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7 Attorneys for Debtor

8 IN THE UNITED STATES BANKRUPTCY COURT
9 IN AND FOR THE DISTRICT OF ARIZONA

10 In re

11 MMM DIVERSIFIED, LLC,

12 Debtor.

No. 2: 16-10976-BKM

CHAPTER 11

FIRST AMENDED PLAN OF
REORGANIZATION

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17 COMES NOW the above-named Debtor, by and through its attorneys
18 undersigned, and herein proposes the following Plan of Reorganization.

19 I. Classification of Creditors.

20 The classes of creditors are divided as follows:

21 Class 1 Expenses of Administration.

22 Class 2 Secured creditor WELLS FARGO BANK
23 ("WELLS FARGO") as to 5135 N. 18th Place,
24 Phoenix, Arizona ("5135").

25 Class 3. Secured creditor WELLS FARGO BANK
26 ("WELLS FARGO") as to 1404 E. Marshall,
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1 Phoenix, Arizona ("1404"); upon information
2 and belief U.S. BANK, N.A., has been
3 assigned the applicable beneficial interest.

4 Class 4 Secured creditor BANK OF AMERICA
5 ("B of A").

6 Class 5 MARICOPA COUNTY TREASURER
7 ("MARICOPA").

8 Class 6. GILA COUNTY TREASURER ("GILA").

9 Class 7 Unsecured creditors.

10 Class 8. Owners.

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13 II. Treatment Provisions for Claims of Creditors.

14 The claims of creditors will be satisfied and treated as below set forth:

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16 Class 1. The Debtor has certain administrative claimants. The law firm of
17 CARMICHAEL & POWELL, P.C., the Court appointed attorneys for the Debtor, is due sums for
18 legal services and expenses. The Debtor will pay any approved sums to said claimant within
19 30 days of the applicable Court Order. Any sums due the United States Trustee are within
20 this Class; it is believed the Debtor is current with quarterly payments due the United States
21 Trustee, and will so remain current. This Class is not impaired by the Plan.

22
23 Class 2. WELLS FARGO possesses the lien on the residential home at
24 5135. The lien of WELLS FARGO will be retained. The Debtor is presently tendering to
25 WELLS FARGO monthly adequate protection payments of \$283.00 principal, \$196.00 interest
26 and \$221.00 real property taxes, for a total monthly payment of \$700.00. Such payments
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1 shall continue for 15 years from the date of confirmation, which at such time the balance due
2 WELLS FARGO will be due and shall be paid by the Debtor. The contract rate of 3.17% will
3 continue.

4
5 Upon the default of the Debtor in any term of this Class which has not been
6 cured within 15 days of written notice to the Debtor and the undersigned attorney, WELLS
7 FARGO shall receive stay relief to pursue all State law remedies, including the scheduling and
8 completion of a foreclosure sale pursuant to the applicable Deed of Trust. This Class is
9 impaired by the Plan.

10
11 Class 3. WELLS FARGO possesses the lien on the residential home at
12 1404. The lien of WELLS FARGO will be retained. The Debtor is presently tendering to
13 WELLS FARGO monthly adequate protection payments of \$538.00 principal, \$189.00 interest
14 and \$531.00 real property taxes, for a total monthly payment of \$1,258.00. Such payments
15 shall continue for 15 years from the date of confirmation, which at such time the balance due
16 WELLS FARGO will be due and shall be paid by the Debtor. The contract rate of 3.448% will
17 continue.

18
19 Upon the default of the Debtor in any term of this Class which has not been
20 cured within 15 days of written notice to the Debtor and the undersigned attorney, WELLS
21 FARGO shall receive stay relief to pursue all State law remedies, including the scheduling and
22 completion of a foreclosure sale pursuant to the applicable Deed of Trust. Upon information
23 and belief, U.S. BANK, N.A., has been assigned the applicable beneficial interest. This Class
24 is impaired by the Plan.

