

United States Bankruptcy Court  
Northern District of California

In re:

Case No. **15-31557-HB**  
Chapter 11

WESLEY MEDICAL STAFFING, INC  
\_\_\_\_\_ /

**FIRST AMENDED  
PROPOSED COMBINED PLAN OF REORGANIZATION  
AND DISCLOSURE STATEMENT  
(July 27, 2016)**

**INTRODUCTION**

This is Debtor's First Amended Combined Chapter 11 Plan of Reorganization and Disclosure Statement (the Plan). The Plan identifies each known creditor by name and describes how each claim will be treated if the Plan is confirmed.

Part 1 contains the treatment of creditors with secured claims; Part 2 contains the treatment of general unsecured creditors, who will be paid 100% of allowed claims in monthly payments over 84 months. Taxes, both secured and unsecured, and other priority claims would be paid in full, as shown in Part 3. Priority wage claims will be paid in ninety (90) days.

Most creditors (those in impaired classes) are entitled to vote on confirmation of the Plan. Completed ballots must be received by Debtor's counsel, and objections to confirmation must be filed and served, no later than August 26, 2016. The court will hold a hearing on confirmation of the Plan on September 8, 2016 at

U.S. Bankruptcy Court  
Courtroom 19  
450 Golden Gate Ave. 16th Floor  
San Francisco Courtroom 19 San Francisco, CA 94102

Attached to the Plan are exhibits containing financial information that may help you decide how to vote and whether to object to confirmation. Exhibit 1 includes background information regarding Debtor and the events that led to the filing of the bankruptcy petition and describes significant events that have occurred during this Chapter 11 case. Exhibit 2

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contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation. Exhibit 3 shows Debtor's monthly profit and loss. Exhibit 4 describes how much Debtor is required to pay on the effective date of the plan.

Whether the Plan is confirmed is subject to complex legal rules that cannot be fully described here. You are strongly encouraged to read the Plan carefully and to consult an attorney to help you determine how to vote and whether to object to confirmation of the Plan.

If the Plan is confirmed, the payments promised in the Plan constitute new contractual obligations that replace the Debtor's pre-confirmation debts. Creditors may not seize their collateral or enforce their pre-confirmation debts so long as Debtor performs all obligations under the Plan. If Debtor defaults in performing Plan obligations, any creditor can file a motion to have the case dismissed or converted to a Chapter 7 liquidation, or enforce their non-bankruptcy rights. Debtor will be discharged from all pre-confirmation debts (with certain exceptions) if Debtor makes all Plan payments. Enforcement of the Plan, discharge of the Debtor, and creditors' remedies if Debtor defaults are described in detail in Parts 5 and 6 of the Plan.

## **PART 1: TREATMENT OF SECURED CREDITORS**

### **Creditors' Rights Remain Unchanged.**

Class	Name of Creditor	Description of Collateral
1A	Gateway Acceptance Company	Accounts Receivable
1B	Regus Office	Rent deposit

These creditors' legal, equitable, and contractual rights remain unchanged with respect to the above collateral. The confirmation order will constitute an order for relief from stay. Creditors in these classes shall retain their interest in the collateral until paid in full. **These secured claims are not impaired and are not entitled to vote on confirmation of the Plan.**

**Upon confirmation, any pre-petition cash collateral in the possession of Gateway Acceptance Company in excess of the pre-petition claim of Gateway shall be turned over to the Debtor. The Debtor shall use the money turned over to pay administrative expense claims and claims under this plan.**

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

Class	Name of Creditor	Collateral	Amount Due	Interest Rate	Monthly Payment	Term
1C	IRS	Accounts Receivable	\$136,348.73 (Disputed)	3.0%	\$2,799.49 (to be adjusted)	52

Debtor will pay the entire amount contractually due with interest through 52 equal monthly payments, due the 14th day of the month, starting September 14, 2016 on the above secured claims. Creditors in these classes shall retain their interest in the collateral until Debtor makes all payments on the allowed secured claim specified in the Plan. If this claim is reduced for any reason, the remaining balance due at that time shall, without further court order, be re-amortized and paid over the remaining portion of the 52 month term in equal installments so that the total amount due will be paid within five years of the date of commencement of this case.

