Court. To the  
24 extent such payments are not reflected in the Bankruptcy Schedules or the Bankruptcy SOFA, the Bankruptcy  
25 Schedules and Bankruptcy SOFA will be deemed amended and reduced to reflect that such payments were  
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1 made. Nothing in the Plan shall preclude the Debtor from paying Claims that the Debtor was authorized to  
2 pay pursuant to any Final Order entered by the Bankruptcy Court before the Effective Date.

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4 **ARTICLE XIII**  
5 **CONDITIONS PRECEDENT TO CONFIRMATION**  
6 **AND CONSUMMATION OF THE PLAN**

7 **Section 13.1 Conditions Precedent to Confirmation**

8 The following are conditions precedent to the occurrence of Confirmation, each of which must be  
9 satisfied or waived:

10 (a) The Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable  
11 to the Debtor, approving the adequacy of the Disclosure Statement, and such Order shall have become a Final  
12 Order.

13 (b) The Confirmation Order approving and confirming the Plan, as such Plan may have been  
14 modified, amended or supplemented, shall (i) be in form and substance reasonably acceptable to the Debtor;  
15 and (ii) include a finding of fact that Reorganized Debtor, and his advisors, attorneys and agents, acted in  
16 good faith within the meaning of and with respect to all of the actions described in Bankruptcy Code §  
17 1125(e) and are therefore not liable for the violation of any applicable law, rule, or regulation governing such  
18 actions.

19 **Section 13.2 Occurrence of the Effective Date**

20 The following are conditions precedent to the occurrence of the Effective Date, each of which must  
21 be satisfied or waived in accordance with Section 15.3 below:

22 (a) The Confirmation Order shall have been entered in form and substance reasonably acceptable  
23 to the Debtor, and such order shall have become a Final Order.

24 (b) There shall not be in effect any (i) order entered by any court of any competent jurisdiction; (ii)  
25 order, opinion, ruling or other decision entered by any administrative or governmental entity or (iii)  
26 applicable law, staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation  
27 of any of the transactions contemplated by the Plan.  
28



1 **Section 13.3 Waiver of Conditions**

2 Each of the conditions set forth in Section 13.1 or Section 13.2 hereof may be waived in whole or  
3 in part by the Debtor. The failure to satisfy or waive any condition to Confirmation or the Effective Date may  
4 be asserted by the Debtor regardless of the circumstances giving rise to the failure of such condition to be  
5 satisfied.  
6

7 **Section 13.4 Revocation, Withdrawal, or Non-Consummation**

8 The Debtor reserves the right to revoke or withdraw the Plan at any time before the Confirmation  
9 Date and to file subsequent plans of reorganization. If the Debtor revokes or withdraws the Plan, or if  
10 Confirmation or Consummation of the Plan does not occur, then (i) the Plan shall be null and void in all  
11 respects; (ii) any settlement or compromise embodied in them Plan (including the fixing, allowance or  
12 limiting to an amount certain of any Claim or Interests or Class of Claims or Interests), unless otherwise  
13 agreed to by the Debtor and any counterparty to such settlement or compromise, and any document or  
14 agreement executed pursuant to the Plan, shall be deemed null and void; and (iii) nothing contained in the  
15 Plan, and no acts taken in preparation for Consummation of the Plan, shall (a) constitute or be deemed to  
16 constitute a waiver or release of any Claims by or against, or any Interests in, the Debtor or any other Person,  
17 (b) prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the  
18 Debtor, or (c) constitute an admission of any sort by the Debtor or any other Person.  
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21 **ARTICLE XIV**  
22 **AMENDMENTS AND MODIFICATIONS**

23 The Debtor may alter, amend, or modify the Plan, the Plan Documents, or any Exhibits thereto under  
24 Bankruptcy Code § 1127(a) at any time before the Confirmation Date. After the Confirmation Date and  
25 before “substantial consummation” of the Plan, as defined in Bankruptcy Code § 1101(2), the Debtor may,  
26 under Bankruptcy Code § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or  
27 omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order,  
28

1 and such matters as may be necessary to carry out the purposes and effects of the Plan, so long as such  
2 proceedings do not materially adversely affect the treatment of Holders of Claims or Interests under the Plan;  
3 provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy  
4 Rules or order of the Bankruptcy Court.