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26 Class 4. B of A possesses the lien on the residential home at 146
27 Columbine Road, Christopher Creek, Arizona. The lien of B of A will be retained. Monthly
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1 adequate protection payments have been made by the Debtor to B of A. Beginning 30 days
2 after confirmation, and continuing on the same day of each month thereafter for 60 months, the
3 Debtor shall pay B of A interest at the contract rate and real property taxes. From 61 months
4 after the date of confirmation through 120 months from the date of confirmation, B of A shall be
5 paid an amortized amount which will allow B of A to be fully paid within 120 months from the
6 date of confirmation.

7
8 Upon the default of the Debtor in any term of this Class which has not been
9 cured within 15 days written notice to the Debtor and the undersigned attorney, B of A shall
10 receive stay relief to pursue all State law remedies, including the scheduling and completion of
11 a foreclosure sale pursuant to the applicable Deed of Trust. This Class is impaired by the
12 Plan.

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14 Class 5. Any delinquent real property taxes due MARICOPA shall be paid
15 within 12 months of the date of confirmation. Real property taxes occurring post-confirmation
16 shall be paid by the Debtor on a current basis. Interest at the statutory legal rate will be
17 applicable for said delinquent sums. This Class is impaired by the Plan.

18
19 Class 6 Any delinquent real property taxes due GILA shall be paid within 12
20 months of the date of confirmation. Real property taxes occurring post-confirmation shall be
21 paid by the Debtor on a current basis. Interest at the statutory legal rate will be applicable for
22 said delinquent sums. This Class is impaired by the Plan.

23
24 Class 7. Unsecured creditors with valid and proven claims will be paid within
25 12 months from the date of confirmation. Interest will be paid to unsecured creditors from the
26 confirmation date at 3.5%. This Class is impaired by the Plan.

27 Class 8. The interest of the Owners in the Debtor will be retained under the
28

1 Plan. As all creditors will be fully paid under the Plan, no new money will be contributed by
2 the Owners. This Class is not impaired by the Plan.

3 III. Execution and Implementation of the Plan.

4 The Debtor will remain in business post-confirmation, and MICHAEL F.
5 SPRINKLE shall continue to serve as the person to perform the duties of the Debtor-In-
6 Possession. The law firm of CARMICHAEL & POWELL, P.C., will represent the Debtor
7 regarding consummation of the Plan of Reorganization. The proceeds for the satisfaction of
8 the claims of creditors will derive from either the sale of the real property or the refinancing of
9 the same.
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11 IV. Contested Claims.

12 Contested claims by the Debtor shall be paid only upon their allowance by the
13 Court, and in such allowed amount according to the Class in which they belong.
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15 V. Modification of the Plan.

16 The Debtor may propose amendments or modifications of this Plan at any time
17 prior to confirmation by compliance with 11 U.S.C. § 1127. After confirmation the Debtor may,
18 with approval of the Court, with notice and a hearing if the Court so orders, and so long as it
19 does not materially or adversely affect the interests of the creditors, remedy any defect or
20 omission or reconcile any inconsistencies in the Plan or in the order of confirmation in such
21 manner as may be necessary to carry out the purposes and effect of the Plan.
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24 VI. Jurisdiction of the Court.

25 The Court will retain jurisdiction, until the Plan has been fully consummated,
26 concerning, but not limited to, the following:
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1 1. The classification of the claim of any creditor and the re-examination of the
2 claims which have been allowed for the purposes of voting and the determination of such
3 objections as may be filed to creditors' claims. The failure by the Debtor to object to or
4 examine any claim for purposes of voting shall not be deemed to be a waiver of the Debtor's
5 right to object to or re-examine the claim in whole or in part.

6 2. The determination of all questions and disputes regarding title to the
7 assets of the estate and determination of all causes of action, controversies, disputes or
8 conflicts whether or not subject to any action pending as of the date of confirmation between
9 the Debtor and any other party including, but not limited to, any right of the Debtor to recover
10 assets pursuant to the provisions of Title 11 of the United States Code.