Creditors in these classes may not repossess or dispose of their collateral so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **These secured claims are impaired and, except for the IRS, are entitled to vote on confirmation of the Plan.**

Payments to claimants in these classes may continue past the date Debtor obtains a discharge. The claimants' rights against its collateral shall not be affected by the entry of discharge, but shall continue to be governed by the terms of this Plan.

**PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS**

**Class 2(a). Small Claims.**

Name of Creditor	Amount of Claim	Amount to be Paid
8x8 Phone Service	\$ 151.26	\$ 151.26
EFAX Internet/Fax Service	\$ 100.00	\$ 100.00
Harvard Business Services	\$ 100.00	\$ 100.00
Intellicorp.	\$ 204.05	\$ 204.05
LabCorp Testing Company	\$ 50.00	\$ 50.00
Nurse Competency Testing Services	\$ 425.00	\$ 425.00

Ohio Bureau of Worker's Compensation	\$	500.00	\$	500.00
Total	\$	1,530.31	\$	1,530.31

This class includes any creditor whose allowed claim is \$ 500 or less, and any creditor in Class 2(b) whose allowed claim is larger than \$500 but agrees to reduce its claim to \$ 500. Each creditor will receive thirty days (30) after the Effective Date of the Plan a single payment equal to the lesser of its allowed claim or \$500.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Claimants in this class are impaired and are entitled to vote on confirmation of the Plan, unless their claims are paid in full with interest on the Effective Date of the Plan.**

**Class 2(b). [Other] General Unsecured Claims.**

Name of Creditor	Amount of Claim	Disputed Y/N	Amount to be Paid	Quarterly* Payment
Ace Property & Casualty Insurance Company	\$ 2,500.00	Y	\$ 2,500.00	\$ 119.06
Ace Property & Casualty Insurance Company	\$ 15,196.13	Y	\$ 15,196.13	\$ 723.71
AFCO Premium Finance Agreement	\$ 0.00	N	\$ 0.00	\$ 0.00
Franchise Tax Board	\$ 39,882.80	Y	\$ 39,882.80	\$ 1,899.41
Georgia Dept. Of Revenue	\$ 933.39	N	\$ 933.39	\$ 44.45
Hartford Worker's Compensation	\$ 2,000.00	N	\$ 2,000.00	\$ 95.25
Indeed Resume Service	\$ 2,000.00	N	\$ 2,000.00	\$ 95.25
Internal Revenue Service	\$ 5,782.35	N	\$ 5,758.72	\$ 274.26
Medifis, Inc	\$ 5,758.72	N	\$ 5,758.72	\$ 274.26
Monster Resume Services	\$ 5,000.00	N	\$ 5,000.00	\$ 238.12
Ohio Dept. Of Job and Family Services	\$ 817.12	N	\$ 817.12	\$ 38.92
Ohio Dept. of Taxation (2012 tax)	\$ 1,038.28	N	\$ 1,038.28	\$ 49.45
Ohio Dept. of Taxation (2014 ax)	\$ 1,464.71	N	\$ 1,464.71	\$ 69.76

Select Medical, Tender Demand	\$ 0.00	Y	\$ 0.00	\$ 0.00
Total	\$ 82,373.50			\$ 3,921.90

Allowed claims of general unsecured creditors [not treated as small claims] (including allowed claims of creditors whose executory contracts or unexpired leases are being rejected under this Plan) shall be paid as follows:

**Percent Plan.** Creditors will receive 100 percent of their allowed claim in 21 equal quarterly installments, due on the last day of each calendar quarter, starting on September 30, 2016.