5  
6 **ARTICLE XV**  
**RETENTION OF JURISDICTION**

7 Under Bankruptcy Code §§ 105(a) and 1142, and notwithstanding entry of the Confirmation Order  
8 and occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters  
9 arising out of, or related to, the Chapter 11 Case and the Plan to the fullest extent permitted by law,  
10 including, among other things, jurisdiction to:  
11

12 (A) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or  
13 unsecured status of any Claim or Interest, including the resolution of any request for payment of any  
14 Administrative Expense Claim and the resolution of any objections to the secured or unsecured status,  
15 priority, amount or allowance of Claims or Interests;

16 (B) hear and determine all applications for compensation and reimbursement of expenses of  
17 Professionals under Bankruptcy Code §§ 327, 328, 330, 331, 503(b), 1103 or 8 1129(a)(4); provided,  
18 however, that from and after the Effective Date, the payment of fees and expenses of professionals retained  
19 by Reorganized Debtor shall be made in the ordinary course of business and shall not be subject to the  
20 approval of the Bankruptcy Court except as otherwise set forth in the Plan;

21 (C) hear and determine all matters with respect to the assumption or rejection of any executory  
22 contract or unexpired lease to which the Debtor is a party or with respect to which the Debtor may be liable,  
23 including, if necessary, the nature or amount of any required cure or the liquidating of any claims arising  
24 therefrom;

25 (D) hear and determine any and all adversary proceedings, motions, applications, and contested or  
26 litigated matters arising out of, under, or related to, the Chapter 11 Case;  
27  
28

1 (E) enter and enforce such orders as may be necessary or appropriate to execute, implement, or  
2 consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or  
3 documents created in connection with the Plan, the Disclosure Statement, and/or the Confirmation Order;

4 (F) hear and determine disputes arising in connection with the interpretation, implementation,  
5 Consummation, or enforcement of the Plan, including disputes arising under agreements, documents or  
6 instruments executed in connection with the Plan;

7 (G) consider any modifications of the Plan, cure any defect or omission, or reconcile any  
8 inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

9 (H) issue injunctions, enter and implement other orders, or take such other actions as may be  
10 necessary or appropriate to restrain interference by any entity with implementation, Consummation, or  
11 enforcement of the Plan, and/or the Confirmation Order;

12 (I) enter and implement such orders as may be necessary or appropriate if the Confirmation Order  
13 is for any reason reversed, stayed, revoked, modified, or vacated;

14 (J) hear and determine any matters arising in connection with or relating to the Plan, the Disclosure  
15 Statement, and/or the Confirmation Order or any other contract, instrument, release, or other agreement or  
16 document created in connection with the Plan, the Disclosure Statement, and/or the Confirmation Order;

17 (K) enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings  
18 entered in connection with the Chapter 11 Case or pursuant to the Plan;

19 (L) recover all assets of the Debtor and property of the Estate, wherever located;

20 (M) hear and determine matters concerning state, local, and federal taxes in accordance with  
21 Bankruptcy Code §§ 346, 505 and 1146;

22 (N) hear and determine all disputes involving the existence, nature, or scope of Debtor's discharge  
23 or any releases granted in the Plan;

24 (O) hear and determine such other matters as may be provided in the Confirmation Order or as may  
25 be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

1 (P) enter an order or final decree concluding or closing the Chapter 11 Case; and

2 (Q) enforce all orders previously entered by the Bankruptcy Court.

3  
4 **ARTICLE XVI**  
**EFFECT OF THE PLAN ON CLAIMS AND INTERESTS**

5 **Section 16.1 Satisfaction of Claims.**

6 The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in  
7 exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature  
8 whatsoever against the Debtor or its Estate, assets, properties, or interests in property to the full extent  
9 permitted by § 1141 of the Bankruptcy code.  
10

11 **Section 16.2 Discharge of Liabilities**

12 Except as otherwise expressly provided in the Plan or in the Confirmation Order, upon the entry of  
13 an Order of discharge, each holder of a Claim and any affiliate of such holder (and any trustee or agent on  
14 behalf of such holder or affiliate) will be deemed to have forever waived, released, and discharged the  
15 Debtors and the Reorganized Debtors, to the fullest extent permitted by § 1141 of the Bankruptcy Code, of  
16 and from any and all Claims, rights, and liabilities that arose prior to the Confirmation Date. Pursuant to  
17 1141(d)(3), confirmation of a plan does not discharge a debtor if the plan provides for the liquidation of all  
18 or substantially all of the property of the estate, the debtor does not engage in business after consummation  
19 of the plan, and the debtor would be denied a discharge under 11 U.S.C. § 727(a) if the case were a case  
20 under Chapter 7.  
21

22  
23 **ARTICLE XVII**  
**MISCELLANEOUS PROVISIONS**

24 **Section 17.1 Amendment or Modification of Plan.**

25 Subject to § 1127 of the Bankruptcy Code and, to the extent applicable, §§ 1122, 1123 and 1125 of  
26 the Bankruptcy Code, the Debtor reserves the right to alter, amend or modify this Plan at any time prior to  
27 or after the Confirmation Date but prior to the substantial consummation of this Plan. A Holder of a Claim  
28

1 that has Accepted this Plan shall be deemed to have Accepted this Plan, as altered, amended or modified, if  
2 the proposed alteration, amendment or modification does not materially and adversely change the treatment  
3 of the Claim of such Holder.

4 **Section 17.2 Headings.**

5 Headings are utilized in the Plan for convenience and reference only and shall not constitute a part  
6 of the Plan for any other purpose.