11 3. The modification of this Plan after confirmation pursuant to the Bankruptcy
12 Rules and Title 11 of the United States Code.

13 4. The enforcement and interpretation of the terms and conditions of this
14 Plan.

15 5. The entry of any order, including injunctions, necessary to enforce the title,
16 rights and powers of the Debtor and to impose such limitations, restrictions, terms and
17 conditions of such title, rights and powers.

18 6. The entry of any Order concluding in the termination of the case.

19 VII. Post Confirmation Activities.

20 The assets of the Debtor will not be dissipated after confirmation of the Plan.

21 VIII. United States Trustee Post-Confirmation.

22 The Debtor will satisfy, by cash payment and on a timely basis, the quarterly fees
23 due the United States Trustee post-confirmation, such quarterly fees to be paid until a Final
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1 Decree has been entered. Further, the Debtor will file on a timely basis, post-confirmation, the
2 required Financial Reports due the United States Trustee, with copies of all such Reports
3 being filed to be served on the United States Trustee.

4 IX. Plan Default.

5 The Debtor's failure to make any payment due under the Plan within thirty (30)
6 days after the payment is due shall constitute a default unless the Debtor and the affected
7 creditor agree to delayed payment. A default in payment as to one creditor shall constitute a
8 default in payment as to all creditors. A default shall also occur when any default provisions of
9 any creditor's contract with the Debtor assumed or continued by the Plan has been breached
10 except to the extent that the default provisions or applicability thereof are modified by the Plan.
11 Upon default, creditors may immediately move for conversion or dismissal of this case,
12 pursuant to 11 U.S.C. § 1112.
13

14 X. Effect of Confirmation.

15 Except as otherwise provided in the Plan or the Order Confirming Plan,
16 confirmation acts as a discharge, effective the date of confirmation, of any and all debts of the
17 Debtor that arose any time before the entry of the Order Confirming Plan including, but not
18 limited to, all principal and interest accrued thereon, pursuant to §1141(d)(1) of the Bankruptcy
19 Code. The discharge shall be effective as to each claim, regardless of whether a Proof of
20 Claim thereon was filed, whether the claim is an allowed claim or whether the holder thereof
21 votes to accept the Plan.
22

23 In addition, any pre-confirmation obligations of the Debtor dealt with in the Plan
24 shall be considered new obligations of the Debtor, and such new obligations shall not be
25 considered in default unless and until the Debtor defaults on the new obligations pursuant to
26 the terms of the Plan. The new obligations provided for in the Plan shall be in the place of, and
27 completely substitute for, any pre-confirmation obligations of the Debtor and, once the Plan is
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1 confirmed, the only obligations of the Debtor shall be such new obligations as provided for
2 under the Plan.

3 XI. Unclaimed Funds and Interest.

4 Distribution to claimants shall be mailed by the Debtor to claimants at the
5 address appearing on the master mailing matrix unless the claimant provides the Debtor with
6 an alternative address. For a period of one year from the date a distribution was made by the
7 Debtor but has gone uncollected by the claimant, the Debtor shall retain any distributions
8 otherwise distributable hereunder which remain unclaimed. Thereafter, the unclaimed funds
9 shall revert in the Debtor.

10 XII. Revesting.

11 Except as provided for in the Plan or in the Order Confirming Plan, on the date of
12 confirmation the Debtor shall be vested with all the property of the estate, free and clear of all
13 claims, liens, charges, and other interests of creditors, arising prior to the date of confirmation.
14 Upon the date of confirmation, the Debtor shall operate its business free of any restrictions.
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16 RESPECTFULLY SUBMITTED this 5th day of February, 2018.

17 CARMICHAEL & POWELL, P.C.

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19 By 

20 _____
21 Donald W. Powell
22 6225 North 24th Street, #125
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24 Attorneys for Debtor
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