The quarterly payment on disputed claims will be reduced, without further court order, if claim is reduced, and the remaining balance due at that time shall, without further court order, be re-amortized and paid over the remaining portion of the 21 quarter term in equal installments so that the total amount due will be paid within 21 quarters.

Creditors in this class may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **This class is impaired and is entitled to vote on confirmation of the Plan.** Debtor has indicated above whether a particular claim is disputed.

### **PART 3: TREATMENT OF PRIORITY AND ADMINISTRATIVE CLAIMS**

#### (a) Professional Fees.

Debtor will pay the following professional fees in full on the Effective Date, or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount
Hall Booth Smith, P.C.	Paid by insurance carrier
Craig K. Welch	\$30,000.00

The following professionals have agreed to accept payment over time as follows. Payments will be made monthly, due on the first day of the month, starting upon approval by the court.

Name and Role of Professional	Estimated Amount	Payment Amount	Number of Payments
Craig K. Welch	Unpaid balance	TBD	TBD

Professionals may not take collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Estate professionals are not entitled to vote on confirmation of the Plan.**

(b) Other Administrative Claims. Debtor will pay other allowed claims entitled to priority under section 503(b) in full on the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which shall be paid when normally due and payable (these creditors are not listed below). All fees payable to the United States Trustee as of confirmation will be paid on the Effective Date; post-confirmation fees to the United States Trustee will be paid when due.

Administrative Creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Administrative claimants are not entitled to vote on confirmation of the Plan.**

Name of Administrative Creditor	Estimated Amount of Claim
None.	

(c) Priority Wage Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(4) in full over time with interest. Payments will be made monthly, due on the first day of the month, starting one month after confirmation. To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.

Priority wage creditors may not take any collection action against Debtor so long as Debtor is not in material default under

the Plan (defined in Part 6(c)). **Priority wage claimants are entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim	Interest Rate	Payment Amount	Number of Payments
Ash, Ron	\$ 476.43	0.00%	\$ 36.65	13
Ash, Ron	\$ 1,603.85	0.00%	\$ 123.37	13
Ash, Ron	\$ 1,431.08	0.00%	\$ 110.08	13
Carmean, Cythia	\$ 6,291.97	0.00%	\$ 484.00	13
Roebuck, Phylis	\$ 150.00	0.00%	\$ 11.54	13
Smith, Marcus	\$ 2,323.00	0.00%	\$ 178.69	13
Total	\$ 12,276.33	0.00%	\$ 944.33	13

(d) Tax Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(8) in full over time with interest (at the non-bankruptcy statutory interest rate) in equal amortizing payments in accordance with section 511 of the Bankruptcy Code. Payments will be made monthly, due on the first day of the month, starting one month after confirmation. To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.

Priority tax creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 6(c)). **Priority tax claimants are not entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim	Statutory Interest Rate	Payment Amount	Number of Payments
Alabama, Dept of Labor	\$ 1,359.79	3.00%	\$ 27.92	52
Employment Development Dept. Of California	\$ 0.00	3.00%	\$ 0.00	0
Franchise Tax Board (disputed)	\$ 103,662.63	3.00%	\$ 2,128.38	52

Georgia Dept. Of Labor	\$ 389.26	3.00%	\$ 7.99	52
Georgia Dept of Revenue	\$ 4,474.52	3.00%	\$ 91.87	52
Internal Revenue Service	\$ 58,853.44	3.00%	\$ 1,208.37	52
Maryland Dept. Of Labor	\$ 500.00	3.00%	\$ 10.27	52
Ohio Bureau of Workers Comp	\$ 1,341.69	3.00%	\$ 27.55	52
Ohio Dept of Taxation (2012 tax)	\$ 2,150.31	3.00%	\$ 44.15	52
Ohio Dept of Taxation (2014 tax)	\$ 3,079.35	3.00%	\$ 63.22	52
Ohio Dept of Jobs and Family	\$ 2,145.72	3.00%	\$ 44.06	52
Total	\$ 172,731.64		\$ 3,653.78	

**PART 4: EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

(a) Executory Contracts/Unexpired Leases Assumed. Debtor assumes the following executory contracts and/or unexpired leases upon confirmation of this Plan and will perform all pre-confirmation and post-confirmation obligations thereunder. Post-confirmation obligations will be paid as they come due. Pre-confirmation arrears will be paid in full on the Effective Date.