7 **Section 17.3 Due Authorization by Holders of Claims.**

8 Each and every Holder of a Claim who elects to participate in the Distributions provided for herein  
9 warrants that such Holder is authorized to accept, in consideration of such Holder's Claim against the Debtor,  
10 the Distributions provided for in the Plan and that there are no outstanding commitments, agreements, or  
11 understandings, express or implied, that may or can in any way defeat or modify the rights conveyed, or  
12 obligations undertaken, by such Holder under the Plan.

13 **Section 17.4 Payment on Distribution Dates.**

14 Whenever any payment or Distribution to be made under the Plan shall be due on a day other than  
15 a Business Day, such payment or Distribution shall, instead, be made, without interest, on the next Business  
16 Day thereafter.

17 **Section 17.5 Distributions Under the Plan**

18 All Distributions under the Plan will be made within thirty (30) days of the Effective Date.  
19 Distributions shall be performed by Counsel for the Debtor and no fees associated with any Distributions will  
20 be charged other than those attorney's fees and costs incurred in the performance of such Distributions,  
21 subject to the approval of the Bankruptcy Court.

22 **Section 17.6 Quarterly Fees and Reports.**

23 All fees required to be paid by U.S.C. §1930 will be paid as required therein until such time as the  
24 within Bankruptcy Case is dismissed, converted or closed by order of the Bankruptcy Court. The  
25 Reorganized Debtor shall file quarterly post-confirmation reports until the case is closed.  
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1 **Section 17.7 Final Report.**

2        Provided all motions, contested matters, and adversary proceedings have been finally resolved, the  
3 Debtor will file its Final Report and seek to obtain a Final Decree administratively closing its Chapter 11  
4 proceeding following the Effective Date. The Reorganized Debtor will make quarterly post-confirmation  
5 reports to the Court and the U.S. Trustee until such time as the Final Decree is entered by the Court.  
6

7 **Section 17.8 Governing Law.**

8        Except to the extent that federal law (including, but not limited to, the Bankruptcy Code and the  
9 Bankruptcy Rules) is applicable, the rights and obligations arising under the Plan shall be governed by, and  
10 construed and enforced in accordance with, the laws of the State of Arizona, without giving effect to the  
11 principles of conflicts of law thereof.

12 **Section 17.9 Severability.**

13        Should the Bankruptcy Court determine, prior to the Confirmation Date, that any provision in the  
14 Plan is either illegal on its face or illegal as applied to any Claim or Interest, such provision shall be  
15 unenforceable either as to all Holders of Claims or Interests or as to the Holder of such Claim or Interest as  
16 to which the provision is illegal, respectively. Such a determination of unenforceability shall in no way limit  
17 or affect the enforceability and operative effect of any other provision of the Plan.  
18

19 **Section 17.10 No Interest.**

20        Except as expressly stated in the Plan or otherwise Allowed by Final Order of the Bankruptcy Court,  
21 no interest, penalty, or late charge arising after the Petition Date is to be Allowed on any Claim.

22 **Section 17.11 No Admissions.**

23        Notwithstanding anything herein to the contrary, nothing in the Plan shall be deemed as an admission  
24 by the Debtors with respect to any matter set forth herein, including liability on any Claim.

25 **Section 17.12 Revocation, Withdrawal, or Non-Consummation.**

26        The Debtor reserves the right to revoke or withdraw this Plan as to any or all of the Debtor prior to  
27 the Confirmation Date and to File subsequent plans of reorganization. If the Debtor revokes or withdraw this  
28

1 Plan as to any or all of the Debtor, or if confirmation or consummation does not occur, then, except as  
2 otherwise provided by the Debtor, (a) this Plan shall be null and void in all respects, (b) any settlement or  
3 compromise embodied in this Plan (including the fixing or limiting to an amount certain any Claim or Equity  
4 Interest or Class of Claims or Equity Interests), assumption or rejection of executory contracts or leases  
5 affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null  
6 and void and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claims by or  
7 against, or any Equity Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights  
8 of the Debtor or any other Person or (iii) constitute an admission of any sort by the Debtor or any other  
9 Person.

10 **Section 17.13 Notices.**

11 All notices, requests, elections, or demands in connection with the Plan shall be in writing and shall be  
12 mailed by registered or certified mail, return receipt requested to:

13  
14 The Law Offices of Eric Ollason  
15 182 North Court Avenue  
16 Tucson, AZ 8570  
17 Attn: Eric Ollason

18 **ARTICLE XVIII**  
19 **CONCLUSION AND RECOMMENDATION**

20 The Debtor believes that the Plan is in the best interests of all Holders of Claims, and urges those  
21 Holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their  
22 Ballots so they will be RECEIVED by the Debtor's counsel no later than 5:00 p.m., prevailing Arizona Local  
23 Time on \_\_\_\_\_. If the Plan is not confirmed, or if Holders in those Classes do not vote to accept the  
24 Plan, the Holders in those Classes may not receive a Distribution.

25 DATED this 10th day of October, 2016

26 LAW OFFICES OF ERIC OLLASON

27 /s/ Eric Ollason  
28 Eric Ollason, Attorney for Debtor