All executory contracts are assumed.

(b) Executory Contracts/Unexpired Leases Rejected. Debtor rejects the following executory contracts and/or unexpired leases and surrenders any interest in the affected property, and allows the affected creditor to obtain possession and dispose of its property, without further order of the court. Claims arising from rejection of executory contracts have been included in Class 2 (general unsecured claims).

Name of Counter-Party	Description of Contract/Lease
None.	

(c) Executory contracts and unexpired leases not specifically assumed or rejected above will be deemed assumed.



## **PART 5: DISCHARGE AND OTHER EFFECTS OF CONFIRMATION**

(a) Discharge. Debtor shall be discharged upon confirmation of the plan as provided in 11 U.S.C. §1141(d).

(b) Vesting of Property. On the Effective Date, all property of the estate and interests of the Debtor will vest in the reorganized Debtor pursuant to § 1141(b) of the Bankruptcy Code free and clear of all claims and interests except as provided in this Plan, subject to revesting upon conversion to Chapter 7 as provided in Part 6(f) below.

(c) Plan Creates New Obligations. Except as provided in Part 6(d) and (e), the obligations to creditors that Debtor undertakes in the confirmed Plan replace those obligations to creditors that existed prior to the Effective Date of the Plan. Debtor's obligations under the confirmed Plan constitute binding contractual promises that, if not satisfied through performance of the Plan, create a basis for an action for breach of contract under California law. To the extent a creditor retains a lien under the Plan, that creditor retains all rights provided by such lien under applicable non-Bankruptcy law.

## **PART 6: REMEDIES IF DEBTOR DEFAULTS IN PERFORMING THE PLAN**

(a) Creditor Action Restrained. The confirmed Plan is binding on every creditor whose claims are provided for in the Plan. Therefore, even though the automatic stay terminates on the Effective Date with respect to secured claims, no creditor may take any action to enforce either the pre-confirmation obligation or the obligation due under the Plan, so long as Debtor is not in material default under the Plan, except as provided in Part 6(e) below.

(b) Obligations to Each Class Separate. Debtor's obligations under the Plan are separate with respect to each class of creditors. Default in performance of an obligation due to members of one class shall not by itself constitute a default with respect to members of other classes. For purposes of this Part 6, the holders of all administrative claims shall be considered to be a single class, the holders of all priority claims shall be considered to be a single class, and each non-debtor party to an assumed executory contract or lease shall be considered to be a separate class.

(c) Material Default Defined. If Debtor fails to make any payment, or to perform any other obligation required under the

Plan, for more than 10 days after the time specified in the Plan for such payment or other performance, any member of a class affected by the default may serve upon Debtor and Debtor's attorney (if any) a written notice of Debtor's default. If Debtor fails within 30 days after the date of service of the notice of default either: (i) to cure the default; (ii) to obtain from the court an extension of time to cure the default; or (iii) to obtain from the court a determination that no default occurred, then Debtor is in Material Default under the Plan to all the members of the affected class.

(d) Remedies Upon Material Default. Upon Material Default, any member of a class affected by the default: (i) may file and serve a motion to dismiss the case or to convert the case to Chapter 7; or (ii) without further order of the court has relief from stay to the extent necessary, and may pursue its lawful remedies to enforce and collect Debtor's pre-confirmation obligations.

(e) Claims not Affected by Plan. Upon confirmation of the Plan, and subject to Part 5(c), any creditor whose claims are left unimpaired under the Plan may, notwithstanding paragraphs (a), (b), (c), and (d) above, immediately exercise all of its contractual, legal, and equitable rights, except rights based on default of the type that need not be cured under section 1124(2)(A) and (D).

(f) Effect of Conversion to Chapter 7. If the case is at any time converted to one under Chapter 7, property of the Debtor shall vest in the Chapter 7 bankruptcy estate to the same extent provided for in section 348(f) of the Bankruptcy Code upon the conversion of a case from Chapter 13 to Chapter 7.

(g) Retention of Jurisdiction. The bankruptcy court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in Material Default of any Plan obligation; (ii) whether the time for performing any Plan obligation should be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date or specifically contemplated in this Plan to be filed in this court (see Part 7(f)); (iv) whether the case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises of controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

## **PART 7: GENERAL PROVISIONS**

(a) Effective Date of Plan. The Effective Date of the Plan is

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

(b) Disputed Claim Reserve. Debtor will create a reserve for disputed claims. Each time Debtor makes a distribution to the holders of allowed claims, Debtor will place into a reserve the amount that would have been distributed to the holders of disputed claims if such claims had been allowed in the full amount claimed. If a disputed claim becomes an allowed claim, Debtor shall immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the plan calculated using the amount of the allowed claim. Any funds no longer needed in reserve shall be returned to Debtor.

(c) Cramdown. Pursuant to section 1129(b) of the Bankruptcy Code, Debtor reserves the right to seek confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors.

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

(e) Governing Law. Except to the extent a federal rule of decision or procedure applies, the laws of the State of California govern the Plan.

(f) Lawsuits.

Debtor believes that causes of action for fraudulent transfers, voidable preferences, or other claims for relief exist against the following parties:

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
Ronald Ash	Y	Preference	\$ 39,833.76	N

(g) Notices. Any notice to the Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

Craig K. Welch  
Law Offices of Craig K. Welch  
809 Petaluma Boulevard North  
Petaluma, Ca. 94952

and:

Ronald Ash  
P.O. Box 987  
Tiburon, Ca. 94920

(h) Post-Confirmation United States Trustee Fees. Following confirmation, Debtor shall continue to pay quarterly fees to the United States Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor is required to make these payments, Debtor shall file with the court quarterly reports in the form specified by the United States Trustee for that purpose.

(i) Deadline for § 1111(b) Election. Creditors with an allowed secured claim can make a timely election under section 1111(b) no later than 14 days before the first date set for the hearing on confirmation of the Plan.

Dated: July 27, 2016

WESLEY MEDICAL STAFFING, INC,  
Debtor

By: /Ronald Ash  
Ronald Ash, President

Dated: July 27, 2016

Law Office of Craig K. Welch

By/s/Craig K. Welch  
Craig K. Welch, SBN 078546  
Attorney for Debtor.

## Attorney Certification

I, Craig K. Welch, am legal counsel for the Debtor in the above-captioned case and hereby certify the following: (i) the foregoing plan is a true and correct copy of the Individual Chapter 11 Combined Plan and Disclosure Statement promulgated by the Northern District of California, San Francisco Division, on July 30, 2012 (the "Standard-Form Plan"); and (ii) except as specified below, there have been no alterations or modifications to any provision of the Standard-Form Plan.

The following provisions of the Standard-Form Plan have been altered or otherwise modified.

Page 1, paragraph 2, description of payments changed and court address added.

Page 1, description of exhibit 3 changed to "profit and loss"

Page 2, deleted reference to property surrender.

Page 3 - 5, all provisions related to cure payments and lien stripping deleted.

Page 5 and 6 all references to property to be sold deleted.

Page 8 reference to Pot Plan deleted. Also provisions to reduce monthly payment to unsecured creditor if amount of claim reduced.

Page 9 new class of priority wage claims added. Tax claims re-labeled as sub-class (d).

Page 10, part 5 discharge provision changed to corporate discharge provisions of 1141(d).

Exhibit 3 has been changed to include the corporate profit and loss.

I declare that the foregoing is true and correct. Executed this 27 day of July 2016.

/s/Craig K. Welch  
Craig K. Welch, SBN 078546  
Attorney for Debtor

## **Exhibit 1 - Events That Led To Bankruptcy**

The Debtor, Wesley Medical Staffing, Inc., is in the business of providing temporary nurse staffing to various hospitals nationwide. The Debtor employs nurses which it provides on a temporary basis to several dozen hospitals. It invoices the hospitals for the services on a net 30 or net 60 basis. The Debtor intends to assume all of its hospital contracts.

The Debtor pays its employees and contractors for their services on a weekly basis. In order to do that, the Debtor borrows money from Gateway Acceptance Company which is secured by the accounts receivable due from the hospitals. Gateway collects the receivables, pays itself the amount it has loaned with interest, and then turns the balance collected over to the Debtor.

Prior to the commencement of this case, the IRS levied on the customer accounts being collected by Gateway to pay the Debtor's past due taxes. This caused an interruption in the Debtor's cash flow. By filing the Chapter 11 petition, the Debtor was protected from further levies.

After the bankruptcy filing, the Debtor obtained Court approval to continue its financing arrangement with Gateway Acceptance. The Debtor has received statements from Gateway Acceptance stating that Gateway is holding about \$29,999.85 in pre-petition cash collateral which it has received from the Debtor's pre-petition accounts receivable. The Debtor's plan requires Gateway Acceptance to turnover this cash collateral to the Debtor. After confirmation, the Debtor will be allowed to use the cash collateral without restriction.

The Debtor intends to pay the IRS in monthly installments through the Chapter 11 plan. The IRS has filed a proof of claim for \$136,345.73. The Debtor believes this amount is overstated and intends to negotiate with the IRS over the amount of this debt, and if necessary, object to the amount. Nonetheless, the plan contemplates the full amount might be allowed.

Similarly, the Franchise Tax Board ("FTB") has filed a claim in the amount of \$145,545.63 for income taxes going back to a time period when the Debtor was not doing business in California. Apparently these are estimated taxes. The Debtor has contacted the FTB, and they have indicated that they will amend this claim if the Debtor files returns showing what income is taxable in California. The Debtor was in the process of filing those returns at the time this statement was prepared. Nonetheless, the plan contemplates the full amount might be allowed.

Another cause for the filing of this Chapter 11 case was a civil legal action against the Debtor entitled "Moody, et. al. v. Obebe, R.N. et.al." filed in the State Court of Dekalb County Georgia as case number 15A56863E3. The Debtor's insurance carrier accepted the defense and

settled the action, and the settlement has been approved by the Court. The costs of defense and the settlement amount were paid by the Debtor's insurance company. As a result there will be no impact on the Debtor's financial affairs.

**Exhibit 2 - What Creditors Would Receive if the Case Were Converted to a Chapter 7**

Description	Liquidation Value	Secured Claim	Net Proceeds
Cash	\$ 1,000.00	\$ 0.00	\$ 1,000.00
Accounts Receivable	\$ 170,688.67	\$ 113,000.00	\$ 57,688.00
Pre-petition A/R held by Gateway	\$ 29,999.00	\$ 136,000.00	\$ 0.00
Employee Advances	\$ 3,100.00	\$ 0.00	\$ 0.00
Office Equipment and furnishings	\$ 750.00	\$ 0.00	\$ 0.00
<b>TOTAL</b>			\$ 58,688.00

Net Proceeds of Real Property and Personal Property	\$ 58,688.00
Recovery from Preferences / Fraudulent Conveyances [ADD]	\$ 0.00
Chapter 7 Administrative Claims [SUBTRACT]	\$ 5,000.00
Chapter 11 Administrative Claims [SUBTRACT]	\$ 30,000.00
Priority Claims [SUBTRACT]	\$ 190,000.00
Chapter 7 Trustee Fees [SUBTRACT]	\$ 5,000.00
Chapter 7 Trustee's Professionals [SUBTRACT]	\$ 10,000.00
<b>NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS</b>	\$ 0.00

Estimated Amount of Unsecured Claims	\$ 84,000.00
Percent Distribution to Unsecured Creditors Under Proposed Plan	100%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	0%



**Exhibit 3 - Monthly Income and Expenses**

**Wesley Medical Staffing, Inc  
Profit & Loss  
January through May 2016**

	<u>Jan – Mar 16</u>	<u>Apr - Jun 16</u>	<u>Jul - Sept FCST</u>	<u>FCST/Monthly</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Fee for Service Income</b>	277,858.54	327,964.30	339,750.00	
<b>Nonmedical Income</b>	0.00	3,740.90	3,750.00	
<b>Total Income</b>	277,858.54	331,705.20	343,500.00	114,500.00
<b>Expense</b>				
<b>Bank Service Charges</b>	212.13	228.20	150.00	
<b>Business Licenses and Permits</b>	275.00	50.00	50.00	
<b>Computer and Internet Expenses</b>	2,256.84	1,521.59	1,525.00	
<b>Insurance Expense</b>	1,031.02	5,735.64	5,735.64	
<b>Interest Expense</b>	2,049.02	5,061.37	5,100.00	
<b>Medical Records and Supplies</b>	0.00	1,888.45	1,900.00	
<b>Office Supplies</b>	1,089.88	1,294.70	1,294.70	
<b>Payroll Expenses</b>	267,033.93	288,964.07	298,245.98	
<b>Postage &amp; Delivery</b>	0.00	41.21	50.00	
<b>Reference Materials</b>	6.99	0.00	0.00	
<b>Rent Expense</b>	2,648.16	2,872.22	2,875.00	
<b>Telephone Expense</b>	316.01	435.75	450.00	
<b>Third Party Fees</b>	2,848.64	2,844.36	2,943.80	
<b>Travel Expense</b>	37.29	546.57	1,250.00	
<b>Vaccines and Medicines</b>	0.00	838.76	850.00	
<b>Total Expense</b>	279,804.910	312,322.890	322,420.120	107,473.37
<b>Net Ordinary Income</b>	-1,946.37	19,382.31	21,079.88	7,026.63
<b>Monthly</b>	<u>\$(648.79)</u>	<u>\$6,460.77</u>	<u>\$7,026.63</u>	<u>7,026.63</u>

Exhibit 3 (Continued)

Net Projected Income

\$7,026.63

**Franchise Tax Board included in distribution:**

<b>Monthly Plan Payments</b>	Amount
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	?
Priority Wage Claims	\$ 944.00
Priority Tax Claims	\$ 3,653.98
General Unsecured Creditors	\$ 1,307.30
Secured IRS claim	\$ 2,702.00
<b>D. Total Plan Payments</b>	<b>\$ 8,607.28</b>

<b>E. Plan Feasibility</b> (Line C - Line D) (Not feasible if less than zero)	-\$1,967.37
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**Franchise Tax Board not included in distribution:**

<b>Monthly Plan Payments</b>	Amount
Plan Payments Not Included in Calculating Disposable Income	
Administrative Claims	?
Priority Wage Claims	\$ 944.00
Priority Tax Claims	\$ 1,498.00
General Unsecured Creditors	\$ 1,307.30
Secured IRS claim	\$ 2,702.00
<b>D. Total Plan Payments</b>	<b>\$ 6,451.30</b>

<b>E. Plan Feasibility</b> (Line C - Line D) (Not feasible if less than zero)	\$ 575.33
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**Exhibit 4 - Effective Date Feasibility**

Can the Debtor Make the Effective Day Payments?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date		\$40,000.00
Payments on Effective Date		
Unclassified Claims		
Administrative Expense Claims	\$30,000.00	
Priority Claims		
Small Claims (Class 2(a))		
U.S. Trustee Fees	\$ 500.00	
B. Total Payments on Effective Date		\$30,500.00
<b>C. Net Cash on Effective Date</b> (Line A - Line B) (Not feasible if less than zero)		\$ 9,500.00